

COMMITTEE OF THE WHOLE

The committee reported progress.

THIRD READINGS

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

Hon. Mr. Shillington: — I move that the amendments be now read a first and second time.

Motion agreed to.

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

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

COMMITTEE OF FINANCE

**General Revenue Fund
Executive Council
Vote 10**

The Chair: — I will ask the Premier to introduce the officials who are with him in the committee today.

Hon. Mr. Romanow: — Mr. Chairman, I have the deputy minister, Mr. Ron Clark to my left; the chief of staff, Mr. Garry Aldridge. Ms. Louise Greenberg is senior policy adviser. Behind me, Mr. Don Wincherauk, director of administration; and behind Mr. Wincherauk is administrative budget and personnel officer, Bonita Heidt.

Item 1

Mr. Swenson: — Thank you, Mr. Chairman. I wonder, Mr. Premier, before I take up where we left off the other day if your officials have the standard prepared answers which we submitted to your office some time ago. And if we could have those sent over some time this evening. Thank you.

Hon. Mr. Romanow: — Mr. Chairman, we have them and they're on their way over there right now. Thank you very much.

Mr. Swenson: — Thank you, Mr. Chairman, and thank you, Mr. Premier. We'll review these answers and I'm sure we can discuss some of them a little later on.

When we left off on Tuesday last I believe it was, Mr. Premier, you had made the assertion that the policy decision behind Bill 90 was a common one that could have applied in many other areas of government. And you challenged me to send a letter to an individual with the Redvers Co-op in response.

I would ask you to table that section of The Police Act which you were quoting from the other day. That was The Police Act, 1990. I believe it was section 10 that you were referring to, but I would ask that you table that section that you were quoting from so that I might compare. Because in my own review of that particular Act I find it a little strange that that one would be the one that you have chosen to refer to in this particular piece of legislation, and the policy position that your government has taken.

Because my review of the Act raises several points, and I'll just put them on the record in the Assembly and you and your officials can refute them. I believe this particular Act only applies to employees, namely police officers. It does not bear on any private citizen's rights. It deals exclusively with disciplinary action that can be taken against members of a police force, and those powers are set out in section 58.

A private citizen with an interest in an action retains all his or her rights to go to a court to seek redress, either through civil action or criminal prosecution of an offending police officer. It specifically makes provision for any serious charges to be heard in the courts first, and states in section 64 that the decision of the court, the decision of the court, not the minister, shall be taken as conclusive proof as to the guilt or innocence of a police officer, thereby confirming access to the court.

So the policy on the upgrader, to be legally equivalent, it would have to apply only to Crown Investments Corporation. Affected citizens would have to retain access to the courts for civil damages, and a mechanism for a prior decision of a court to be accepted as evidence in a hearing would have to exist.

Now, Mr. Premier, you have had the benefit of a legal education and a legal background and have people close to you with legal backgrounds who can, I'm sure, give opinions. But it would seem to me, Mr. Premier, that the Act that you quoted to me that you said I should reply to the ladies from the Redvers Co-op, would say that if I did that according to what you quoted to this House, that individual as a member of a cooperative, a Federated Co-ops' affiliates, would have every opportunity to have recourse to the courts. And that's going to be my response, sir.

I want you to tell the House tonight that that provision in The Police Act which you quoted is exactly the same as what you propose in the upgrader Bill; exactly the same — that the individuals and the rights to go to court against your government are the same. Would you do that, sir.

Hon. Mr. Romanow: — Mr. Chairman, the hon. member, with the greatest of respect, is a little bit off base on the analysis in the following ways. He tries to differentiate the privative clause, as they call it in The Police Act, from the privative clause in the upgrader Bill on the argument that the decisions taken under the upgrader Act are in some ways — I'm sorry, not in some ways; in all ways — not appealable to the court.

The Minister of Justice was speaking about this before the adjournment at 5 o'clock and articulated the legal explanation which in effect disputed that.

But what I'm trying to address particularly is the member's reference that somehow, under The Police Act, individuals' rights aren't affected. And I can tell the hon. member as a person who has actually practised under The Police Act both for police officers and complainants against police officers, that he's incorrect there. The Police Act deals with discipline on police officers, but the order of a police commission affects not only the rights of a police officer but very often the rights and the responsibilities of individuals who most often raise complaints about police officers. It is when that board makes that order that the privative clause then applies.

And so too it is in the case of the upgrader Bill. The wording of the Bill is not identical but it is essentially and fundamentally the same as the whole series of pieces of legislation that when you were the minister your government enacted and governments across Canada have enacted.

Mr. Swenson: — Well, Mr. Premier, I listened very carefully to the Minister of Justice. He's a very learned individual. Obviously he talks in legalese in a way that most of us can understand. And he said that that access to the court is there for Federated Co-op outside of this piece of legislation. Once this is proclaimed and any action which occurs because this Bill is in force . . . that once this Bill is in force and it is used, the clauses of this Bill are used, Mr. Premier, then it means exactly what it says, that the minister is absolutely above reproach by any court.

I don't disagree with the Minister of Justice at all, Mr. Premier, that right now FCL (Federated Co-operatives Ltd.), CCRL (Consumers' Co-operative Refineries Ltd.), yourselves, all of you have the right to use the court system to determine disputes, to determine whether the other party to the agreement has lived up to their word. But the minister was clear I think — and you correct me if I'm wrong — that once a provision of this Act is used, then the minister is absolutely beyond reproach by the court system or any co-op member in the province of Saskatchewan. And the point I was making to you, sir, the other night is that I think that is a very weak-kneed approach to what you're doing.

The minister could have brought in the first part of the Bill. He could have brought in even the second part of the Bill and people would understand. But what you have done, Mr. Premier, what you have said to co-op members around this province is that you are not willing, that you are not willing to put your government to the test of court action once the provisions of the Bill are used. Once the provisions are used then the minister is above the court. And I say, sir, that as you said the other night, that is a political policy, philosophical position that you've taken. And I say to you, sir, it's wrong.

Your Minister of Justice quoted out of the labour Act this afternoon. Upon review of that particular piece of

legislation, nowhere does it have the power that you are assigning to the minister in this particular proviso.

And I'm just wondering, sir, on a policy side, because the buck does stop at your desk, why you would have to take that final step. Why that you feel you have to go this final step to make you and your ministers above court action in this country. That I just can't comprehend or understand.

You could have brought in a clause that said it is going to arbitration. That is done in labour disputes all the time. Governments put workers back to work and they force binding arbitration upon the worker and the company. You could have done that. But no, you have to go the whole nine yards.

What is it about the co-op movement, what is it about FCL that scare you so much that you have to go with these final provisions that if used, if used, put you above the court system? What is it that scares you so much about these people?

(1915)

Hon. Mr. Romanow: — Mr. Chairman, the answer to the question is absolutely nothing scares me about these people. But the more substantive point I think what the member opposite is trying to communicate is why is it that governments, including his government, enact privative clauses for the actions of ministers and/or quasi-judicial tribunals appointed by ministers acting on behalf of ministers when they make decisions?

And the answer is because for the years of parliamentary and democratic law and under the principles of the rule of law, legislatures, including yours when you dominated it as the government side, feel that in the public interest, protection needs to be afforded to those ministers and to those boards which have acted in honest action in the public interest.

I mean there are many examples. Here's the Municipal Board, section 40. It's orders of the board — finality. And it's got virtually the same wording in there. And you enacted that in 1988. Now you strike out "board" and put in "minister"; strike out "minister" and put in "the board."

An Hon. Member: — There is a difference, and you know it.

Hon. Mr. Romanow: — Well I mean . . . The member says there's a difference. I mean . . . And that, with the greatest respect, is an absolutely ludicrous argument because the question is who the decision-making authority is.

In fact it's even more protective of the legislature, that the minister makes the argument and has to answer in the legislature, in question period and otherwise, whereas the board does not even appear, the Municipal Board. And I could ask you . . . Excuse me, why don't you just get up and ask a question, member from Morse? Or do you lack the gumption to do so?

Now until you do, please be quiet till I answer the Leader of the Opposition.

And the situation here simply is that the board of . . . Mr. Chairman, I gave my answer. That's it.

Mr. Swenson: — I say to you, Mr. Premier, that when you and Chrétien and McMurtry did your thing in the kitchen there back in '81, that you changed that basic premise of parliamentary democracy. You changed that. That's why the notwithstanding clause, I believe, is available to provincial governments, right?

So instead of all this whereas stuff every time you get in trouble, whether it be with employment contracts or whether it be with GRIP (gross revenue insurance program) . . . I mean the only time we ever see that from you, Mr. Premier, is when you're scared of somebody. When you're scared of having your government's backside hauled into a court somewhere, we always get in this situation.

Nowhere else. I mean you have passed what? — 80, 90, 100 Bills per session in here. But any time that you fundamentally are going after a group of people in the province of Saskatchewan, we always end up with the same clauses — the whereas.

Now, Mr. Premier, you laugh when I say notwithstanding. Why wouldn't you throw that in there? That gives you the right under the constitution as I understand it to say, notwithstanding this particular section we can do this. My government used it once under heavy criticism from you. Other governments have used it. Is this the way that you get around that criticism? Because it's available to you.

I don't understand why you would not have the gumption to bring in this piece of legislation without having that final hammer. I really don't understand that because . . . And I say to you again, sir, the reason I believe is, is at some point down the road there's more to this story going to come out. Because there is politics involved here for all the Minister of Justice's pronouncements this afternoon about your government being pure as the driven snow in this issue.

Sir, I believe you're scared. I believe you're scared that the half-truths, that the misunderstandings, that the misinformation, that the political pieces that you and some of your political friends engaged in over the course of this debate and over the history of this refinery will come to the fork. And if some of those things see the light of day, Mr. Premier, if some of those things see the light of day then there are going to be obvious repercussions. And you don't want to have to face those repercussions.

Mr. Premier, it isn't I who writes all of the articles in the various media around the province about the political involvement of you and members of your party in this whole thing. It isn't I that have done that, sir. There are a lot of people around the province of Saskatchewan of the firm belief, including a lot of the members of the co-op movement who say, that there

are other factors involved here.

And I say the only reason that you don't have the gumption to come in with this legislation without that protection is that you're afraid when that does finally come out that you'll end up in court. And you'll end up in court and you'll have to answer for it. And I would say to you, Mr. Premier, rather than take that chance, it would be much better to come forward with a solution that involves negotiation.

And I'll even give you this; I'll even give you this, that maybe the front end of that Bill has some merit. If FCL were not willing to sit down and go to arbitration on those four outstanding issues, then maybe that's where you should have started out and got that sorted out first. And then maybe we could have proceeded with an honest negotiation on the bigger questions of the integrity of the upgrader and its long-term financial well-being.

If those four issues, according to some of your friends in CIC (Crown Investments Corporation of Saskatchewan), are a large windfall of dollars for the Government of Saskatchewan — and there is that belief there and it has been expressed to FCL that there is a large windfall of dollars for your government in those four outstanding issues — then why not start there?

Bring in the legislation that puts in the arbitration. Do the arbitration, settle the four outstanding issues, get them off the table, and then look at the bigger picture of the financing of the upgrader and its well-being to this province, and the oil industry in particular, well into the future.

I think that would be a good place to start. And I think, Mr. Premier, you might get a lot more support, both in this Legislative Assembly and outside it from Saskatchewan people and co-op members, if we went one step at a time instead of having the whole hog here, and having your government above reproach if there are other issues involved besides strictly financial aspects. Would you reply to that, sir.

Hon. Mr. Romanow: — Well, Mr. Chairman, again it's virtually impossible to reply because, with the greatest respect, it's very difficult to understand the legal argument the member advances. But I will leave the legal argument aside for the moment because, quite frankly, I do not comprehend it.

But if the argument is that we should negotiate a settlement, which I think is a substantive suggestion, I agree with him. I think we would want a settlement. I've repeated in question period and elsewhere that we seek a settlement. We will meet anywhere, any time, with people involved in order to get a settlement and we still think that that's a preferred route. And I think that part of it is something that I totally agree with, and I'm glad to see that the member opposite at least agrees that far as well.

Mr. Swenson: — What I'm saying to you, Mr. Premier, is that the official opposition is prepared to back you

on the arbitration part of this Bill. We would more than like to see that particular issue settled, and settled in a public way so that there's no politics involved, there's no misconception, that the keep whole clause, that the operating agreement, that the costs on the diesel fuel splitter, and the question of NewGrade having to use light crude for eight months while they were down after the fires — that all of those issues that involve several millions of dollars that your officials believe have been misused, that there is a windfall for your government in that area.

I'm saying to you, sir, the official opposition will back you in putting that arbitration process out front, binding, and settle those issues. And once you have that done, sir, I think you are then in a position to do an honest negotiation on the bigger picture without the rest of this Bill in front of this Legislative Assembly.

And you could settle that. You could settle that in a public way and I think, Mr. Premier, there would be a lot of credit to you that those four issues were resolved, they're off the table, they're out in the open. There's no mystery any more to Saskatchewan taxpayers on those issues because they seem . . . And I read the correspondence, I read the press reports, I look at the replies from your minister to FCL, I look at the letters back. These issues seem to be a large, contentious area for your government and the statement was made by the minister today that they have been four years and not settled. Well I say to you, sir, let's settle them. If it takes an Act of the Legislative Assembly to put binding arbitration in place to settle them in an amicable way, because the original agreement doesn't have the power to do it, let's settle the issues.

And I think this Legislative Assembly will help you in bringing that forward. It's the rest of the process, Mr. Premier, that we're having a lot of difficulty with. And we have a lot of difficulty, as my colleague from Rosthern pointed out today, when we see lined up in this legislature: Premier, Justice minister, head of CIC, as he said, the only law firm to go totally defunct in the province in such a short time because they're all in here in some form or other.

That's the problem that we have and the power that you have vested in the third component that was sitting behind you tonight. I won't use the individual's name because that seemed to get the Justice minister all exercised today, that we shouldn't talk about individuals in here who are political appointments. So I'll just say to you, when we see the line-up there, all in a row, then there's a lot of people in the province of Saskatchewan with some suspicion. And I think the best way to alleviate that suspicion that your friend in CIC, or others over there, are causing some problems here as we do this in a public venue, that we give you the arbitration powers in this Assembly and we settle it in a public way.

And beyond that then you are above reproach, sir, absolutely above it. And I think the official opposition would back you. We can do that tonight, and then we can get on with that process, and then you are in a

position to negotiate openly, and settle a bigger question which is financing, and maybe you would have some public sympathy then.

Don't you think that would be a good start considering where we've gone, Justice Estey and all included, that if that didn't provide the solution, that maybe we can start here tonight with that step and start settling things?

Hon. Mr. Romanow: — Well I thank the Leader of the Opposition for at least moving a little bit, and I say this quite genuinely, a little bit off his traditional position of opposition to what has been advanced by the government.

But I would say in rebuttal that I think his suggestion is incomplete because it ignores what I think is the genealogy or the chronology of events here, and that is we must always remember that this Bill is only the result of the Estey report not having been accepted by FCL.

And that being the case, it's the next logical step. And the key elements of this Bill in fact embrace what Mr. Justice Estey has identified are the main problems with the agreement. So I think to do anything less than that would be unsatisfactory.

I think the other point I'd like to make is of course that there is a bit of a classic conundrum which the member's suggestion results in. And that is, in order to legislate the arbitration, you in effect have to legislate provisions of the agreement, because the current agreement have tied up the arbitration process and have denied it. It's unworkable, as Estey has pointed out.

And in order to untie the arbitration and to untie the agreement, somebody has to make the untying decisions. And if you complain that it's the minister who does it, substitute for that a board. It doesn't matter who does it. Somebody will do it. And if somebody does it, then you need to give that person the normal and traditional protection, privative protection, which The Police Act, The Municipal Board Act, various other legislative enactments which your government — and individual minister's enactments as well — have received, as is the standard case.

So my point is, I think it's a worthwhile suggestion but unfortunately it is only but the first yard to what I think is required, namely a solution to this very, very serious drain and potentially even more serious drain on the taxpayers of Saskatchewan.

So I thank him for his view, but in our judgement we think the best way to go is the way the Bill is introduced.

Mr. Swenson: — Mr. Premier, once again you are drawing Justice Estey into this. Justice Estey did not recommend this piece of legislation. You said so yourself the other night. You said the buck stopped at your desk. This was your decision. This was not Justice

Estey. Justice Estey said negotiate, don't legislate. This was your decision, not Justice Estey. Let's get Justice Estey out of this argument, sir.

The official opposition understands binding arbitration. The official opposition understands this Legislative Assembly mandating binding arbitration. That's been done by all governments. And it is a process understood and accepted. Because in my view, Mr. Premier, whether your government did it back before 1982 or our government did it after 1982, at the end of the day the process was accepted.

There are four outstanding issues. Why don't we get on with settling them? Because no one is going to see that as an infringement of the rights of 240,000 co-op members around the province of Saskatchewan.

And if, Mr. Premier, your Minister of Justice is right . . . today in his remarks he said that the process, as per the original agreement as far as arbitration, was under way. And he hoped that provisions of the Act would not have to be used because they had agreed that that arbitration process should flow forward.

(1930)

What I'm saying to you, Mr. Premier, because your upgrader is not going bankrupt tomorrow or next week or next month, that the bigger issues on the financing, if you want to take this thing out of the political realm where it should be, where we concentrate on issues such as differential, where we concentrate on issues such as the interest rate, where we concentrate on the consortium of Canadian banks that have provided the financing, that those issues have some time in front of us to work through.

And I think everyone in the oil patch today will tell you that they expect those differentials to widen through the summer months and indeed will be above \$6 because of the amount of supply coming on stream. And as supply comes on stream the differential widens.

So, Mr. Premier, if your upgrader is paying its interest costs, if its paying its upgrading costs, if its paying its employees and the question is the principle, debt, which is very large, which I agree with you, sir, is a potential problem, then why wouldn't we settle the outstanding issues and then deal with the main problem.

And I've said to you, this opposition is prepared if you think you need legislation to make that arbitration process go forward, to agree with you to get the issues settled. And I believe when you settle them you will not find that windfall at the end of the day. But if you do find a few dollars for the government, a taxpayer, fair ball and so be it. You will have achieved something that no one else could. And we will back you in that sir.

I'm wondering why we must have this headlong push to do the whole thing at once. And there, sir, is where I suspect the political motivation, that the policy

decisions then come suspect. The policy decisions and the ideas put forward by your friends over in CIC, your political appointments, your NDP (New Democratic Party) friends become far more relevant to this question than they would be otherwise.

Because I'm sure we can mutually agree to an arbitrator out there who could settle this issue if they had the power of the Legislative Assembly and binding behind it. I'm sure we could find an arbitrator, Mr. Premier, that we can all agree to, someone that is above politics, above reproach, who can sit down and settle those issues, especially that FCL is willing to use the existing process to settle them.

And you have still not answered me, why as a policy decision, given that the upgrader isn't going bankrupt tomorrow or next week or next month that you feel you have to have this whole thing wrapped up in one package. And I say to you sir, I suspect that your friend in CIC, Mr. Ching, that has more to do with that than anything else.

Tell me, Mr. Premier, show me one piece of financial evidence that says that that operation, given where differentials are going over the summer months, is going to go bankrupt, that the consortium of Canadian banks and other financial people who are the financiers on the project are going to pull their money out in June, July, August, September, October, anywhere in there. Show me that they are prepared to jerk their financing.

Hon. Mr. Romanow: — Mr. Chairman, two points very briefly. First of all, the member persists in either forgetting or ignoring, which I have to remind him of course, of the fundamental conclusion of Mr. Justice Estey. When he calls upon me to give a piece of evidence in support of what we're doing, I cite Estey, who said that the project has run financially aground. And he says it cannot succeed operating at full capacity. That's his finding. I think that this is a very important and very serious finding. So to me that is in effect the show-stopper conclusion. We purposely referred this matter to somebody of the calibre and the quality of Mr. Justice Estey to give us this kind of an absolute assessment. And I think he's done what, in my own judgement, the documentation indicates.

The second point of course is something which the member and I fundamentally will never agree on in the way government should run. The member opposite, as I hear him, in effect is asking the government to adopt a policy of hope, a policy of prayer. He says nobody says the differential is going to shorten, it's going to widen. Things are going to be looking up. Everything's on the rosy side. What's the hurry. Well I don't believe that's the way a government operates. I don't believe that's the way a business operates.

I think a business and a government that is responsible, acts on the facts which are before it — the facts being the Estey report and the fundamental finding of the Estey report and the fundamental nature of the deal — tries to get a negotiated settlement or

tries other avenues, and if it's unable to do so, then has to exercise its responsibility, do what the people have asked it to do. And I believe that that is exactly what the people have asked us to do, to try to bring under control this very, very serious debt situation — probably the most serious megaproject, mega-investment made in the 1980s which jeopardizes the taxpayers' security and the recovery that we've made; \$600 million exposed already, not counting the \$275 million on top of the federal government's, not counting the \$300 million lost by NewGrade. These are all plus figures. That's about a billion dollars.

Well the member says depreciation, but I mean that, with the greatest of respect, is absolutely a non-answer because you depreciate your equipment at some point or other, you depreciate it to zero value, and then people are going to say to you and any accounting operation, what do you have left to borrow on or to operate on? And if you don't have a depreciation allowance set aside to replace something like your tractor or depreciation allowance aside, you set aside for repairs for the plant, the physical plant of the upgrader which they don't have here, I mean that is really the funniest kind of accounting that I've ever heard in my life.

And again, the hon. member subscribed to it, and clearly he did for nine and a half years when he sat on the treasury benches. I say with the greatest of respect, I don't, neither does Mr. Justice Estey. And we want a negotiated settlement, but in the absence of it, we have to act.

Mr. Swenson: — Unfortunately, Mr. Premier, because of your policies there's going to be a lot of depreciated farm machinery putting the crop in and taking the crop off in this province for some time to come — believe me. Because farming people in this province can't afford to replace their machinery thanks to you.

Anyway, you don't answer the basic question, and I know why you don't. I asked you to give me a piece of financial evidence that says that that operation is going down even three months from now. And you don't have it, because it's not and you know it. And you know you have time, if you wish, to do it right or not do it in a political way. And you refuse, Mr. Premier, to do that.

And that's why Justice Estey had to go public a couple of weeks ago, because he was sick and tired of having his name dragged around this province by your government as the person advocating this solution. In fact he had to come public and say, you know, if they had just left me alone, I probably would have got a settlement in a week to 10 days.

That's why Justice Estey had to go public. And he shouldn't have to do that, Mr. Premier, he shouldn't have to do that. But you and your government have dragged his name all over this province as the reason that you're doing this. Not because you and your political friends in CIC want to do this.

Mr. Premier, you have to come clean with the folks on that one. Mr. Justice Estey shouldn't have had to come public again just two weeks ago to start clarifying. He shouldn't have to do that.

Now I ask you again: you show me some piece of evidence that says that the NewGrade project is going to go in the tank in the next few months, that the bankers are going to pull the pin, that the federal government's going to pull the pin, that the oil is going to dry up, that the differential's going down. You give me some piece of evidence, Mr. Premier, that says that the solution proposed tonight, which the official opposition will help you in . . . and I'll give you a further commitment, Mr. Premier.

If three, four months through this process that you can't, after the arbitration process, settle the bigger questions, you as the Premier can haul this House into session any time you want. And I give you the commitment that each and every member of the Progressive Conservative Party that sits in this House will come whenever, whether it be the middle of harvest, it be the middle of winter, whenever.

If you have to have a special session of this legislature to deal with it appropriately at that time we'll come in and we'll come in here and debate it in an open, public way if the taxpayer of the province is at risk that quickly as you say, sir.

But what I'm saying to you tonight is we are more than prepared to pass through this Assembly an arbitration process that gets those outstanding issues dealt with so that you have time to negotiate the bigger picture in the best interests of the taxpayer of the province without having to sully this Legislative Assembly and co-op members around this province with this legislation.

Because I see this as weak-kneed. I see this as an attempt to cover up the political agenda that your party has been involved in on the NewGrade process since day one, and your party and you, sir, were informed at every step of the way and you know it. And you know it.

And you knew it in the 1986 election campaign and, Mr. Premier, there would have been no other reason for the former Hon. Allan Blakeney, your Deputy Premier, and others to stand in this House and talk about that agreement in the way that they did. And I'm not going to recite all of those verbatims back to you, Mr. Premier, but they stood here and you well know it. They stood in this Assembly and they talked about that project because they knew the background, and when the Hon. Allan Blakeney said we know about the \$600 million in public debt, they knew.

And I say to you, sir, the only reason that you will not accept a reasonable solution to what has developed into a crisis for co-op members in this province and potentially a crisis for people wanting to invest in this province, is because the political agenda does not fit what we propose to you tonight. And I say to you, sir, that would be a very good place to start, to say to

Saskatchewan people that you don't have a political process in place, that you truly are after the best interest. Give me the information, Mr. Premier, that says NewGrade is going in the tank in the next three months, four months, whatever you like, sir.

Hon. Mr. Romanow: — Mr. Chairman, I have said that Mr. Justice Estey has said the project has run financially aground. Do you deny that? That's what he said. Do you want me to ignore that?

An Hon. Member: — No. He also said it's an operating success.

Hon. Mr. Romanow: — He has said it has run financially aground and he said that the responsibility of the government, on page 30, requires remedial or protective action, or at least damage control. This is their solemn task. And the Premier and the provincial executive have clearly recognized it.

An Hon. Member: — One step at a time. One step at a time.

Hon. Mr. Romanow: — Now that's another issue. You say one step at a time. Fine. But if we can agree that that conclusion is the case, then let's put that aside.

Now the next question is whether you want to do it stage by stage. And I say to you, that is your approach but it is not our approach because the logical next step, following the words of Estey, is to take remedial or protective action, or at least damage control based on his recommendations.

And what were his recommendations? He said, (1) check governance; (2) check arbitration; (3) check the deficiencies. That's what we've done. Full stop, period.

Mr. Swenson: — The problem, Mr. Premier, the problem is that in this session of the legislature, you brought in a Bill which gives your friend over at CIC more power — more power than a person in that position has ever held in the province of Saskatchewan before. Ever before. You virtually have a person over there in CIC that can set rates, that can affect tax, without this Legislative Assembly having any recall.

You have a person over there who according to the media, according to a lot of people around the province, according to people at FCL, has more than just a simple financial agenda to deal with. And quite frankly it scares me, Mr. Premier, to think that that individual, under that Act and what you're proposing here, will be judge, jury, and hangman. Judge, jury, and hangman as far as settling this dispute.

(1945)

Because in effect that's what your good friend, your former law partner, your political crony, the head of CIC, will have the power to do. And, Mr. Premier, that bothers me; that bothers FCL; that bothers taxpayers; that bothers anybody in the province who isn't a hard

core New Democrat, quite frankly, and some of them are getting a little queasy.

So that's your problem, Mr. Premier. And trying to tie Justice Estey's tail to that individual and his increased power and his ability to influence this decision-making process, quite frankly bothers people. And you have not proposed to me one single solution to solve that. Because that individual, by being able to set the arbitration, to pick the arbitrator, to take over the board of directors, under this legislation . . . yes, it addresses governance all right. It certainly addresses governance, doesn't it.

That individual is judge, jury, and hangman, I say to you, sir. And that is not proper. And that is not how a dispute such as this should be settled. And I say to you, you should find some process to split it up and to open it up to the public, not in a partisan way but in a factual way.

And that's why I ask you tonight to provide me, provide the opposition with the financial statements and structures that show that this particular project is going to go into bankruptcy, into insolvency, that the bankers are going to call their notes before the review on December 31, 1994, and thereby threaten the taxpayer of this province.

And I take it by your refusal to give me that, that you don't have anything other than the words of Justice Estey in his report saying this project has financially run aground.

Well, Mr. Premier, after the fires and after some of the start-up problems and after the drop in differentials in '85-86 and others, I can understand that, believe me. And maybe that project was too highly leveraged to begin with. But what I would like you to provide to this Assembly is the financial information that shows me that you don't have the time to do this properly and you don't have the time to unleash your friend, Don Ching, through the powers that were granted him under that Bill 42 and what you're proposing in Bill 90 on this settlement process.

Hon. Mr. Romanow: — Mr. Chairman, with the greatest of respect, I don't think the Leader of the Opposition knows what he's talking about. If the Leader of the Opposition would just take the time to read Bill 90, he would understand that all the decisions which are taken are taken by the cabinet or the minister responsible and subject to the accountability of this House.

The member persists in references to individuals. He can continue that until the cows come home, but the reality is, I wish he would read the Bill. Because your comments, quite frankly, reflect a complete lack of knowledge what the Bill does. The decisions are made by cabinet, I repeat. They're made by the Executive Council and the ministers . . . (inaudible interjection) . . . Pardon me? Oh well I mean this is ridiculous. Anyway, Mr. Chairman, I'll speak to you.

The Bill is clear as to who has the power and what the

positions are made and there's no use me talking about it. They've got this bee in their bonnet and they're just going to continue it all night or all week or all month. I don't care how long they continue it. The facts are there and there's no use trying to talk to people who will not accept the facts. That's point number one.

Point number two. He may dismiss Mr. Justice Estey; I don't. Mr. Justice Estey says — these are his words, I repeat again, if he wants evidence — this has run financially aground. I don't know what could be clearer. Mr. Justice Estey says, financially aground.

And if he says, oh but give me something else, I want to tell him that Mr. Justice Estey had access to every piece of financial documentation that FCL wanted to provide him. They met totally and completely on many occasions privately or bi-laterally, I should put it that way. They have all that information.

I mean please, please, let's elevate this debate, at least on a factual consideration of what the facts are here. So when you tell me about where is the facts and I say that Mr. Justice Estey had possession of all of the facts and made this conclusion, I mean how in the world can we carry on a civilized, sensible discussion on public policy if one ignores those simple, bald, plain truths?

Mr. Swenson: — Mr. Premier, you can try and be condescending. You can try. You don't get away with it, but you can try, believe me. Do as much as you want. The simple fact is, sir, I have read the legislation. Yes, and I'm just a simple layman like every other taxpayer in the province, except the learned lawyer opposite from me.

And I'm just like every other co-op member. But I can tell you what, Mr. Premier, that Gauley & Co., the folks that represent FCL, are probably just as learned as whoever the minister had in with him today. And there's lots of opinions about what power this minister has and what power he doesn't have. But I know what power your friend, Mr. Ching, has under Bill 42, and I also know, sir, that you refuse to provide the information. Now I can only take that to mean that either you don't have it . . . because quite frankly revealing cabinet documents, revealing cabinet documents, has never bothered you in the past. I mean you'll get up and quote, you'll get up and quote documents that the former premier did. The member from Meadow Lake had one he dragged into Public Accounts which I questioned your Minister of Finance about, okay? All sorts of public documents, or cabinet documents. You've never hesitated in the past so I mean you just . . . why hesitate now?

What I'm saying to you, sir, what I'm saying to you, what I'm saying to you is just . . . And if you've got it, provide the financial information that says that it's going in the tank. That's all I'm asking you. Tomorrow, next week, next month. Okay, you've got a document that says the banks are pulling their financing. Table it, now. Okay?

Hon. Mr. Romanow: — I have a document that says this is absolutely financially aground. How do you like that? Ah, ha, ha, ha — the member from Rosthern laughs. Dismiss Estey. You see you people, when the documents are tabled tomorrow involving . . . You were in the treasury benches too, the member from Rosthern. All of you are guilty of this — culpable and guilty — all of you. These'll be tabled.

When these documents are tabled when every adviser told you about this . . . (inaudible interjection) . . . You were all involved; you were all involved. You were all involved and you are defending it right straight across the piece and it's not very easy or very explicable to say, oh well, it wasn't me. It was the premier. I wasn't in cabinet. It's like the piano player sitting in a certain house, and says, oh my goodness, that's what they were doing upstairs. Not very good an excuse; not very good an excuse.

You exactly, you exactly, you exactly, you exactly know what you people are up to. And the reality is that Mr. Justice Estey . . . (inaudible interjection) . . . That may be so. Mr. Justice Estey has looked at all of these documents. And look, I mean please don't misinterpret this any way.

I can only say to you that Mr. Justice Estey has had all of the documents before him, financial run-ups. The documentation — the report even talks about that. They have case studies. All of this is set out . . . (inaudible interjection) . . . Yes he did. And what does he recommend? He recommends change arbitration, change governance, change the cash overrides on the . . . (inaudible interjection) . . . Yes, change governance because it's axiomatically in a conflict of interest.

Here's the problem, member from Arm River. I'll tell you what the problem is. The essence of the deal is this: FCL said we'll bring in our upgrader and we'll then form a new, super-arching organization called NewGrade, over which there will be a board of directors called NewGrade. But they say the documents and the contract must be such that whatever the board of directors at NewGrade decides, it cannot adversely affect our refinery.

An Hon. Member: — That's right.

Hon. Mr. Romanow: — And the member says that's right, which is, by the way, by itself an absolutely funny, funny principle of business. That's like saying, you bring your farm . . . Sorry, I'll bring my farm into your farming operation, we'll form a partnership, but the partnership can't decide anything which will affect my farm to the benefit or the detriment of the joint partnership. I've got the right to pull out at any time.

And this is where the bottleneck on the arbitrations has run out. When there's been a dispute about what's in the interests of NewGrade versus what FCL thinks is in the interests of the upgrader, they block the arbitration.

Now you've got 50 to a 100 million dollars, and when you are the operator of NewGrade in addition to being the owner and operator of the upgrader, you are, in the words of Mr. Justice Estey, in an axiomatic conflict of interest. Because you're trying to have . . . on the one hand, you're protecting the upgrader and on the other hand you're supposed to be looking at the best interest of NewGrade. And if there's a conflict, who wins? Guess who wins?

And not only that, if this thing goes belly up . . . and the hon. member says where's the evidence. And in the last 12, 18 months, the differential has been anywhere from \$4 to \$10. It can fluctuate tomorrow and turn on a dime. But in any event, in that kind of situation, if it goes belly up, you know what the agreement also says? It says simply this: the province of Saskatchewan has got to render whole and safe the refinery back to FCL, whole and safe.

An Hon. Member: — I never read that any place.

Hon. Mr. Romanow: — That's in the agreement. You made the agreement. That's in the agreement. That's why Mr. Justice Estey says it's axiomatic conflict of interest.

And you know what we can do? Sell it for scrap, what's left over. That's what we get, plus we will carry \$375 million of loan guarantees; plus Ottawa will carry \$275 million loan guarantees; plus we've got \$300 million already lost on NewGrade. And you people are saying don't do anything.

Can you tell me, Mr. Member from Arm River, that that is a way that you're going to get back the power, exhibiting that kind of concern for the taxpayers?

An Hon. Member: — Talk to him, I haven't asked you a question.

Hon. Mr. Romanow: — Oh yes you did, right from my chair . . . your chair, you did, and I'm giving you the answer and I hope that it satisfies you. This is why Mr. Justice Estey says you've got to deal with governance because it is confused. That's why you've got to deal with the question of arbitration, because of governance that's been blocked and you can't arbitrate. And that's why he says the question of the overruns has got to be looked at on a 50/50 basis. Now if you're FCL and you had a situation where you virtually put nothing into the operation whatsoever and if it went belly up, by contract you get your refinery and you don't got to pick up any of the guarantees, well I don't, I don't blame them I suppose. I understand why they wouldn't want to see it change. That's from FCL's point of view.

What I can't understand is why you, from the taxpayers' point of view, are in that camp. That's what I can't understand. You haven't taken an oath to FCL. You've taken an oath, Mr. Members, Madam Member, to the people of the province of Saskatchewan to protect the taxpayers of Saskatchewan.

Six hundred million dollars, that's what we're doing. And no, what you do is you say this deal that we negotiated 10 days before the election which every adviser says by document don't sign — every adviser . . . That document, that book is that thick on the documentation, and by the way, other statements in there which will be very interesting when they're released, that book, you ignored that advice.

All right, you did it at the time. Why do you persist in 1993 in pretending that those are not the facts? Why? Well either (a) it's politics, your political agenda, or (b) you want to defend the deal, which I understand you made the deal, or (c) it's both of those factors or (d) it is just because where you are. You simply don't give a doggone for the taxpayers. You haven't for nine and one-half years and there's no reason why you should start giving a doggone for the taxpayers right now either.

You think that all the small-business people out there should run the risk of that \$600 million, that we should carry it. They can't. And you know if it was a 60, I said this, if it was one less zero, I'd be prepared to adopt your policy of prayer. I'd be prepared to say, you know, maybe something will happen, maybe the differential, like the Leader of the Opposition says, is going to go sky high and we're all going to be rolling in dough. I'll ignore Estey, that has run financially aground and all of that. I'll do all of that. Maybe I'd be prepared to do that for 60 million and sort of say, well it'll work out.

But for 600 million — 600 million? I tell you, member from Arm River, I just don't believe that even you would accept that kind of a position. I just don't believe you'd accept it. And maybe you do. If you do, then we agree to disagree, that's all. Sooner or later in a democracy the people will decide who's right on this.

(2000)

But we do not analyse it that way. We do not allow that, analyse that governance, that financial, those secret contracts and all of the arrangements and that taxpayers' burden in the way that you analyse it or would want us to analyse it. Simple and complex, and very unfortunate, but truthful. And we're going to tackle the truth right up front. Tell it like it is and act like we should.

Mr. Swenson: — Well, Mr. Chairman, see the problem with what the Premier says is that nobody believes him any more. You just said 50 to \$100 million. Because that's what his friend over at CIC said that those four outstanding issues and arbitration are worth. The government fundamentally believes that there's a large windfall of money there.

And if the Premier were listening tonight, what I said to the Premier was that this opposition was prepared to help him put legislation through this Assembly tonight. If he honestly believes that there's 50 to \$100 million there — and FCL says differently — but if he honestly believes his officials at CIC, his political

friends over there, then this opposition is ready tonight to put an arbitration process in place by an Act of this Legislative Assembly to go get it.

How's that? You say we're not interested in solving anything. Let's do it. Let's do it tonight. Let's put the arbitrator in place. We'll sit here tonight and we'll work it out. We'll put the arbitration in place. If there's 50 to 100 million over there, let's put it to arbitration and go get it. Okay? Tonight. And then let's forget the rest of the nonsense in here until there is a proper negotiating place . . . process in place.

Maybe what we need to do is bring Justice Estey back. Because, Mr. Premier, you refuse to acknowledge that there have been people on your side with politics in mind, with politics with FCL, and politics because this is an endeavour of a former PC (Progressive Conservative) administration . . . (inaudible interjection) . . . Well then why don't you take the offer? Your throw the number out of 50 to 100 million as you so loosely throw numbers all the time in this Assembly.

The information I have is that there's only about \$40 million max at stake here — \$40 million max. Well let's prove it. Let's find out who's right. Tonight let's put the arbitration process in place and see if it's 40 million max as FCL says, or if it's 100 million as your friend, Don Ching, over at CIC, says. Let's see which one of them is right. And we'll help you do it. We'll help you pass the legislation tonight to do that.

So don't say that we aren't interested in the taxpayer, that we're not interested in settling the agreement. But let's do it in such a way that when it is done that there is no one going to question the process, that there is no one who is burdened by the fact that every decision of the minister pursuant to this Act, ta-dah, ta-dah, ta-dah, has to live under that. There's no reason it should have to be that way, Mr. Premier, not from a New Democratic Party government.

I mean I sat in government from 1985 to 1991, and I listened to New Democrats talk in this Legislative Assembly all the time that governments shouldn't do that. New Democrat after New Democrat, they just popped up over here like gophers in the spring. And they said, you shouldn't have to do that, you don't need that kind of legislation with New Democrats in power. The heavy hand of the legislature should not come down to bear.

So I'm offering you, Mr. Premier, a way that it won't simply be New Democrats. Conservatives, Conservatives will agree, Mr. Premier, to the arbitration process and let's go out and see if there's a hundred million bucks there. Let's put her to the process. We'll see who's right. And once we get that out of the way, then we'll start settling the bigger issues. And if it takes this Legislative Assembly, then we'll come in and debate it.

But for goodness sakes, sir, a fairly newly elected New Democrat Premier, wouldn't you rather do it some other way? And we've just given you a way. We've

just given you an option that you didn't have before. Why not take it? Why would you want this on your head? I don't understand, sir. Why do you reject the option we give you tonight? Let's go get the money. Let's take it.

Hon. Mr. Romanow: — Mr. Chairman, again I thank the hon. member for some movement at long last on this Bill.

An Hon. Member: — I offered it an hour ago, darn near.

Hon. Mr. Romanow: — I thank the Hon. Leader of the Opposition for his offer. But let me counter by saying that it is important to note that prior to the tabling of this legislation, for four years previously, the contractual arrangements of the deal blocked any arbitration before the tabling of this Bill. Now I think somebody has to figure out why that's the case.

An Hon. Member: — Well I've heard stories.

Hon. Mr. Romanow: — Well I know the stories, but don't forget, even the evil Mr. Ching hasn't been around for four years.

The reality is that it's been blocked . . . (inaudible interjection) . . . And for the member from Morse and his edification, the outstanding issues all arose during your term in office. Not even . . . (inaudible interjection) . . . Well no, but they blocked you. You people . . . They blocked you so badly that your Finance department . . . our Finance department officials have got documents that you instructed them to prepare to put a refinery tax on.

An Hon. Member: — Yes. Maybe we would have had to do it.

Hon. Mr. Romanow: — Well maybe you would have but you didn't for four years. And for four years, nothing moved. That's the point I wish to make.

Now the second point I wish to make is simply this. And I'm glad we're off this argument about contract — sanctity of contract, as the hon. member would have argued earlier in the evening. Because even legislation of arbitration involves an attack to the current contractual situation, as I explained to the member from Arm River.

Now the third point that the member makes is this business of, give me numbers and give me statements. I'm reading from part 10 . . . page 10, I'm sorry, of the Estey report. Here's what Justice Estey writes:

On the other side of the bargain is Saskatchewan, represented herein by NG, a corporation wholly owned by Saskatchewan. The parties at the outset of the project did not appear to have contemplated the present financial and commercial stalemate. The project, the combined Refinery and Upgrader, throws up a cash flow which has arbitrarily, by accounting and contractual measures, been

broken down . . .

I ask the Leader of the Opposition to listen to this:

. . . been broken down (Mr. Justice Estey says) and allocated to the Upgrader element and the Refinery element. In these calculations, the Upgrader cash flow falls short of the amount required to service the interest charges on the outside or third-party debt of NG (NewGrade) guaranteed by Saskatchewan and Canada and which was incurred by NG in the course of establishing and launching the Upgrader. This situation has largely developed by reason of the fact that the cash outlays in the project so far by Saskatchewan and by the public debt exceed the initial projected cost/earnings forecasts by a considerable margin. The program therefore cannot generate, at present levels of operation, a cash flow which will pay out the outside debt as to both principal and interest.

This is only a couple of weeks old.

Furthermore, at no stage in the foreseeable future (now listen to these words — at no stage in the foreseeable future, at no stage in the foreseeable future) will cash flow of the Upgrader, by itself, service the interest and principal charges falling due on the guaranteed debt, even when operating at full capacity, which is now the case.

At no point in the foreseeable future. Now what more can I say or do? You can say Mr. Justice Estey is right out to lunch but that's what he says. That's what he says and I can read the balance of it in terms . . . and then he recommends later on page 34 what the solution is.

So when you say why not just arbitration, I say page 10 of Justice Estey. Arbitration talks about cash whether it's 40 or 100 or 50 or 15 or 25. I don't know what it will work out to, who wins and who loses. The arbitrator will decide that. But it is the Bill that did it, that got the arbitrations going, but it's only one part of the problem. The other major part of the problem remains page 10 as I've read to you by Mr. Justice Estey, and his conclusion that at no time in the foreseeable future . . . in the foreseeable future — even with the operator going at full capacity — is now.

That means the financial side is unresolved. Now if your suggestion is that we should adjourn the legislature, not pass the other dimensions of the Bill, and that if something comes up in July or August which puts the . . . this project which is living on the edge, over the edge, and that we should then convene the legislature, then again to introduce the legislation, I say to you, sir, with the greatest of respect — because this is a good discussion — with the greatest of respect, that's not the way I believe that business should be done.

I don't even think NewGrade or FCL wants it done this way . . . that way in their heart of hearts. They'd much

rather know what the ground rules are and to deal with it. That's not the way to do it. We will continue to negotiate and talk. I think that is a solution. Those are my answers to you. If you do not accept them it is your prerogative not to accept them. You're not the only one who doesn't accept them, but I think they're a logical explanation and answer to the situation, and that is our position. We only have to agree to disagree here.

Mr. Swenson: — Well, Mr. Chairman, I'm glad the Premier read that out because Justice Estey didn't put any kind of a date on when this foreseeable future was going to start or end. And Justice Estey correctly identified — as does FCL, as does everybody else — that currently the servicing of the principle debt is out of the realm of the upgrader project, with a differential today, as the Premier says it, \$5.85.

And I think the analysis that has been done at \$6 says the same thing. And I agree with you, sir. What I'm talking about here is process. And what you don't want to admit to or talk about is the fact that how you are managing the debt of the province, how you take your write-downs, how you have done everything possible, sir, to balloon the debt of this province for political reasons, to position your government a couple of years hence as the financial saviour of this province, using this one, using Weyerhaeuser, using SPMC (Saskatchewan Property Management Corporation), using others, is the true crux of the problem here, Mr. Premier. It is the true crux of the problem that somehow you are going to mount the white horse and come riding in in a couple of years with a balanced budget and how you managed this debt.

Mr. Premier, that's the part that a lot of people are starting to have problems with because we've got a province suffering under excessive taxation; we've got a province suffering from excessive unemployment; we've got a province suffering from excessive numbers of people on social services. Our agriculture, sir, is under attack. Our health care system is under attack. Our education system is under attack.

And I say to you, sir, the way that you are managing this particular negotiation for those political purposes a couple of years hence is absolutely reprehensible. Because you know full well, you know full well that that particular project is not going to go bankrupt next week or next month. And you know full well that you don't want to take the chance to clean up the arbitration process and open up that negotiation in a public way with everything else, because, sir, it gets in the road of the other agenda.

(2015)

And the proof is manyfold, Mr. Premier. It's the speech in New York that says one thing and it's the speech in Harris that says another. It's how you run around this province saying one thing while here and saying something else somewhere else.

And, sir, if the credit rating of this province is at risk, it's because of the way you have tried to manipulate the political process. It is truly because of the way you have tried to manipulate that process. And that is the reason that people, and co-op members by the thousands who have tabled their names in this Legislative Assembly, are starting to smell a rat. And they say, why should we have to be part of that political process? Why is it that we co-op members, affiliates of FCL, have to be part of that political process so that the member from Riversdale can come riding in hence in two years and get re-elected as Premier of this province because he's managing the debt. And he drags us through the knot-hole as part of that.

And that's why the solutions offered tonight aren't acceptable, because what it does is it cleans it up in a step-by-step way that fixes the financial problem but doesn't address the Premier's political problem which was a whole lot of promises made in the fall of 1991. Do you remember axe the tax? Do you remember how I can live on 4.5 billion? Do you remember how there is going to be more for health and education and social services and policing? That all I got to do is clean up 50 or \$100 million of waste and mismanagement and then it is all going to be better. Do you remember that, folks?

Well a lot of FCL-affiliated members are starting to think. And they're saying, we didn't make those promises in the fall of '91. We didn't make them and we shouldn't be part of the process of covering the tracks of the member from Riversdale who wanted to be Premier because he could make those promises in the face of a \$14.5 billion deficit; \$14.5 billion deficit that he mentioned in the leader's debate in the fall of 1991. Now \$16 billion — it has grown by a billion and a half.

Well I can tell you, Mr. Premier, that if you keep dragging Saskatchewan people through the process to cover your tracks on your political promises to what you are going to do for the province of Saskatchewan in the fall of 1991, and position yourself as the saviour of the debt in the fall of 1995, then this province is misused badly. And I think, sir, that is why you reject any option that would do the negotiation process both step by step in a public venue and solve the problem. Because I believe it's solvable.

And I'll say one other thing to you, Mr. Premier. I don't believe the federal government feel that this Act applies to them. And I think if you ask them very carefully they will say the decision on FCC (Farm Credit Corporation) totally exempts them from these legislated solutions that you are talking about here. Because that is what has been imparted to me, and that you can't hold them because of the FCC decision that was recently brought down.

And I say to you, sir, if that is the case and you have a flawed piece of legislation because of it, then I think the step-by-step process would be a lot more meaningful to Saskatchewan people because they could follow through that process and understand it

very clearly. The decisions of arbitrators are well understood to the average taxpayer in this province, and how that arbitrator came to that decision would be well understood. And the other issues then I suggest to you, sir, will be addressed in a reasonable way.

And I would hope that the taxpayer of Canada, that the new Prime Minister of Canada, whether it be Ms. Campbell or whoever comes after Ms. Campbell, would truly want to be part of this process of solving the equation, whether it be Liberal or Conservative, and I'm almost sure it won't be New Democrat. Matter of fact as my colleague says, I'm a hundred per cent sure it won't be a New Democrat federal government.

But whichever it is wants to be part of solving this particular process, not put in a place of confrontation. And I am told that the FCC agreement, sir, means that they are not binding to anything that you do.

Mr. Muirhead: — Thank you, Mr. Chairman. Mr. Premier, I've got a specific topic I want to talk to you about tonight, but I've got a few other highlights of some other subjects we'll just touch on first.

I was listening the other day when the member from Kindersley was asking some questions, Mr. Premier, about patronage. And I'm not going to touch too long on it other than, will you stand to your feet, Mr. Premier, and say that you kept your promise to the people of Saskatchewan at election time, and you said, I do not believe in political patronage and there would not be any. Can you put that on the record just in that way?

Hon. Mr. Romanow: — Mr. Chairman, I have, and I repeat it again tonight. I have kept the promise.

Mr. Muirhead: — Mr. Premier, can you really say after the 30 or 40 names that was written out to you, like the people that you know that are NDP supporters — and I'm not saying there's anything wrong with that — that you put them in high profile places, how can you say that you've appointed these people . . . there was 30 or 40 names given to you. How can you stand at your feet as Premier of this House under oath and say I kept my promise and didn't appoint members that are political patronage. Now how can you say that? How can you possibly, within yourself, say that to the people in the province of Saskatchewan? Because it's plain. As you said tonight, why don't we read. You kept talking to the member from Arm River. Why don't you read the Bill? On Bill 90, why don't you understand it?

Everybody can understand what you've done. You have named many people to jobs, and they're political patronage. And nobody said there was anything wrong with it. But what was wrong with it, Mr. Premier, that you said you wouldn't do it. And you keep coming back . . . You said the other day, talking to the member from Kindersley, you said well you people done this and you started naming names that we've done. We never said we wouldn't do it. But how can you honestly under oath stand up like you

do, so sanctimoniously, and say that I kept my promise and I didn't do it? How can you, Mr. Premier, do that? When you did do it. Names are names.

Hon. Mr. Romanow: — Mr. Speaker, Mr. Chairman, this reminds me of the kind of debate that says: yes you did it, no I didn't, yes you did, no you didn't. Because, Mr. Member, I do not accept the . . . you say 40 or 50 names. I don't want to debate this over again.

And I don't mean to be disrespectful of the member of Kindersley's . . . I don't want to be disrespectful to the member of Kindersley, but I do want to say this. Clearly this gentleman did not even know who or what he was talking about. Chris Banman he referred to as a male, until somebody on this side said it was a female. And then he said, well he's an MLA (Member of the Legislative Assembly) — never was an MLA. Oh well it didn't matter. I mean that's what I'm getting at.

The 40 names that you mentioned, most of which either are not relevant or not applicable . . . And you see again, if you're making the argument that you shouldn't put a defeated . . . I'll use a defeated MLA — NDP or PC — on a board of directors, say of Power Corporation or SaskTel, you can make that argument. I'm not making that argument in your instance.

When I went through the list — and I can do it again — of Andrew, Berntson, Birkbeck, Currie, Dirks, Domotor, Dutchak, Embury, Katzman, Morin, Parker, Rousseau, and on and on it goes, I'm not talking about people who come in once or twice a month for a day or two and sit on a Power Corporation board of directors. I'm talking about people earning \$80,000, \$90,000 a year — a year — in the permanent civil service with absolutely not one twit, jot or tiddle of experience in public service at all. That is, that is political patronage.

So when you ask me, have I honoured it? I say in essence yes I have. I have honoured it. If you say there have been some NDP faithful appointed to boards of commissions of Crowns and agencies, I agree there have been. Is that patronage? Not by my definition it isn't. My definition of patronage is this list of people, this list of people, the hon. member from Moosomin, Bob Andrew, \$97,000 a year.

I say to the hon. member from Moosomin, how about the appointment that you gave to Mr. Graham Taylor for Hong Kong — \$97,000. How do you like them potatoes? Now that is patronage — \$97,000.

And this person . . . And by the way, this sounds contradictory but I enjoyed Graham Taylor in this House. I thought he contributed to public debate and I enjoyed him as a person and I enjoyed debating with him. I took my whoppings as many times as I gave some, if I ever did give any. That's not the issue. Whether I disagree on the policy, that's not the issue.

I think, with the greatest respect for Graham Taylor, his capacity to be a trade commissioner in Hong Kong in the light of his previous work experience, of which there was none, means that he got the job for one

reason only — political pull, pure and simple. That is wrong, and that's what we're not doing.

Mr. Muirhead: — Mr. Premier, I've really never debated you very much until about 1982 and you're not the same debater as you were then; you were honourable then. You would stand up and say the facts.

Now I'm going to ask you one straightforward question. Was George Hill a political appointment under the Progressive Conservatives or not?

Hon. Mr. Romanow: — Was George Hill a political appointment under the Progressive Conservatives? The answer is maybe, maybe not. That's not my beef with George Hill. No, it's not my beef with George Hill.

My beef's with George Hill . . . I'll withdraw George Hill. My beef's with the Power Corporation and more particularly the minister in charge where the policies that fueled the Power Corporation at that time — Rafferty-Alameda, and the like — I thought and believed then, and still believe, that those were wrong.

It so happens, for whatever it's worth, that George Hill and I actually went to law school together. And I think I know him probably as well, if not better, than you do, sir. I remember him and Bill Lawton and myself used to be young politicians of a certain quality and nature. I don't want to be admitting too much. On campus I knew him very well and have a high regard for him. But the reality is the policies were wrong.

Mr. Muirhead: — Mr. Premier, you're the greatest person I've ever known with such a skill to skate around questions and skate around facts.

You're guilty of political patronage and you know you are. The public know you are. They know you've broken . . . We're not going to go on with this much longer except we know that George Hill was hired by the Progressive Conservative government and when you people won the election in 1991 he was fired. And who took his place? Did another Progressive Conservative take his place or did Jack Messer buy a Progressive Conservative membership lately? Who was Jack Messer?

Now I've been through, because these questions that the member from Kindersley was asking about the Public Service Commission, who was hired, is my critic position, but I've been away so much that that's why he named that list. I've been through that 30 to 40 names very carefully and every last one of those people, whether he made a mistake or not on which one was an MLA and didn't know whether the first name of Chris was a lady's name or a man's name — that can easily be — you're just playing games with the public. You know that Jack Messer was an absolutely political appointment and so was Ching and so was the other 30 or 40.

So I'm not going to keep on on that because we know

that you have broken your promise. You intend to break your promise because you shouldn't have made it. You made it to get elected, Mr. Premier, and I'm very disappointed in you, because you made many promises to get elected in 1991. You were at Outlook, speaking while the election was on, and you made promises like this: that you would lower taxes — in fact, you were taped — and you would improve the '91 GRIP; and you would go to Ottawa and get money for farmers.

There was five things you said. You would create jobs. You would improve health care. You said it. And then the first question asked from somebody from the 200 people that were there at Outlook that night was, Mr. Premier . . . well at that time you weren't the premier. You were addressed and said, you've always said that the Tories' essential services are too high; what would you do about it? And your promise was, yes, they're too high, but costs are rising, and my promise would be to hold or lower. And you broke every one of those promises because those five essential services, which takes in SaskTel, SaskPower, SaskEnergy, SGI (Saskatchewan Government Insurance), every one of them is raised one to three times. You broke those promises.

We'll leave it there but you done it and I want it on the record between you and I that you did it. And you may have had a reason to have to do it. You always stand up in this House, and every one of you ministers, and including yourself, you keep talking about the Tory deficit we left you in 1991 and you keep talking about this balanced budget, about this balanced budget in 1982 that we took over from you.

And I ask the page here just to give this to the Premier, please — a page, please. The Premier might have seen this before because I've made a vow here about a month ago that every time I speak in estimates or a Bill, that I would give this here to every minister, and I think he's seen it before. But you got the minister of Finance a year ago saying the total debt in 1982 was \$3.5 billion. Our figure says it's about 5 billion, but we'll use your 3.5.

(2030)

Now I just want it on the record, Mr. Premier, that how do you call a 3.5 a balanced budget and no debt, as you told the people in 1982? And we took over 3.5 billion by your own admission, by your minister of Finance, in Appropriation Bill in June 1, 1992 . . . or June 30. And it took me four hours to get it out of him, but he finally did. Now that's not being fair with the people. You take your 3.5 billion and see what . . . that kind of destroys your argument that we created the whole \$15 billion.

Mr. Premier, the question I'm going to ask you now is by going to Bill 90. Now those others were just comments. You can respond if you want when you get up. But on Bill 90, I heard my colleagues talk about Bill 90 and the contract that's being broke. And you said many times in this House, Mr. Premier, that in question period and tonight I heard you say it, that

things have changed. What things changed, Mr. Premier? What things changed that brought this Bill about, Bill 90? Just tell us in your own words to me directly what's changed that caused it?

Hon. Mr. Romanow: — Well the first, biggest change was the election in October of 1991 of a government dedicated to bring fiscal propriety and sensibility to the province of Saskatchewan. I don't quite know whether the hon. member from Arm River is quite ready to accept that first thing that's changed. But believe me, member from Arm River, it has changed. There is a government now charged with the responsibility of restoration of fiscal responsibility.

I might also say, while I'm on my feet, parenthetically speaking about these wild statements about broken promises, I said 4.5 billion. You know something? We actually are below 4.5 billion. If you take a look at page 35 of the budget, and you can go to Standard and Poor's and you can go to Moody's, who have assessed our budget in detail, they'll verify these figures. Our operating expenditures for '93-94, our operating expenditures for '93-94, Mr. Member, are just slightly over \$4 billion; our revenue is \$4.6 billion. We have an operating surplus of 551 million — \$551 million surplus for '93-94.

You know why we have a \$296 million deficit projected? Because we have to pay \$847 million interest payments alone this year on the debt which you people left behind. You see my point is, if it hadn't been this mess, this horrible mess from which you will never politically recover, nor should you, we would have had a \$500 million balanced budget surplus. Forgetting about a surplus, we would have had \$500 million for other activities. And that is what is stated right here. So we have listed within our operation.

Now coming back to specifically Bill 90, the other thing that has changed is . . . not changed, but has been said over and over again on the various rating agencies which you people ignored, is Standard and Poor's. And I'll read this to the hon. member.

Standard and Poor's simply says this: The ratings reflect . . . referring to our rating, our credit rating just a few weeks ago, Standard and Poor's of New York. The ratings . . . They maintained it by the way, the first time that's happened in about 8 years. Under your administration they knocked us down, I think, 9 times, maybe 7 times . . . 7 times it was. They maintained our ratings and they say this:

The ratings reflect the government's strong, demonstrated commitment to deficit reduction (now note these words in terms of Bill 90) and more rigorous management of its off budget (off budget) loans and investments.

Now what we're talking about in terms of off loans, budgets, and investments is NewGrade, is Weyerhaeuser, is Crown Life, is Saskferco, is the \$3.9 billion that Ernst Young found to be dead weight. That's what it is. They say that our continued ratings will depend on how we manage the off budget loans

and investments.

Now on this particular off budget loan and investment, we have an exposure, Mr. Member, I repeat again, of \$600 million — \$600 million. Does this not ring a bell somewhere? Is it 600 or 6 or 60 or 60 — it's \$600 million! — \$600 million that you encumbered the people of the province of Saskatchewan. How dare you do this? Six hundred million dollars . . . (inaudible interjection) . . . The member from Moosomin, and he says he is a responsible Member of the Legislative Assembly in this kind of a context, shame on you.

Everybody in America is saying we have to do something with this, except these lonely band of 10 MLAs whose head is in the sand and simply say, what has changed? Well I'll tell you what's changed, a government that's determined to stand up for the taxpayers of Saskatchewan, a government committed to honest and fair accounting, and that's a change that we're going to act on and pursue. By golly, you can be sure of that.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Chairman, Mr. Premier, you can stand here and holler all you want about the \$600 million debt. What about the 3.5 billion we took over from you in 1982? You never want to talk about it — \$3.5 billion. Now why don't you talk about that? You don't want to talk about it. Said here by your own minister of Finance. No, I'm not going to talk any more about it because you know right well you're trying to smokescreen me and get off about \$600 million. It's nothing; it's peanuts compared to 3.5 billion. How many millions goes into 3.5 billion, my friend? You think you're so smart sitting there talking about, we got this legacy from you people. Well we took over a big one from you. And how much of this here interest every day that comes from your 3.5 billion? Our figures call it pretty near 5 billion, but your own minister of Finance said very clear that it was 3.5 billion.

We'll get off that because you and I will get in . . . I don't think . . . (inaudible interjection) . . . Oh, Mr. Chairman, Mr. Premier, you're getting louder; I'm getting louder; and I can hold a debate on you on this here debt in this province for ever and ever until you're not Premier any more.

Now I want to ask you some questions that you have never made a stand on; you've never said where you stood. And that's pertaining to Bill 38, Bill 38. We're going to talk about Bill 38, Mr. Premier.

Mr. Chairman, I heard awhile ago here when my colleague from Thunder Creek was asking questions and the member from Morse chirped in and he said right to the chairman, can you not keep them quiet over there? Have you not got the decency to keep quiet? I say, Mr. Chairman, have you not . . . has he not got the decency to keep quiet or can . . . While I ask questions, quit chirping from your seat, and you can chirp all you want after I ask the questions.

Where do you stand on Bill 38 yourself? Just tell us in your own words where do you stand because you've never said a comment publicly. Maybe at your own conventions, but you've never said where you stand pertaining to Bill 38.

Hon. Mr. Romanow: — Mr. Chairman, I'd be pleased to tell the hon. member where I stand on Bill 38. But before I answer that question, I am saddened and distraught that the position of the Progressive Conservative Party is that the \$600 million of the upgrader deal is, in the judgement of the Progressive Conservative Party of Saskatchewan, peanuts.

I find this absolutely shocking that \$600 million is categorized by the member from Moosomin, the member from Thunder Creek, and all of those in the official opposition, as peanuts. I suspected that to be the case. But when we go to explain this to the public of Saskatchewan, now and three years from now at election time, or whenever the election comes, we will note the fact that you view this as peanuts.

You may view it as peanuts; I view it as \$600 million that could have been used for schools, and for roads, and for hospitals, and tax breaks. You may say that people in St. Walburg should be protesting as they are about taxes and I say that if we had that \$600 million, which you refer to as peanuts, we could have done something for the people of Saskatchewan. But you, sir, say it is peanuts.

Now that is what the Progressive Conservative caucus talks about — peanuts. Well it doesn't surprise me but I tell you that is going to be with the Progressive Conservative caucus, that phrase, for as long as I am leader and in politics of this province of Saskatchewan. And we'll see which one of us is around longer. I wish you a long, political life, my good friend from Arm River.

The question on Bill 38 is very simply answered. I support it as I did when I voted yes in second reading.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Premier, if we keep getting off Bill 38 and going back in the other comments, it's going to take us a long time. You know right well, Mr. Premier, you know right well that \$600 million is a lot of money. And you know that I said it's not . . . it's peanuts compared to 3.5 billion. You know I said that and you just try to add it in for your own convenience. And you know right well, and the Premier of this province better not keep on using that statement because I'm just going to say, like everything else he says, he takes it out of context.

Because what I said: 600 million is peanuts compared to 3.5 billion. Did you go to school, Mr. Premier? Because I think 3.5 billion is a pretty big figure. And we took that legacy over from you and that's all I said. It's peanuts compared to what we took over from you and you try to play the games with it.

You and Bill 38, Mr. Premier, do you . . . How do you interpret the meaning of Bill 38. What is it trying to do? What do you . . . how do you interpret it? What it really means and what it's trying to do?

Hon. Mr. Romanow: — I interpret it just as the Minister of Justice has interpreted it on behalf of the government.

Mr. Muirhead: — And, Mr. Premier, that's how you've been escaping this for six months. You won't say — say in your own words — what that is. Because we know he said it in this House what it means. He said it to . . . definitely to people outside the House. Will you stand here as Premier of this province and say it very clearly, how do you interpret . . . Surely you know how you interpret the meaning of Bill 38.

Hon. Mr. Romanow: — I interpret the meaning of Bill 38 in the way that the Minister of Justice interprets the meaning of Bill 38. Since the Minister of Justice speaks on behalf of the government of which I am currently the member and, for the time being in any event, the Leader of the Government, therefore the Minister of Justice is my Minister of Justice. He speaks for me. I accept his interpretation of Bill 38.

Mr. Muirhead: — Then, Mr. Chairman, and Mr. Premier, can you tell this House how your Minister of Justice interprets this Bill?

Hon. Mr. Romanow: — Mr. Chairman, I will forward a copy of *Hansard* to the hon. member whenever we can uncover the appropriate day of the second-reading speech of the Minister of Justice to the member.

Mr. Muirhead: — So what you're saying, Mr. Premier, that you're refusing to say to the . . . You're the Premier of this province. You must be the main person instrumental to this Bill being before this House. You're refusing to interpret in your own words what it means and what it'll do. You're refusing to do it. Is that what you're doing? You're refusing, Mr. Premier?

Hon. Mr. Romanow: — Mr. Chairman, I'm not refusing. I've told the member where I stand on Bill 38 and I repeat again, I vote for it, I support it. He asks me, what does it mean? I say what the Minister of Justice says it means. Why? Because I believe in the parliamentary system of government. I believe in the cabinet system of government, the solidarity that cabinet advances a Bill, defends it, ministers defend and explain it, members support or don't support it.

I have a cabinet. The Minister of Justice, he's explained what the Bill means. It's our explanation; it's the government's explanation. I endorse it. This is not some sort of a debating club, you know, or society where 66 people have 66 different points of view. This is a government Bill, it's a government policy, it's advanced by the government. The government will stand or fall on it.

Mr. Muirhead: — Mr. Premier, we haven't even discussed it at all because you just said you refused to

tell the people of Saskatchewan, tell this Assembly, how you interpret the meaning of Bill 38. That isn't too much of a question . . . too hard a question.

Maybe you don't understand the Bill. Maybe you don't understand. Maybe you haven't taken time to talk to your . . . Maybe you came in here like other members and you voted on second reading. It hasn't passed. The Bill's a long ways from passing. It's got to have amendments. It's got to be talked about in Committee of the Whole.

And still you're saying here that you cannot say, as Premier of this province — the person, the head man — you can't tell us what you and your cabinet, how you and your cabinet . . . And you're the head of the Executive Council; you're the most important member on that side and you can't stand up and tell the province of Saskatchewan what the interpretation of Bill 38 means and what it's intended to do.

Now we'll be here all night if you don't answer that question, Mr. Premier, and another week besides.

Hon. Mr. Romanow: — Mr. Chairman, we can be here another week. In fact I invite the hon. member to stay here next week or two weeks, three weeks, take your time. And if you want I will simply take the second-reading speech of the Minister of Justice and read it and embrace it as my own. If that's what you want me to do I'll do that and you can be satisfied on it. But I'm assuming that at a mature level you'll accept my words for the time being, that I embrace his words in *Hansard*, as recorded, as being the interpretation of the government of which I'm a member.

(2045)

Mr. Muirhead: — Mr. Chairman, Mr. Premier, in your own words will you stand up and tell us what your interpretation of Bill 38 is and what's it meaning to be?

Hon. Mr. Romanow: — Mr. Chairman, my interpretation is that of the Minister of Justice.

Mr. Muirhead: — Mr. Chairman, Mr. Premier, will you stand to your feet and tell the people of the province of Saskatchewan how you interpret Bill 38 and its meaning, to the people of the province of Saskatchewan? Will you do that?

Hon. Mr. Romanow: — Mr. Chairman, I suppose I'll continue to answer these questions the only way that I can answer them. And that is the Minister of Justice has explained the interpretation of the meaning of the Bill to the House, the government's interpretation. I'm a member of the government. As a member of the government I do not have personal views, I have a government view, have a policy view. I defend the government. That's the way it works.

If the public doesn't like it, we get defeated. If you don't like it, you defeat the Bill. You put amendments, some get accepted, some get rejected. If you want an explanation of what the government policy is, the Minister of Justice has outlined my policy, my

interpretation and the government's approach. Full stop, period. Take the next two months and ask me that question if you want, that's the answer.

Mr. Muirhead: — Mr. Chairman, Mr. Premier, I'm ashamed of you, absolutely ashamed of you. We've been here since 7 o'clock tonight talking about, in estimates . . . the leader of our party, the member from Thunder Creek, was questioning you continually about Bill 90. Why didn't you tell him on Bill 90, I take the Minister of Justice's stand. I don't talk about it. You shouldn't be talking about anything. You shouldn't be answering one question in estimates then. You should say, I take the stand of all my ministers.

Now, Mr. Premier, it's only a one-liner or two-liners that the Minister of Justice says outside this House and inside this House how he interprets Bill 38. What's so terrible wrong with you repeating it? Why can't you say that one little short sentence? What are you afraid of, Mr. Premier? You don't want to be tied in with it? Are you ashamed of Bill 38? All you can say is, I say what the Minister of Justice says. Why didn't you say that to the member from Thunder Creek? I'm not going to answer or even talk about Bill 90. I won't even talk about it because I take the same stand as the Minister of Justice did.

Why are you ashamed to stand up here on behalf of your government and say, in one short sentence, this is the meaning of why Bill 38 is here and what it means. There's only a one-liner that he uses. You must know because he says it inside and outside the House every day. And I can't get you to say it.

And that's the reason why I got onto Bill 38 because you have never made a stand in this province. The media has never got you to stand still for two seconds and get where you stand other than you say, I voted on second reading for it. I voted for it. Voted on what? What'd you vote for?

Mr. Premier, what did you vote for when you stood and voted it, as Premier of this province, on Bill 38 the other night on second reading? What did you stand and vote for?

Hon. Mr. Romanow: — Mr. Chairman, first of all, I don't want to get into the interesting discussion that I had with the Leader of the Opposition. But it's not correct what the hon. member says because the Leader of the Opposition tonight offered some interesting options and observations on Bill 90. He talked about the question of severance, he talked about the question about tabling of documents. These are not second-reading matters or speeches. These are specific questions which require a response, so there is a very big distinction here.

But if the hon. member wants to know what to me is the loudest and most important word used in this legislature, it's one of two. And that is when there's a matter for this House to resolve, the word is either yes or the word is no. I voted yes for Bill 38. As to the meaning of Bill 38, the Minister of Justice explains that to the legislature of Saskatchewan.

Mr. Muirhead: — Mr. Chairman, and Mr. Premier, all I can call you is a coward, an absolute coward that can't stand up to your feet . . .

The Chair: — Order, order. Order, order. Order. I want to refer the member for Arm River to Beauchesne's and just remind him that the language used in the House should be temperate and worthy of the place in which it is spoken, and furthermore that language should not be inflammatory. And I would ask him to exercise some restraint in the language that he uses.

Mr. Muirhead: — Thank you, Mr. Chairman. Mr. Chairman, we know that the Minister of Justice has interpreted this Bill and it's been talked about all over, that is to protect the homosexuals and lesbian people of a place to have accommodation and protect them for a job. Will you agree that that's the main part of that Bill, Mr. Premier? Will you . . . when I put it in those context, will you agree with that statement? That's the main issue of that Bill.

Hon. Mr. Romanow: — Mr. Chairman, my answer has been as I have given it and I will give the hon. member if he wants — but I don't think it'll help any — I'll give him the entire second-reading speech of the Minister of Justice. It's all in *Hansard*, and he knows what the answer is, and I can add nothing further to it.

Mr. Muirhead: — Well I don't how I could possibly . . . I can't even comment because the comments that I would say about you wouldn't be allowed in this House. And I don't mean curse words, either. I just mean words like I said before. I can't believe it. I've known you for a long time, Mr. Premier. I've known you since 1976 — that soon be 20 years — and I never thought the day would come that you would bring a Bill forward to this House, and you were scared, frightened to stand up and say what the meaning of the Bill was, in your words.

That's your duty in Executive Council. You're the head man. I'll ask you some questions pertaining . . . and it's not clause by clause or nothing like that so as it be permissible — because we can talk about, just like we talked about . . . He laughs.

The Premier, when he laughs I've always noticed, Mr. Chairman, when the Premier laughs like when he was talking to the member from Kindersley the other day, that's when he's starting to get upset. He starts to get nervous. Because if he wasn't nervous, and he wasn't upset, he would have stood up and told the people of Saskatchewan in his words what Bill 38 means, and what it means to the 90-some per cent of the people that don't want it, and what it means to 3 or 4 per cent of the people that do. He's afraid of those 40 . . . or 90-some per cent. He's frightened of them.

He's frightened of the petitions and the coming in for a plebiscite that there's nearly 50,000 names now and there will be over 50,000 before the summer's over. He knows quite that there'll be a plebiscite on this Bill. Do you believe that this Bill will protect the lesbians

and homosexual society in the manner in which this Bill was intended? Do you believe that, Mr. Premier?

Hon. Mr. Romanow: — Mr. Chairman, I do not have officials of the Department of Justice here with me to provide legal interpretation to what the meaning is of the Bill. I understand it's not gone through clause by clause. I suggest that the hon. member direct his questions to the Minister of Justice who, with his officials, will give him specific answers as to the clauses, appropriate clauses.

But as for the policy of the government, and the direction of our government when it comes to Bill 38, I repeat what I said earlier. I endorse what the Minister of Justice said, in what I thought was a very comprehensive and thorough address on this very important subject in second reading.

Mr. Muirhead: — All right then, we'll phrase the questions this way, Mr. Premier. Do you agree with your Minister of Justice, do you agree with him that this Bill will protect the gay society in the manner in which it was intended? Do you agree with him on that? That's a very simple question.

Hon. Mr. Romanow: — Mr. Chairman, I agree with whatever the Minister of Justice said, not with whatever the member from Arm River says the Minister of Justice says.

Mr. Muirhead: — Mr. Premier, do you know what the Bill even stands for? You must not know or you wouldn't be playing games like this. You know right well that the members . . . the Minister of Justice and his lawyers, they've said that what this Bill is going to do, Mr. Premier . . . and you know that you can talk to any lawyer other than them, anyone.

I haven't talked to one lawyer that agrees with the Minister of Justice and agrees with the Justice lawyers, that this Bill just will protect a place for these people to have accommodation and have a job. They believe it opens the doors to marriages, adoptions, and teachers teaching your children.

Do you believe, Mr. Premier, that I should be discriminated upon? Why should I be discriminated upon, Minister. You talk about discrimination always and I know you believe that it shouldn't be discriminated. Do you believe that I and thousands like me should be discriminated upon when you try to force this Bill on us?

And do you believe that I should be, and my family and my friends' families, my constituents' families, and all the people of Saskatchewan, if they don't want lesbian, homosexual teachers teaching their kids in school, that that should be forced upon them, Mr. Premier? Do you believe that, Mr. Premier? What about my discrimination? What about people discriminating against me?

Hon. Mr. Romanow: — Well, Mr. Chairman, I understand that the hon. member from Arm River has an interpretation of the Bill, an interpretation which

sounds rather peculiar and strange to my ears, but this is a matter which he is entitled to. And I suspect that there may be lawyers with differing opinions about most legislation as we heard even on Bill 90 today. The very stimulating debate that I had with the Leader of the Opposition showed that there were differences of opinions in legality there. The member is entitled to his.

Justice department officials and the Department of Justice is providing the legislature with interpretations and second-reading explanations. I stand corrected, it is in Committee of the Whole and those interpretations are being very fully answered as I believe by the Minister of Justice, as they should be, in Committee of the Whole. And I think that's the proper area for them to be dealt with.

Mr. Muirhead: — Mr. Chairman, Mr. Premier, do you believe, and all the thousands and thousands and thousands of people in this province of Saskatchewan, believe in the Scriptures? That they say that this is absolutely, scripturally wrong what you're doing. Are you against them? Are you against what the Bible says? But this is nothing you have to ask your Minister of Justice; it's a personal question to you. Do you believe what the Bible says pertaining to homosexuals and lesbians? Do you believe that, Mr. Premier?

Hon. Mr. Romanow: — Well, Mr. Chairman, I'm definitely in your hands if you think that we now move into the field of consideration of theology and interpretation of theology. I must say to the hon. member that I do believe the Bible. I actually try to read the Bible from time to time. I try to understand it and I'll go only that far. But I cannot say that as a consequence of that that I am an expert in the interpretation of the Bible.

We have many religious beliefs of course, Christian interpretations of the Bible. The member may have some in some areas; other Christians for very good, valid reasons will have a different interpretation. That is the one beauty of this country. We're free to celebrate our religions the way we want to celebrate them and to honour the Bible and the dictates of the Bible the way we see fit.

I'm no expert in this and I can't comment on the Bible. I'm here to try to defend or explain the estimates of the Department of the Executive Council and in that context the overall policy of the government. And I can only say, speaking on the question of Bill 38, it is part of government policy and the Minister of Justice has articulated the position.

Mr. Muirhead: — I accept your remarks, sir, and that's our right in this province, Mr. Premier, to interpret the Bible in which way we want to. But the question I guess that arises that there is . . . We have 1 to 3 per cent of the population I understand . . . And I don't know whether those figures are right or not, that come from the gay society, but we've already got 50,000 and that's seven and a half or 8 per cent of the people that have signed the plebiscite or signed a petition for a plebiscite. So that's a pretty large group of people

and there's . . . they haven't even been contacted. I can't find anybody, any place in my riding that I talked to about this Bill, I haven't found anybody yet that says they're in favour of this Bill.

So why are you discriminating against them in their beliefs? You're bringing this Bill into this House because a certain amount of people believe they're being discriminating upon. I've been an MLA for 15 years and I've never heard anybody come to my door and saying, here I can't get a place to sleep because I belong to the gay society, and I've been fired because I belong to the gay society.

You know quite well, Mr. Premier, why this Bill's coming before this House. Because it's open the door just like they did in Ontario. It's soon going to be into our schools. It's going to get into our Bible schools and we're going to be discriminated upon. Why do these people, no matter how you and I interpret the Scriptures, how we interpret God's word in the Scriptures . . . You have your right, I have my right. But God's word is very, very clear in that Bible. And it's the same Bible for everybody. It's the same one. You can read it and you can interpret it any way you want, but there's thousands and thousands of people that are interpreting that this is wrong, scripturally wrong. Why are you discriminating against those people that have such a strong belief and still you're backing the people, a small majority that are saying they're needing help from this government to be protected? But you're going to discriminate against everybody else in the province of Saskatchewan.

(2100)

Hon. Mr. Romanow: — Well, Mr. Chairman, I know the hon. member feels very strongly about this issue. And I can understand and see his passion in this. And I think there is an admirable quality in the fact that a member would feel so strongly about a matter of any nature, but of this nature. But I would say to the hon. member that there are, I think, seven provinces which have enacted legislation similar if not identical to Bill 38. We're not alone. And there is an experience of interpretation which is taking place there. I don't think . . . And they're all provinces of all political stripes and ideology and with various interpretations of Scripture and the Bible. I think we can watch from that experience. We have watched from that experience and learned from it. And I appreciate the hon. member's concern on this.

Clearly the Minister of Justice has articulated the position of the government, which as I've indicated again, does not share that same interpretation or concern. Even at that, the Minister of Justice I think has indicated that there will be amendments to the legislation once it goes through clause by clause. I think that indicates very much an openness and a willingness to listen and to hear people's concerns.

Mr. Muirhead: — Mr. Premier, I'm just going to ask a question or two more because I understand the member from Greystone wants to ask some questions. And to accommodate her I'm going to ask my

question . . . some questions later on this.

But I'm just going to ask this one question: Mr. Premier, I was talking to the Minister of Justice pertaining to this Bill before it was brought in, and that was in February. And he said the same thing he did to me as he did to hundreds of people that he had met, Mr. Premier, that the minister has . . . I asked him: what's the intent of the Bill? And he said it's . . . Well like I said before, it's to . . . all it is, very simple. He said, if you would take the politics out of it and just think about all it is, it's just a place for these people to sleep, guaranteed a job and a place to sleep, and that's all there is to it. And I said, what about what I've heard from many lawyers and concerns about it opening up the door for marriages? And he informed me, as he informed in this House in second reading, informed dozens of pastors, and I said maybe hundreds of people . . . He met a whole group from Caronport Bible school and he promised them that this government will never, never, never allow marriages. Now what will you do, Mr. Premier, if this Bill . . . and it's going to likely pass in its entirety the way it is. I hope there's some good amendments comes in that will safeguard these concerns, but if there's not and it passes in this way and the Minister of Justice has only put it in *Hansard* that this government will never allow same-sex marriages — will never allow it — what would you do if it went to court and a judge turned that decision around? What would you do if it did allow marriage? What would you do? What would be your answer to something like that as Premier of this province?

Hon. Mr. Romanow: — Well, Mr. Chairman, I think it's best that I not answer a hypothetical question for obvious reasons. If the situation does arise, we'll then have to figure how why and how and what responses, if any, need to be taken.

Mr. Muirhead: — Mr. Chairman, Mr. Premier, I'll tell you if you're calling that a hypothetical question when that's the whole problem in Saskatchewan, the whole problem out there . . . No matter who you talk to out there, soon as you're talking about Bill 38, well I can't stand it if it means same-sex marriages. And you say well it's a hypothetical question.

Now you're just been playing games with me all night here. We've been going half an hour or more here, and you don't want to touch it. I can see you don't want to touch it, and I can understand why you don't want to touch it because you're scared of this Bill, and you want to be able to say afterward you were on both sides of the fence. You're going to quietly in here vote for it but you won't say.

You won't get away with that, Mr. Premier, and somehow or other somebody's got to stand up in this government and say how you're going to handle the situation that your Minister of Justice has promised to hundreds and hundreds of people — how you're going to handle it to assure the people that this government will never allow same-sex marriages through this Bill. How are you going to assure people that, Mr. Premier? Are you confident that this Bill will

protect that?

Hon. Mr. Romanow: — Mr. Chairman, I repeat again, the Minister of Justice has given an interpretation on this particular issue to the member and to the House. The member can accept it or reject it, but that's an interpretation which my officials in Justice say, and they speak on behalf of the government.

He now asks me to speculate about some potential future decision down the road, hypothetically that might or might not occur. And I simply say that I can't foresee — as I said with respect to our debate, the exciting debate that I had with the Leader of the Opposition on Bill 90 — I don't want to worry about issues based on hope or eventuality or predictability. There's a certain amount of that but in government you try to deal with facts and work on a factual basis, and I think this Bill has done so to the best of its ability.

The Minister of Justice has explained the words for the members of the House and for the member of Arm River.

Mr. Muirhead: — Mr. Chairman, and Mr. Premier, would you give your commitment, as Premier of this province, if and when this Bill passes in its entirety, would you do as you are going to do in Bill 90, not use it until you need it? Will you hold the Bill for a few months until the plebiscite is in, and we . . . or till the petitions are all in, and they have the vote, and the people of Saskatchewan speak.

If the 60 or 70, 80, 90 per cent of the people of the province of Saskatchewan vote no on a plebiscite, do you agree with your Minister of Justice that we should ignore it, and do it anyway, or would you let the people of Saskatchewan speak?

Hon. Mr. Romanow: — Mr. Chairman, again the member's question is hypothetical because it's based on a set of assumptions. He says what if 60, 70 per cent vote in a certain way. And the question is hypothetical from top to bottom. It assumes that there's going to be a plebiscite. It assumes a result. And it assumes a response to that. And I just simply don't want to deal in that. I'll deal with the situation if and when it arises.

Mr. Muirhead: — Mr. Premier, all you're doing is what the Premier of Ontario did, Bob Rae, just sneak around it, and then it comes in, and people said oh, nothing to worry about, and now the worries are there. It snuck into the school system. It's bothering everybody. It's going to court with the marriages. And it's the same Bill as here. These things are happening.

You should be, as a responsible Premier, you shouldn't be calling hypothetical. You should be able to stand in your seat and answer this. All I can say to you, Mr. Premier, as a Christian, and as we do for all people in government, always have, we just ask that people listening tonight will pray that you will read those scriptures and interpret them in a right and proper manner, and do what's right for the people of the province of Saskatchewan.

Maybe that's what you need. You always say, if we believe in prayer. Well I do believe in prayer and I believe God can direct you in the right way — to do what's right for the people in the province of Saskatchewan.

Ms. Haverstock: — Thank you, Mr. Chairman. Mr. Premier, I have some questions for you about your staff and some other related questions about the process that has gone on in your government for the past 19 months, regarding dismissal of staff within the government as a whole.

My first question is regarding one Tom Brook. I have a copy of the contract you provided during last year's estimates for the services of Mr. Brook. And at that time you were paying Mr. Brook \$5,000 a month for very vaguely defined personal services, according to the contract. That contract was amended . . . as amended, pardon me, was to expire on August 31, 1992. Can you tell me if Mr. Brook is currently providing services to you or to your government? And if so, tell me exactly what he does.

Hon. Mr. Romanow: — Mr. Chairman, Mr. Brook in his capacity provides, amongst other responsibilities, research support to the chief of staff and the chief of staff's people with respect to a whole host of public policy issues, communication-related issues; also provides a liaison function between the Premier, the Executive Council, the cabinet, and government MLAs with respect to public policy issues and communications.

Ms. Haverstock: — Thank you, Mr. Chairman. Mr. Premier, Mr. Brook owns a consulting company whose business is primarily polling. I ask if Mr. Brook, employed by you, does conduct any polling.

Hon. Mr. Romanow: — No.

Ms. Haverstock: — Thank you. Does Mr. Brook use the facilities of the Premier's office and/or the government caucus offices at the present time?

Hon. Mr. Romanow: — In performance of his duties he will have an office in the Executive Council chamber. I'm not sure. It's probably in the building somewhere.

Ms. Haverstock: — Thank you, Mr. Premier. Can you assure us then that any of the long-distance phone lines of the caucus office or in your office as well is ever used to conduct any kind of political polling whatsoever?

Hon. Mr. Romanow: — Well, Mr. Chairman, the question is twofold and not on the target. The question that the member asks is, does he do polling. The answer is, he does not do polling — doesn't do it for us; doesn't do it for Executive Council. That is what I'm responsible for. And I don't believe he does it for caucus either but if he does, that's a different situation, a different vote. So all I'm answering for is Executive Council right now and the answer that I've given you

is the answer I've given you.

Ms. Haverstock: — Am I to understand then, Mr. Premier, that Mr. Brook does not do any kind of polling for any part of the government at the current time?

Hon. Mr. Romanow: — Well, Mr. Chairman, I've said to the member, unless I'm misinformed on this, my advice is that there is no polling done by Mr. Brook for Executive Council.

Ms. Haverstock: — Thank you. Mr. Chair, Mr. Premier, I have just one last question regarding Mr. Brook. Can you advise me what Mr. Brook's role was in the provincial New Democratic Party organization during the past several years, and what the reason was for the provincial NDP severing their employment relationship with him.

Hon. Mr. Romanow: — Well actually, I can't; but even if I could, I wouldn't, since I'm not here to answer expenditures for the NDP. And if I am, then you'd better start answering expenditures about the Liberal Party and what your expenditures are and what some of your executive members are saying about your expenditures. I am here to answer about the expenditures of the Executive Council.

Ms. Haverstock: — Well, Mr. Premier, I was asking about someone who is being paid by the taxpayers of Saskatchewan some \$5,000 per month. And I was not asking specifically about the New Democratic Party but rather the circumstances under which he was employed and the circumstances under which he left, and perhaps some of the implications for the taxpayers of Saskatchewan and the monies that they spend employing him.

I'd like to ask you some questions regarding some former employees in your department, Mr. Don McMillan and Ms. Janis Rathwell. Could you please advise me for what period of time these two individuals worked for your office, what their specific roles were, what their remuneration was, and to whom they reported?

Hon. Mr. Romanow: — Mr. Chairman, the officials are providing me with some of the very detailed question that the hon. member wants answered, and we can provide this perhaps even in writing to her a little later.

With respect to Don McMillan, his general duties were at the very beginning of the transition, assisting us in transition in Executive Council and then after that was more or less under control, moving into other agencies as required in transition. For example, he was for a while with the Saskatchewan Property Management Corporation. He is no longer with the Executive Council or for that matter I think, government, is the case. And as to contracts and pay, we can provide that once we have that information.

With respect to Ms. Rathwell, she was involved in Executive Council for an early period and now works

in the Department of Labour as ADM, assistant deputy minister to the deputy minister of Labour. She has been with the civil service for a number of years. She's been with the civil service for a great number of years.

Ms. Haverstock: — Thank you, Mr. Chairman. Mr. Premier, could you confirm for us that in the months following your election as Premier, that Mr. McMillan and Ms. Rathwell held a series of meetings with permanent heads in every department of government to discuss lists of employees who they thought should be submitted to some political evaluation.

Hon. Mr. Romanow: — Mr. Chairman, I do not have knowledge of that and I cannot confirm that, but I have no doubt that Ms. Rathwell and Mr. McMillan would on transition get evaluation of employees. That would only be proper and prudent for any incoming government to do. And again not to politicize it, especially in the context of what had been going on in the nine and half years previously.

(2115)

Ms. Haverstock: — Thank you, Mr. Premier. Were you personally advised of the operations that were being carried out by Mr. McMillan and Ms. Rathwell? And if you indeed were, how did you handle that knowledge?

Hon. Mr. Romanow: — When the hon. member says, was I personally involved, this is a question which is virtually impossible to answer, or personally advise. I have officials who advise me, which officials in some combination hereof are here.

How do you handle . . . I mean when you ask, how do you handle the information, I mean, how do you handle information? It's information which is processed to a premier or to a minister to cabinet, and you take decisions based on the information which is given or not given to you and you make the decisions based on the issue that's before you at the time.

Ms. Haverstock: — Thank you, Mr. Premier. I'll become more explicit. On March 18 of this year, several hundred civil servants, many of them career civil servants with decades of service, were discharged by your government. And now in the call for estimates to departments last fall, you advised departments that certain cuts would indeed be required, and that's understandable when one is trying to downsize government.

Initially those cuts were fairly vague, but nevertheless departments were required to submit, as part of the process, names of staff whose positions could be cut in this year's budget. Now those names were submitted to your deputy minister, who is sitting to your left this evening.

A strange thing happened to those lists, Mr. Premier, between the time that they were submitted to your deputy minister on Monday, March 15, and when those lists became public through the budget on Thursday of March 18. The funny thing that happened

is the lists were changed. Now names went on and names came off, and to many's surprise, some of the names that went on the list to be dismissed were also the names that were part of the McMillan-Rathwell undertaking that I asked you about earlier.

Mr. Premier, I am asking you this evening if you would prepare for me . . . if you would be prepared to present to me in writing a table of the original lists of employees and positions that were provided to your deputy minister by government departments in the week prior to this week's budget.

Hon. Mr. Romanow: — Well the answer to that is no, I will not. I will not allow you to go on a political witch-hunt which is what you want to do. You want the names of civil servants so that you can go after them, and I'm not going to allow that. That's exactly your objective.

Two hundred and eighty-one employees, 281 employees received job abolition notices; 159 were unionized, 122 were out of scope; 40 CUPE (Canadian Union of Public Employees) and labour service employees, bumps managed internally by the affected departments; 45 non-permanent employees and employees on initial probation without bumping rights affected; 61 employees retired; 99 exercise in-scope bumping rights; 5 elected lay off and placement on re-employment list; 31 elected to resign and receive severance; 6 on definite leave who may bump upon return from leave; 19 redeployed elsewhere within government; 30 yet to render a decision — 30 out of 281.

So I'm sorry, I'm not providing the names for you to be able to go through the politics of it. We want to professionalize and keep the civil service as professional as we can.

Ms. Haverstock: — Well, Mr. Premier, there are a lot of people who do understand the word purge all right, but they don't associate it with me.

I would like to go to your personnel report, number one, and I appreciate what was sent over to me earlier this evening. The total expenditures for personnel in your department, Mr. Premier, make up \$3.6 million out of your total budget of \$6.5 million, which is half of your entire department budget. And there is no other department in government that comes even close to this percentage in terms of personnel costs as a percentage of total budget.

Would you please explain to the House, and in turn, the taxpayers of Saskatchewan, what exactly your department's personnel does do for \$3.6 million?

Hon. Mr. Romanow: — I think the member was out of the House when I explained this in a very vigorous exchange that I had with my good friend, the member from Kindersley, yesterday.

You see, what the former administration did was this: when they had . . . well my former good friend, the member from Kindersley. What the former

administration did, as the special auditor's report identified, is they had people in Executive Council located in other departments and paid by the departments. And the result was, in global terms, a relatively small size and numerical amount allocated to the Executive Council.

Now when the auditor uncovered that and said look, this is the wrong thing to do, you should make it accountable, we took the auditor's words and we terminated that policy and we then had everybody come in who we wanted to come in under the Executive Council.

Now the result is that there's a bump-up in terms of numbers, allowing you to make the argument that the percentages have increased. It's true. But if you total in the total numbers of all the departmental people, the actual numbers are down, both in body count and in dollar count. So what we're doing is following the Provincial Auditor's report and saving taxpayers money at the same time. I would have thought you would have endorsed that.

Ms. Haverstock: — Mr. Premier, I am delighted to have an opportunity to ask you some questions this evening. It's not a question of whether I'll endorse or not. I've spent considerable time endorsing some of the moves of your government in trying to provide some, I think, valuable criticism which is not usually received with I think much generosity.

Whereas the total budget for the department has decreased from \$6.43 million last year to 6.53 . . . or pardon me, 6.543 to 6.531 millions of dollars this year, the cost for personnel has indeed increased. And that represents an average annual salary for a hundred people on your staff of \$44,000. The Bureau of Statistics report for May 1993 reports that the average weekly earnings of workers in this province is \$474.40 as of January of this year. That totals \$24,670 annually. Could you please explain to me and to the 290,000 people in the Saskatchewan workforce what exactly it is your staff does that rewards them with almost twice the average salary of the average worker in the province of Saskatchewan?

Hon. Mr. Romanow: — Well yes I'll be pleased to do it if the hon. member would be kind enough to explain to me and to the 290,000 working people whose average salary in Saskatchewan is as she says, why it is the people in her staff get paid more than the average pay? Why is it?

Ms. Haverstock: — I would be delighted to respond, Mr. Premier, because the people in my staff do not. My office is provided with \$54,000 annually. And I have a secretary; I have two other people in my office, and their annual salary does not exceed the \$25,000 a year. As you can see, three into 55,000, which is . . . I would say the gentleman to your left as an employee of yours earns two and a half times what my entire office gets.

Mr. Premier, I note that you have 15 staff currently seconded to your department from other departments,

and six of your staff are seconded to other departments. Are there written agreements in place for each of these 21 secondments?

Hon. Mr. Romanow: — The answer is yes to the question. Before I let the hon. member from Greystone slip away too easily about the amount of pay for her staff . . . Well, I'll let her slip away too easily. The answer is yes, there are contracts.

Ms. Haverstock: — Thank you, Mr. Premier. How long have these secondments been in place, and I do request . . . I don't expect for you to perhaps have this this evening, but I would request that you send over a list of the employees who are represented by these figures, what their originating department is, what their title and job description in their originating department is, and what their title and job description in your department is. Of course I would very much appreciate knowing what the commencement date is of these secondments and the date that they are intended to end.

Hon. Mr. Romanow: — Mr. Chairman, if the hon. member will accept my undertaking, we will get something in writing over to her in this regard. I might add that I'm advised by my officials this is a process which has been approved by the Provincial Auditor, but we will give you the details in writing.

Ms. Haverstock: — I appreciate that, Mr. Premier. As you are well aware and you'd mentioned earlier that there were many concerns raised by the people of the province, not just the Provincial Auditor, and I'm sure yourself and myself, about the way people seem to find themselves throughout government and we didn't really know where they were originating from or from where they were being paid. So I think it would be of great value to have that information.

Regarding the four reclassifications in your department, sir, I'd like the names of the four employees, a copy, please, of their job description before their reclassification, a copy of their job description after the reclassification, and their monthly salary both before and after their position was reclassified to a higher level. I don't expect you to have that at your fingertips, by the way.

Hon. Mr. Romanow: — We undertake to provide that as the member requests.

Ms. Haverstock: — Thank you. This is notes regarding the vehicle report, which is, I think . . . I'm trying to find it exactly. As I read this answer, you have a total of 11 leased vehicles, but I'm just requiring some detail from you, please, if you wouldn't mind. Are these vehicles all owned by SPMC and then leased to your department?

Hon. Mr. Romanow: — Yes, they are.

Ms. Haverstock: — Thank you. Could you provide me with the names and classifications of the employees to whom these vehicles are assigned, along with the cost of operating these vehicles, including mileage

charges paid for each of these vehicles, as well as the number of kilometres travelled.

Hon. Mr. Romanow: — We can provide that information too.

Ms. Haverstock: — Thank you. Regarding advertising and communications, the information you had sent over earlier tonight, I note that your department paid a total of \$5,647 to the firm of Phoenix Advertising Group Inc. for four projects. Can you tell me if your department still uses Phoenix Advertising Group for advertising needs, and have you since June 4 of this year altered or cancelled any contracts for work that were in place with Phoenix Group prior to that date?

Hon. Mr. Romanow: — I'm told that there are no contracts in place for about a year with that particular advertising agency. In any event, we can also mail over to the member the brand-new and very good advertising guidelines which allow low-bid, open-tender approaches to advertising.

Ms. Haverstock: — Thank you. I really would in fact . . . I'm questioning, sir, does that in fact then include all government departments and agencies? Your policy would cover everything. Is that right?

Hon. Mr. Romanow: — Yes it does.

Ms. Haverstock: — Thank you. What I'm really getting at here specifically is that I want to know if any of your departments or agencies have since June 4 of this year altered or cancelled any contracts for work that were in place with the Phoenix Group prior to that date.

Hon. Mr. Romanow: — This is the responsibility of the Department of the Provincial Secretary which is the centralized one area of responsibility. I cannot answer with definite certainty in this area, but I think there may have been some changes in the relationships there. But I don't know that for sure.

Ms. Haverstock: — Thank you. Do I understand then that what you will be able to do is to provide me with this information at some future date?

Hon. Mr. Romanow: — I'll have to check with the Provincial Secretary on that. I just don't know.

Ms. Haverstock: — I know, Mr. Premier, that you have considerable experience in this House. And one of the things I did was to look of course historically in *Hansard*, the kinds of questions that you've asked and issues that you've raised. And I do know that it's been of a very wide scope in the past during Executive Council when you have questioned premiers in the past, one of the reasons that I felt that it would perhaps provide me with an opportunity to cover a fairly broad range of areas.

Some of what I'll be talking about now will still of course very much be under your purview, but I hope you will entertain some questions in a couple of other areas as well.

In media services, and I quote its purpose — this is subvote EX03, and I quote:

Acts as the central communications and information agency for the Government and prepares and distributes news releases and summaries. It also operates the radio and television facilities for news conferences and coordinates and advises on the preparation of news releases and summaries.

What is the policy regarding the use of the radio room and the broadcast facilities in the Legislative Building?

Hon. Mr. Romanow: — The policy has been for years, not our policy but I guess we just follow it, that it's used by the Leader of the Opposition and by the members of the Executive Council.

(2130)

Ms. Haverstock: — I understand then that . . . I guess one of the things . . . I was under the impression, when I entered the Legislative Building I had been told that it would have been appropriate for me to have use of this facility when it wasn't being used by yourself, your cabinet, or the Leader of the Opposition.

When I attempted to book the facilities on behalf of a group, and that group of course was at the legislature this week, the hemophilia society, in order to use this room for a news conference on June 16, I was told that it was not going to be available to me because it was going to be used only by cabinet ministers or the Leader of the Official Opposition.

And I really would just like you to offer me an opinion on this please. Would you agree that this facility would have been in order for the use of this particular group coming to the legislature, given their set of circumstances, the long history that they've had in communicating with members of both sides of this House, and that perhaps it would have been appropriate for me to be able to provide that service to them through you?

Hon. Mr. Romanow: — I'm sure, Mr. Chairman, that any member can make many causes for use of the so-called radio room. The fact of the matter is that the Executive Council and its various statements by virtue of government, use the room a lot. And it is intended to be that, primarily an Executive Council room. In fact it only arose that the Leader of the Opposition would use it in the latter years, latter years being the last four, five, or six years. Before that time it was straight Executive Council.

I have to tell you when I was leader of the opposition almost all of my press conferences were held right there at the back where the current members' lounge is. Now I know you don't have a lounge but there is adequate space around in the building which are used to make political points or make your points on any issue.

The issue then becomes where do you stop, where do you draw the line? You open up the radio room and then the Executive Council moves to another area in order to guarantee access and space.

And I think that there's a reason that can be used here. But when you frame it in the question that you do, in the context of the group that you do, I can only give you the response that the definition of where you begin to open it up and where you don't begin to open it up, I think becomes very fuzzy, very grey.

So there has been a wide opening up as it is, and if one is calling for an even wider opening up, I don't know. I'd have to consider that.

Ms. Haverstock: — Thank you, Mr. Premier. I actually hope you do, primarily because I keep reminding people that we're only tenants in this building and they're the landlords. Perhaps we should keep that in mind because when we checked on . . . for the time that was being requested, that room was not being used. And I think that the people of Saskatchewan perhaps should have access to their room.

I am quite interested in a memo that I received, dated January 6, 1993. And it was from the assistant to the House Leader to the House strategy committee. This came into my possession and I was particularly interested in page 3 of this memo. And I will quote from it. It's under the heading called, "The Liberal factor." The fifth paragraph states, and I'll quote directly:

I would suggest that a staff person be assigned from the House business office to monitor all press statements, public appearances, legislative questions, written and oral, and speeches by the independent member from Saskatoon Greystone. This will ensure that the House Leader's committee will be in a position to respond to any significant changes in her behaviour, activities, or criticisms.

Mr. Premier, I do have some questions regarding this memo. My first question is: could I possibly be provided with the name of that staff member who is assigned to monitor my activities, and the amount that that individual is being paid by the taxpayers of Saskatchewan?

I thought it would be a very nice gesture on my part if I could just send next door my entire schedule of events at which I'll be speaking, and I could send, of course, a lot of copies of my speeches so that their work would be made much simpler.

Hon. Mr. Romanow: — Well I do say to the hon. member, with the greatest of respect, don't overstate your importance. You know, none of us are watching you and your scheduling. And we frankly don't much care about what your scheduling is.

The memorandum really indicates, in the preparation of House business, what it is the government should be ready and anticipating, which is a very logical,

normal function. You know, what are the opposition going to do on the various Bills, question period issues. What will you do as the Leader of the Liberal Party on this issue or that issue? Should ministers be ready?

We come in every day with briefing books that thick, by the way, trying to predict what you're going to ask; not only you, but the Conservative Party. Yes, we do. I walked in with a briefing book that thick and I've got to tell you, this is day 77 or 78 and not once has the House Leader's committee predicted accurately what either you or the Conservatives would lead off with or, for that matter, carry out during the day. That's all that is. It has nothing to do with monitoring any function of what the Leader of the Liberal Party says or doesn't say, you know. So if you want to mail us your agenda, by the way, fair enough. I don't mind taking a look at it. But we're not paying anybody to look at you or your positions on any basis specifically.

Ms. Haverstock: — I can take it, Mr. Premier, then, that you wouldn't be at all concerned if I read the entire memo and made it public knowledge. I guess I find it most interesting, your response.

I guess my sense is I happen to agree with you. I think that this individual's time can probably be spent and the taxpayers' money on far more pressing importance, matters of far more pressing importance to the people of Saskatchewan.

Now I indicated earlier that I really did look forward to the opportunity to ask you some questions tonight about the entire government. And I've spent some time, the short time that I've been here, trying to look over history because I think history is a great teacher. And I want you to know that in preparing for some of the estimates, and in particular this one, I did review your past record both in government and in opposition. I did this to read not only what you said but also the way that you said it. And I'm looking forward to your comments, which will be on record for all to read.

Now I hope you will take this in the manner in which it's being stated but Philip Snowden's comments will be particularly relevant, perhaps, tonight, because he said, and I quote him: "It would be desirable if every government, when it comes to power, should have its old speeches burned." End of quote.

Now I am pleased that in the past you took a very broad and sweeping approach to these particular estimates and, based on that precedent, I am going to be comfortable in asking you some questions about some other departments. My questions to you are on several topics. My first is health. Mr. Premier, I want to read to you a short quotation from *Hansard*. This is the quote.

If you are going to concentrate regions of health care in some regions of rural Saskatchewan, it stands to logic that even the Minister of Finance can understand that in that regionalization a whole whack of rural hospitals are going to be

closed. Make no mistake about it — closed. I tell the people of Saskatchewan, Mr. Speaker, I tell the rural communities of Saskatchewan, beware. I tell the rural community leaders and the hospital board leaders right now what this government has in store in phase two of its unprecedented attack on medicare.

Now the speaker then goes on about how this scheme is termed half-baked and concocted. But it is not so much the content of the speech that may surprise you, Mr. Premier, but the speaker. And those comments were made by you, the member from Saskatoon Riversdale. And yes those hospitals did get whacked. Not by the government being criticized in the passage I just read to you, but by you who was at that time on the attack of the previous administration.

So I guess the starting point for my questions is fairly simple as I clearly agree that it appears that the scheme is concocted and to many people in rural Saskatchewan feels very half-baked because they don't feel that they have the specifics to understand what's going on.

Would you please comment on your statement. And I would appreciate it if you could do so without using the words other guys, deficit, or that was then and this is now.

Hon. Mr. Romanow: — Well I have no doubt that the hon. member would appreciate if I did not refer back to history. But I'll tell . . . It's okay for her of course to refer back to history because she's reciting history to me. But not good enough for me.

And by the way, I wanted to say this parenthetically since the rule was in question period that you didn't have to answer any brown-bag-envelope material that slipped out from your office as you portrayed the Senate. None the less I have to answer this in the context of the brown bag to you. But let's leave that as an aside.

I want to tell the hon. member what I said then, I believed then, and I believe today about what was before us then, totally. What we have here before us is something brand-new — something different, something positive, and something which is designed to save medicare and health care, something that the Liberal Party is not for. Laurence Decore in Alberta is campaigning for user fees. Laurence Decore believes that we need to go to user fees.

You and your party introduced user fees in the province of Saskatchewan. You introduced them in 1967 to 1971 as a mechanism to save, they felt, medicare. I opposed user fees in '67-71 as I will oppose them when you advocate them again, as you will advocate them again come the next election.

What we're proposing is a new philosophy for health care. The hon. member smiles because there are two choices here that is open to the government and to the hon. member opposite. You can allow the current system to remain the way it is, in which case the cost

of it will be so heavy that the whole process will collapse and with it the fundamentals of health care will be endangered. You can either do that . . . And by the way see the MRIs (magnetic resonance imaging) in Edmonton and in Calgary, and the Decores of the world, advocating user fees. The Liberal approach. You can either do that or in the alternative, you can go about working with the people to developing a new system where there are conversions, where there are new models of health care centres and wellness models, using district boards, not for regionalization, but district boards in the sense of making sure that there is empowerment of people.

Now those men and women, when they were in power had no such plan. I was speaking to the point. I'm sure I don't know the exact quotation, but I'm sure it was to the Elmer Schwartz report at the time, is the issue that was before us. That was a straight, bang on, closure scenario, with no wellness, no prevention, no nothing else attached to it. We opposed it. Health care opposed it and ultimately the government never proceeded with it. There's a big difference.

And to me, I think the approach that we're taking is the right one. It's the one which involves people empowerment. It's going to be painful. It's not easy, and there are people who oppose it, there's no doubt about it. You and your party opposed this when we introduced medicare in 1962. The Liberals and the Conservatives had 8,000 people, Keep Our Doctors — KOD — that infamous point in history. There'll be those who oppose it. I understand that.

But we think it's a change which is worthwhile and it's a change which is substantially different, and substantially important in the context of what we're trying to do, which is to save our health care system in the face of growing costs, in the face of advanced and differing medical technology.

Ms. Haverstock: — Thank you, Mr. Chairman. Mr. Premier, I'm going to take this opportunity to inform you of some things, and this is probably one of the reasons why there are so many people who no longer have trust in what you say. And that is that what you say too often is filled with falsehoods. And I shall tell you why, sir.

You had all the different members who were nominated candidates in Saskatoon in the 1991 election, being interviewed by the *Star-Phoenix*. And when it came to their responses on health care, not one of them had the courage to respond to say what they would do. There was one person running as a nominated candidate in Saskatoon who indicated precisely what I would and would not do in health care. And I'm the one person on record who indicated that research shows that user fees do not work, Mr. Premier. That the research in fact points out that user fees are not the way to go.

And I am on record, unlike the people in your caucus from Saskatoon, in saying precisely what in fact the Liberal Party would do. The premier, Ross Thatcher, really did believe that there was a disservice done by

the CCF-NDP (Co-operative Commonwealth Federation-New Democratic Party) when they taught people in the province that health care was free. There's no such thing as free health care. And in part, part of what you're attempting to deal with now, sir, is the fall out of people being taught that it costs nothing.

I happen to believe in the wellness model. As a party we articulated what it is we needed to do. I have asked on many occasions in this legislature, why would you not take the opportunity to do what was done in the past. Medicare didn't just happen. It unfolded. I was born in the first health region ever developed in Saskatchewan, ever put forward in Saskatchewan, the Swift Current health region. And it unfolded. Those health regions were generalized across the province after some were tried on a pilot project basis.

And that's what I've asked in this legislature, is to give people of the province of Saskatchewan an opportunity, because they are willing to participate in the change, they understand that health care has to change but they want to be participants in the process. And you have the gall to say this evening, to use the words empowerment, empowerment of the people.

Well that's precisely what we're wanting to talking about, that I want to talk with you about tonight. Because last year in your health White Paper, Mr. Premier, you argued that you wanted to create health care districts, a health care district Act that would allow for greater community involvement. And then what you did in your Act was to have a minister given the power to create boards arbitrarily.

Under your health plan that you've put onstream, you are the one that has set the targets, determined the funding and made all of the important decisions affecting health care. So where is the empowerment of the people in all of this? Where are the local people supposed to have influence and to have input in such a system?

(2145)

Hon. Mr. Romanow: — Mr. Chairman, I think the hon. member started off her portion of estimates by giving a quotation about old speeches should be burned. I hope that she takes that to heart for herself. On August 22, 1990, in the Regina *Leader-Post*, the hon. member, the Leader of the Liberal Party said the following, quote: I'm not going to tell everybody in Saskatchewan they deserve to have their own hospitals. End quote. And she admits it today.

She went on to say, quote, October 1, 1991, *Prince Albert Daily Herald*: Haverstock indicated one way to cut costs would be to eliminate the construction of new hospitals in smaller communities, replacing them with referral centres and clinics. End quote. Did you say that?

October 2, 1991, *Star-Phoenix*, quote, Haverstock: health premiums based on income would be implemented by a Liberal government. End quote. Did you say that and still support that or is this

something you're going to burn?

How about the May 13, 1992, *Star-Phoenix*. This was the discussion we had I think last year during estimates. Quote: although Haverstock said she doesn't agree with deterrent fees former premier Thatcher introduced, she credited him with at least recognizing that the health care system needed fixing. End quote. Some fixing job the Liberals did from '67 to '71. By the way, there are many of these around.

So I think there's going to be lots of bonfires around. Maybe I'm going to have to have a few bonfires, but I think the member from Greystone's going to have a pretty big fire too and the fire about her health care position.

She asks about empowerment, where is it specifically? The empowerment is there. The legislation, as the member full well knows, contemplates elections of the health care districts which, by the way, many people now want to enter into and are accepting with a lot of interest and enthusiasm. And at the same time, what happens with the question she says about the figures because local people are saying to us we want to know what the rough parameters of the guidelines are.

A lot of the criticism was, and still is, we're not getting enough information from the Department of Health. We'd like to know specifically what a wellness centre means, what the level of funding is going to be, what the bed ratio percentage is going to be with respect to funding — all of those figures. That's what the Department of Health endeavoured to do. They're not chisels in stone. They can be changed and they will be changed as we develop and embark upon the new role of partnership.

Now what confuses me about the member is she either supports the partnership and says so, and actively says so and votes and works with us to achieve it, or she says that not everybody in Saskatchewan deserved to have their own hospitals, end quote, meaning that they should be closed down. Now maybe it's possible that both can be adopted. Not in our scenario. We'd like to think that there can be conversions, but you cannot have it, with the greatest of respect, all ways.

You can't have it where you're saying on the one hand, I'm going to tell the people of Saskatchewan like it is. And I remember during the debate in the leadership . . . leadership debate on television, exactly that was your position. Your were very front up, you should be closing down rural Saskatchewan hospitals. And it's quoted here and there are many other quotes which are about.

In fact, on September 27, 1991, what caused the hon. member to . . . and today to change a little bit is this, during the campaign. I have here the *Leader-Post*, September 27, 1991. Headline says, health care statement was politically stupid — federal Liberal official.

The president of the federal Liberal association says Lynda Haverstock's pronouncement on health care was, "the most politically stupid thing I ever heard." Dwight Strain admitted he was only going by what he heard on the radio, but that was all it took for him to launch an all out attack on the Liberal leader. Strain said that talk about too many rural hospitals falls in the same category as the federal Tories dismantling of rural Canada through actions like post office closures.

On Wednesday, Haverstock accused the government of building hospitals as a form of constituency patronage. She said a Liberal government would halt hospital construction projects and use small town hospitals for basic emergency treatment and recuperative and palliative care. The Battlefords' Strain, who is also director of the Liberal's provincial executive in The Battlefords and a candidate, said the only good thing about her plan is that it won't come to pass because she won't win. He said her pronouncement reduced her chances of winning to city seats only.

Now I'm not here to try to debate or to embarrass you. I am here to make the point that . . . No, really, because, to the member of Greystone, every time I say something, you know, you do it in such a condescending way and I don't know what to do. I keep on prefacing my remarks by saying I don't mean it, I'm sorry, that's the way I speak.

What's difficult is getting a consistent line from the Liberal Party on anything — on anything from you. You argued, for example, that there should be no more rural hospitals. Your federal Liberal president said that was politically stupid. Today I don't know whether you're still on that position or on something else. I don't think anybody in Saskatchewan does. My guess is that it's typical Liberal. They'll promise you a BMW in the driveway and medicare at the same time if you'll elect us. That's my guess. Pardon me?

An Hon. Member: — What about a Lexus?

Hon. Mr. Romanow: — Or a Lexus even and medicare at the same time. That's gone, long gone — that's gone. So you know, this is the problem that I have in answering on the estimates, the question. Because if the position is, look, we need to revise and revamp and reorganize, if that's your position, then we're all ears as to how we can better do it. I tell you that very genuinely. Because we are venturing into uncharted territory ourselves.

If, however, it is this kind of an opposition game, we're all for it but there's a different and better way to do it and are walking both sides of the street, then it's straight, old-style, old-time politics.

You see, it's like the position on Bill 38 that the member of Arm River and I had the debate — I'm all for it in principle but the words are no good, so therefore I can't vote for it. So you get those who are

for the provision and those who are against the provision. I'm all for negotiating a better deal but I'm not for this particular Bill on Bill 90. You know, one step forward, one step back.

The hemophiliac situation, which you brought to the attention of the public. Now this is a very sad situation.

An Hon. Member: — I brought it up two months ago . . .

Hon. Mr. Romanow: — That's right. And you brought it up two months ago. The Conservatives brought it up two months ago.

But I, by the way, will level the same criticism to you in this regard too. And I will. And I will for a very simple reason. Because I think this is graphic and it's on a question of health care. I'll tell you why.

This tragic situation which begs for resolution, being resolved the way it is being resolved on a province-by-province basis, in effect means that in health care, in health care, depending upon the fiscal capacity of the province involved, some Canadians get benefits and others don't. Surely to goodness, in building a country, what we need is a national policy on this AIDS (acquired immune deficiency syndrome) hemophiliac situation — a national policy which involves the federal government.

Now I'm not being political. In its wisdom, the former government said it had to be a federal responsibility and entered into that agreement in 1991. Now some provinces have said they're undertaking the full responsibility of this. This is a principle which, no matter how meritorious in this circumstance, if adopted in health care matters across the piece leads to a patchwork-quilt health care system. So I use this as an example, another example, of the, yes, I support a national health care system — which is what I'm sure you would say — but there's got to be special attention for this particular group or this particular cause.

And this is an old game in politics; it's the oldest political game in the business. It's the oldest political game because, when you're in opposition, what you want to try to do — I'm sure this is what the Liberal Party's manual to you is — is don't pick up any of the hot potatoes, and agree with everybody on everything. Well it's very, very difficult for government to respond to those kinds of questions and comments in these circumstances.

So I say to the hon. member here that, if the question is empowerment and the nature and the direction of the empowerment, and she supports that in principle . . . and by the way, I'd like to ask my Acting House Leader, how did the Leader of the Liberal Party vote on the health districts Bill? Do we know? Can you remember? Well all right. The record will show whether you voted for it or against it. But I mean, if you voted for it, that's agreement in . . . Did you vote for it? Did you vote for it? Pardon me?

An Hon. Member: — I'll let you know when you sit down.

Hon. Mr. Romanow: — Well anyway the hon. member will not say whether she voted for it or against it, but it doesn't matter. If she voted for it, then it's a vote in second reading in principle in support, and we would very much welcome her suggestions, her positive suggestions.

But what I would like her to do is to try to put to an end to the game which takes place, which is the game which says, I am for the health districts in principle but this is what I am against. Which, of course, picks up the operation of those that are for and those that are against. And that, I think, is the oldest political game in the history of the books.

So, what I want to say to the hon. member from Greystone and to the members of the House here, is that what is important to understand is that we are here embarked, we believe, in this health care reform on an exciting — it's challenging and it's difficult, I grant the Hon. Leader of the Liberal Party that — a reform.

All kinds of health care specialists are watching us with admiration and cheering us on in hoping that we can achieve this without too much disruption. That it'll be disruptive is, I think, inevitable. All change is.

I come back to my 1962 experience about change in the way in which medicare was conducted — that was disruptive. But the issue is a change which is worthwhile for the people of the province of Saskatchewan. And if it's change that is worthwhile for the people of the province of Saskatchewan, then we should all be onside.

You should be onside. You should be giving us specific ideas as to how we improve the issue of empowerment; how do we improve the issue of the resolution of the various dichotomies. And the hon. member opposite will know, for example, that beds and technology have changed very, very dramatically.

Three years ago . . . (inaudible interjection) . . . Pardon me? No record of a vote for the Bill. So there's no . . . The member was not present for the standing vote on this Bill in second reading. And if in this context . . . You know, I'd like her to tell us whether she's for it or against it.

And if she gives me and the House the classic Liberal position, I am for it in principle but this is what's wrong with it, then I'll know that you're fooling, you're joshing, you're pulling my leg. You're really not for it. You want to follow the Alberta Liberal style which is the style . . . (inaudible interjection) . . . no, no, the Alberta style of user fees for the core doctor, core health care services which are very, very dynamic.

I would really suggest to the Liberal Party what is most

important for the Liberal Party in Saskatchewan, given their very bad history in health care reform in this province, I would suggest to the leader and the member from Greystone, with the greatest of respect, that what she should do is have a very clear, precise position on the fundamental principles of health care in the 1990s and stick to it. Don't worry about what federal Liberal officials might say. Don't worry about the attacks because believe me, I've got them within my party and outside the party a lot. But you got to do what is right. You got to continue on and do what you think is right and that's the new politics. And I really think that the hon. member opposite, with the greatest respect . . .

The Chair: — Order, order. Order. Before the committee rises and reports, I just want to remind the Premier that he should not refer to the presence or absence of members or specific members for votes or otherwise.

It now being 10 o'clock, the committee will rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 10:03 p.m.