

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I have some petitions that I would like to present to the Assembly this afternoon, Mr. Speaker. I will read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to urge the provincial government to provide proper funding to continue the operation of the Souris Valley Regional Care Centre because it provides special services for persons with special needs which are not available anywhere else in Saskatchewan.

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

Mr. Speaker, I have a number of petitions here from Moose Jaw, mostly from Weyburn, Carlyle, and a few other places within the province. Mr. Speaker, there are 943 names to the petitions that I would like to present to the Assembly at this time. And this is in addition to the 5,647 petitions already delivered to this Assembly.

Mr. Speaker, it gives me a great deal of pleasure to present these petitions.

### READING AND RECEIVING PETITIONS

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

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

### INTRODUCTION OF GUESTS

**Mr. Sonntag:** — Thank you very much, Mr. Speaker. I've certainly been swamped with unexpected guests today. Something seems a little fishy about it to me. I want to though, if I could, introduce to you and through you, Mr. Speaker, to the rest of the members of the Assembly, members of my family up in your gallery, Mr. Speaker. And if I could just get them to rise, please.

My brother Reg from Goodsoil and his wife Yvonne, and their four children; the oldest, Janine, and Kyle and Reid and Eric. And remember, I have 19 nieces and nephews, Mr. Speaker, so I have a little difficulty here. If you'd join with me in welcoming them here today, I would be pleased.

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

**Mr. Harper:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to all the members of the House, two ladies who are seated up in your gallery, Mr. Speaker, Mrs. Michelle Bellin, a constituent of mine; and Mrs. Shirley Winters from the city of Yorkton. Both Michelle and Shirley are constituency assistants for our Member of Parliament, Mr. Lorne Nystrom, from Yorkton-Melville.

And Shirley and Michelle are down here today as my guests. I had the distinct pleasure of having lunch with them and sharing some very warm conversation. And they're going to take in part of question period and then they're going to take in a tour of the legislature. So, Mr. Speaker, I would like all the members of the Assembly to join me in welcoming them here, and hope they have an enjoyable stay in the city today.

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

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. It is my pleasure, to you and through you to the House, to introduce two people who are visiting with us here from a long ways away. They are a couple who have come to Saskatchewan for the summer from a community called Astros in Greece. Their names Elefterias and Petrula Lagridonia. They are seated in your gallery with my son, Dion, and I would ask them to stand.

They happen to be the grandparents of my daughter-in-law, and that makes it very special for me to have the privilege to introduce them here today and wish them well and ask the members of the House to join me in extending a warm welcome to them here today.

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

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. In your gallery I would like to introduce to the members of the legislature and to you, Mr. Speaker, five individuals who are from Weyburn. And I would like to introduce them to the Assembly as being Jean Hobbs, Vivian Kew, Lorie deVries, Karen Buchanan, and Debbie Button.

These individuals all were, until recently, working at the Souris Valley Regional Care Centre and unfortunately there are only two of them that are still working at the present time, Mr. Speaker. I would ask all members to give them a warm welcome to the Legislative Assembly.

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

**The Speaker:** — I would like to join with members in introducing some guests here today, if I may. Seated in the Speaker's gallery are the parents of the secretary working in the Speaker's office, Mr. and Mrs. Johnson, who are here visiting in Saskatchewan from B.C. I would ask all members to welcome the Johnsons to

Saskatchewan.

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

## ORAL QUESTIONS

### Funding to School Boards

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Education. Mr. Minister, after the initial shock of communities across this province losing their hospitals many communities are now waking up to the reality of another war that's waging against rural Saskatchewan. In fact, Mr. Minister, many communities are wondering what will happen to their schools. Will they be the next ones.

The opposition received a letter from the Battle River School Division which outlines this scenario in spades. And, Mr. Minister, the school division, like most others, is very concerned with the proposed 2.5 per cent increase in teachers' salaries in 1994, after your government cut the school division's funding by 4 per cent. They find that unacceptable. They realize that the only way they can accommodate this situation is to cut teaching positions at the expense of quality education in rural Saskatchewan. In fact in order to make their 1993 budget work, they had to cut 11 positions.

Mr. Minister, it would seem to me, it would appear to me, and certainly it appears to the school division, that this is an erosion of educational services in rural Saskatchewan, and there will be more to come. Is that not true, Mr. Minister?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I'm pleased to respond to the member, hon. member's question. And I want to say that I do not agree with his assertion or his suggestion. Indeed the education system in the province of Saskatchewan is strong. I have met since I have been given the honour of having this portfolio with the trustees' association and spoken to the teachers' association and met with various people who are involved in the education system. They are working hard to provide the best possible education that we can in the province of Saskatchewan within the financial circumstances which we face, and they're doing an outstanding job.

The member refers to what may be a settlement that has been arrived at the bargaining table where it ought to be arrived at. I'm not going to comment on that, because that is information which is not public. And that's something for the school trustees and the Teachers' Federation to speak to when they report to their principals.

But I might say, Mr. Speaker, that this is an agreement that is being arrived at in conjunction with the Government of Saskatchewan representing the taxpayers, and the trustees and the representatives of the teachers. And I can say, Mr. Speaker, if they can

agree then certainly that must be the right direction in which it should be going.

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

**Mr. Toth:** — Well, Mr. Speaker, and again to the minister. Mr. Minister, the Battle River School Division like other school divisions across this province are finding that it seems that they are left with doing your dirty work.

What you've done is eliminated substantial funding for them to give adequate education in their school division. In fact what they've had to do is eliminate 11 positions this year. And even though they've eliminated 11 full-time teaching positions, they're still left with an anticipated shortfall in 1994 of \$275,000, which in order to achieve the funding needed to meet the shortfall it would mean seven more positions in the next term.

Unless they did the other alternative. And that alternative, Mr. Minister, would be to put an added tax burden on the residents of that school division through a mill rate. It's either axe or tax. And I don't think that's a fair choice.

Mr. Minister, pay raises like the one you gave the government employees' union will only make matters worse for everyone. Mr. Minister, do you not agree with the school divisions when they say it will mean less teachers in rural Saskatchewan, less education in rural Saskatchewan. And what it will eventually mean for all of us is more taxes. Is that not true?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, the problem, the problem with the members of the opposition is that they are still continuing to live in the past. They still will not recognize that they left this province, this government, and the children who we are providing an education for, with an accumulated debt of \$16 billion which they are going to have to at some time in their lives help to repay.

Now in spite of that, Mr. Speaker, this government, along with the educators of this province and the trustees of this province, are working at providing the best possible education that we can for our children in order that we can provide for them the ability to meet that future which they are going to face.

Now, Mr. Speaker, the member opposite chooses to use very selective information which I regret very much. But because when he talks about the agreement between the government employees and the agreement that's being arrived at in the Crown corporations, he talks about a two and a half per cent increase. But he never talks about the zero per cent increases in two years prior to the two and a half that our public servants have agreed to in order to contribute to solving the financial problem which we're trying to solve, which they created and left for the future generations of this province.

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

**Mr. Toth:** — Thank you, Mr. Speaker, and to the minister. Mr. Minister, and Mr. Speaker, and for anyone who happens to be viewing, what we've seen again is the minister just using the blame thrower, bringing out and continually accusing the former government. In fact, while they've added \$2 billion, all of sudden that's a problem created by the former government. And I suppose until the next election, maybe even to the year 2000, every increase is going to be because of the former government.

Well people across the province are beginning to see through that, Mr. Minister. In fact education students are beginning to see through that. They're wondering where they're going to find a job. In fact I had a couple of students in my office recently who said they've spent four years taking classes and four years of costs out of their pocket and their parents' pocket, and there isn't a job at the end of the road.

So, Mr. Minister, your choices are creating a problem not only for health care workers, but for even young people in the educational field. For every cut in funding, coupled with pay increases to teachers, it results in job losses and in this case 18 positions in the Battle River School Division.

Mr. Minister, my questions come straight from the letter that was sent to you, and I'd like to quote it:

The recent SGEU agreement has set a precedent which will make things that much harder for all employers in the province. Instead of this kind of increase, our board believes that salary roll-backs should be given serious consideration at the bargaining table. A zero increase should be the final position for the teacher bargaining committee. This is a preferred direction to further major teacher lay-offs.

Mr. Minister, will you listen to educational boards across the province rather than voice the opinions of your union friends? Will you do that?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, may I assure the member opposite that indeed we are quite prepared to listen to the boards of the province of Saskatchewan, and they are represented at the bargaining table by the Saskatchewan School Trustees Association who speak for them very well. And, Mr. Speaker, because they speak for them very well and when there is an agreement — and I understand that there is a tentative agreement that has been arrived at — I know that the voices of all of the school jurisdictions in the province have been well represented by the school trustees association who will have agreed to this agreement.

And the member opposite also talks about the jobs that people in this province and the students of our province will need when they graduate from our

schools. Well I want to remind the member opposite — and there is a lot more yet to be done — that in spite of the huge debt which this province has, which the member opposite does not like to be reminded of, there have been in the period of April '93 to May '93, 23,000 more jobs in the province of Saskatchewan, an increase of 6,000 more jobs and people employed in Saskatchewan over a full-year period from the same time last year.

Now that, Mr. Chairman, is a sign that the policies of this government are working. And they're working not necessarily because of some dictum of the government; they're working because all of the people of Saskatchewan — school trustees, the business community, and the workers of this province — are pulling together to make it work in spite of the negativism and the gloom and doom that is projected by the members of the Conservative Party seated opposite, to your left, Mr. Speaker.

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

### Government Cost-cutting

**Ms. Haverstock:** — Thank you, Mr. Speaker. I direct my question to the Premier today. Mr. Premier, I'd like to read from *Hansard* and I quote:

(We) have civil servants getting increases of 17 per cent . . . where is the fairness and why has this government gotten out of touch so quickly?

This is the statement from your very own Minister of Economic Development, made on June 21, 1990, eight years into the previous government's mandate.

Mr. Premier, given the fact that your government's ministerial staff received recently similar-size wage increases, does this not suggest that you are out of touch in nearly 19 months, when it took the previous government eight years to do similarly?

**Hon. Mr. Romanow:** — Mr. Speaker, the simple answer to the question is no, because the hon. member opposite — which is common for the opposite member's questions, if I may say so — tends to ignore the basic facts. The basic facts are that there are fewer MAs (ministerial assistant), and there's less total dollars spent.

**An Hon. Member:** — Just give you time, Roy.

**Hon. Mr. Romanow:** — The Leader of the Opposition says, give us time. You do, and we'll have even fewer MLAs (Member of the Legislative Assembly) and fewer MAs and fewer expenditures.

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

**Hon. Mr. Romanow:** — And fewer MLAs and fewer MAs. We're going down from 66 to 58. And I don't expect to see many of my Conservative friends around here very much longer, so we'll have fewer MLAs and MAs. Now those are the facts. Those are the facts.

And if the hon. member would also be absolutely honest with the legislature, she would acknowledge that the so-called raises that she talks about results in, the first time ever in recent while, job classifications which require MAs to go in in certain categories or rechange . . . or even reclassifications where there's a change of duties as opposed to pay increases.

But even with that, there is still less money spent and less MAs than at any time in the last 10 years by a long shot, and we're going to do more. So please practise the new politics and admit that.

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

**Ms. Haverstock:** — Mr. Speaker, Mr. Premier, I'm not going to practise condescension about the quality of your answers in this House. Thank you for your response.

I'm going to quote another of your front-benchers, the member from Regina Churchill Downs, and I do quote:

. . . I wonder if we might have a commentary on the bloated size of the current cabinet.

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

That question was raised in Executive Council estimates in June of 1990, Mr. Premier, when the size of cabinet was 18 members. And as your cabinet is now 16 and has only been reduced from 18 in the recent weeks, will you commit to us today that you will show some of that economy that was preached when you were on this side of the House and promise that you will reduce the size of your cabinet within the next few weeks to a substantially lower number?

**Hon. Mr. Romanow:** — Mr. Speaker, with the greatest of respect to the hon. member, I don't know where she's been the last little while but I don't think it's been in the Saskatchewan legislature. We have 16 people in the cabinet, and 18 by choice, 18 by choice, 16 currently, 18 or 16; it is the smallest, one of the smallest cabinets in the last 10, 15 years. And I ask you to compare the cabinets of Frank McKenna, or the cabinets of Clyde Wells, both in numbers, or any other jurisdiction, even Gary Filmon next door in Manitoba, and you'll see that the province of Saskatchewan . . . (inaudible interjection) . . . Yes, the promise I made, I fulfilled. The promise I made was to reduce the cabinets from 25 to 16, 18, in that neighbourhood. That is the situation.

Now again, I don't know what in the world it is about the hon. member who talks with total disregard to the facts. Do you remember the day you got up in the — was it legislature or the public? — and said that we didn't have enough government in Saskatchewan. Your proposal was . . . Oh no, you look surprised. Did you forget? You wanted a senate for the province of Saskatchewan to appoint. Do you remember that? Do you remember that? A senate. Now today you get up,

a year later, and you say, oops, I really didn't mean it; we need smaller government. Please Madam MLA, facts, facts, facts, and integrity, please.

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

**Ms. Haverstock:** — Mr. Premier, you wouldn't know a fact if it were delivered in a brown envelope. I have never stated that the province of Saskatchewan should have a senate; I was talking about the information age and in fact having communication systems with people within the province. And I am not here to have to defend what I consider to be the new kind of politics. You . . .

**The Speaker:** — Order, order. I'll permit the member from Saskatoon Greystone to repeat her question because I couldn't hear it and certainly the members over here couldn't hear it, the government side.

**Ms. Haverstock:** — Thank you, Mr. Speaker. Mr. Premier, what I am doing is quoting directly from your members — your members, people who you are in essence, the responsibility, manager for. And if they indeed did not say this, then what you're saying is that the facts are not correct from *Hansard*.

You have not cut all of wasteful spending because the evidence speaks for itself. You're telling hundreds of agencies around this province that funding is scarce, and yet your government authorizes the spending of several hundred thousands of dollars a year to supply flowers to ministers' offices.

And you claim to save hundreds of thousands of dollars by cutting civil servants, and yet you did not budget for the severances that you'll be paying those employees. You merely are charging the cost against the accumulated deficit and making a serious problem worse. This is nothing less than a shell game.

Now do you honestly believe that you are making the best use possible of taxpayers' dollars and that you are telling them the truth about your actions and motives?

**Hon. Mr. Romanow:** — Well, Mr. Speaker, again I find this question somewhat interesting because the hon. member will know, or perhaps she will not know, that on our budget this year, had it not been for the interest on the public debt which we inherited, we would have had a surplus of over \$500 million.

Now is this enough? Is it enough to get rid of waste and the mismanagement? The answer is no. Can more be done? The answer is yes. But I find it interesting that the member says there's a double standard. If there is a brown bag that comes out of her office about her advocacy for a senate, she's not responsible for it. But if there's a brown bag that comes out of the government about something that we do, we are responsible for it.

Now is this the new politics? I don't think so. And if the hon. member opposite says, by the way, that she is going to quote for me . . . and by the way, she says a brown bag. I have here January 29, 1993 *Star-Phoenix*

headline — mind you, not that it's accurate necessarily, but it's the *Star-Phoenix*. It says: "Haverstock latest to press government toward elected Senate." Senate election a first step. Liberal wants Senate vote. And on it goes. These are all positions that take place.

So if the hon. member says that somehow she did not know about this, then I would say that, as my colleague here says, there is a high degree of selectivity of what you remember and what you do not remember.

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

**Ms. Haverstock:** — In my mind, Mr. Premier, there's a great deal of selectivity about what you remember as well. Because in the *Leader-Post*, October 4, 1989, you say, and I quote: He sees (the Premier, present Premier) no use in expanding the size of cabinet to include associate ministers and promised an NDP cabinet would be small, very small, in tough economic times. End of quote.

Mr. Premier, in my reply to the budget speech — and by the way, I do believe in an elected Senate; I fought for one — I pointed out potential savings to the government in the order of \$4.5 million. And you scoffed, sir, at the \$4.5 million as being insignificant. And yet you've been telling people all throughout this province that your government has had no choice but to close hospitals and lay off health care workers to save just over \$4 million on health care.

Mr. Premier, you can't have it both ways. How can you suggest that \$4.5 million is completely insignificant, but in the same breath use a \$4 million savings as the excuse to threaten the health care system?

**Hon. Mr. Romanow:** — Mr. Speaker, if I can't have it both ways, neither can the member from Greystone. She can't have it both ways either.

*Leader-Post*, March 26, 1990: Liberals propose provincial senate. It may not be accurate because it's in the *Star-Phoenix* too, but it's by Randy Burton, quote:

A Liberal government would establish a provincial senate that would allow local governments to vote on Bills passed by the legislature, says Liberal Leader Lynda Haverstock. It would be made up of mayors, reeves, and Canadian band chiefs with the idea of establishing a partnership with the people, she told the party's annual convention in Saskatoon.

Now just a few moments ago the Leader of the Liberal Party said she did not say that; it was a brown envelope. Which is the truth? Or are you entitled to have it both ways? What is the truth?

And I suggest the truth is, far from you being concerned about reducing and making government

efficient, you want it expanded. You want it expanded. And what you really want to do is, for political purposes, try to expand a perception of cuts and reductions while all the while advocating provincial senate and elections.

Now is that a brown bag or is that your view? Tell us.

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

**Ms. Haverstock:** — Mr. Premier, surely you know better. I never said in here that that arrived in a brown envelope at all.

What I was talking about . . . And all you have to do is read, sir, and you can see that this would function as involving people from the local level; it has nothing to do with people who aren't already elected to positions. You are the person who wants to control information and not expand it to the people, rather than having real input.

Your government, sir, says that it must do what it can do to demonstrate to the public that it can be trustworthy and responsive. And yet the proof is that your government has demonstrated neither, in spite of your rhetoric.

In the past weeks we have seen you threaten to break another contract, which is quickly becoming a habit in this administration. Hemophiliacs infected with the HIV (human immunodeficiency virus) have been told to wait and see if a compensation package will be coming.

I want you to justify those actions to the people today — justify of denying people their legal rights on three different occasions now, and your obvious lack of compassion for people who are running out of time.

**Hon. Mr. Romanow:** — Mr. Speaker, I say with the greatest of respect of the hon. member opposite . . . The hon. member says I don't have respect. Well actually I do have, but I must say to the hon. member that it's greatly diminished when just a few moments ago in the full hearing shot of everybody in this legislature and in the press gallery and the public you said you never talked about an expanded senate. It was a brown-bag proposal. I produce evidence to the contrary and now you give us another example — and you ask me to have respect?

Well I'll tell, notwithstanding your answers, I still have respect for you, but you have to be factual and accurate in this operation. When you say you want to save money, why is it that you come to the legislature, and what do you do? You seek more money — more money all the time. You can't do your job. You want to increase the funds for the constituency office. Is that part of the money that's involved in the operation? I don't think that it is.

I think, Madam Member, you're inconsistency is getting well noticed here, and I think with the greatest of respect, this is not a question of who has more compassion — you or me or the Leader of the

Conservative Party. We know that people with respect to hemophilia are in a tragic and sad situation.

This is a national response. All of the provincial governments are saying it's a national responsibility. That's where we think it should lie. That kind of compensation should not be dependent upon the ability of a province in any particular region to provide or not to provide. This is a national moral responsibility.

And to be very blunt about it, for you people to be raising this issue under the guise of compassion is a shameful display of politics with people that are caught in an unfortunate situation to which we're trying to solve the situation. Instead of doing that, show true compassion by coming to sensible, logical, national solutions, which is what we're trying to do.

**Ms. Haverstock:** — So, Mr. Premier, it is perfectly all right that the member from Saskatoon Broadway and your Associate Minister of Health and the member from Regina North West and numerous people in your particular administration can come forward in 1990 and talk about how people with HIV who are hemophiliacs in this province should get support. But it is not all right for me, as the member from Saskatoon Greystone who has met with these people for the last year, to bring forward similar concerns. Somehow compassion is reserved for your administration. Well give us a break!

The people in this province are wondering why you approved \$200,000 a year supply of flowers to ministerial offices. Now you tell me why you can't come up with some sense of compassion for people who need some help now. But you can approve this and think that this is good use of taxpayers' dollars?

**Hon. Mr. Romanow:** — Madam Member, and Mr. Speaker, you tell me why you keep insisting for more money for the Liberal Party and for yourself, and tell me how that is compassionate. You tell me why you keep doing that.

And I tell you, you cannot have a double standard. You can't get up in public and say you didn't say what you did about the elected senate and then try to flip-flop so brazenly in public when the evidence is to the contrary. You cannot have it both ways. You cannot have it both ways.

And I say to the hon. member opposite: she quotes about my members and what they've said. Would she like me to quote back what some of her members say about her? Because I want to say right now — again it's in the *Star-Phoenix* . . . *Leader-Post*, so it may not be accurate — and I don't want to get into this too much, but there it is, a letter written by somebody on the . . . You'll know this person very well. He's a candidate in the last election, Mr. Randy Roman from Moose Jaw.

A lot of people don't know the real Lynda Haverstock. She puts on a good front in the public, but where it really counts — where you

really need people around to get your party going and offer what the people want — she just doesn't have it.

You know something? I don't share that member's assessment of you. But I got to tell you I am shaken in my confidence in you by this kind of a heartless political display and, being very blunt about it, duplicitous example about what true compassion and principle is. I'm sorry, Madam Member. We expect more of you and members in this House.

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

**Hon. Mr. Romanow:** — Mr. Speaker, by leave, introduction.

**The Speaker:** — Oh, introduction of guests. Does the Premier have leave?

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Romanow:** — Mr. Speaker, I want to thank all members of the House for giving me leave to introduce a very special guest who will be known to all members of this House.

Mr. Speaker, seated in your gallery with the other people — but I'll only take the time of the House to introduce one — is Ms. Maude Barlow who is the national volunteer chairperson of The Council of Canadians.

Ms. Barlow is well known to Canadians for her devotion to the discussion of the impacts of the free trade agreements and the proposed North American free trade arrangement and its impact on the Canadian economy and our society.

She's authored two books: **Parcel of Rogues** and **Take Back the Nation**. I want to give Ms. Barlow a little bit of a plug for those royalties that keep on coming in to The Council of Canadians.

She is tirelessly working as a strong advocate for a strong, independent, and united Canada. She was in Saskatoon today for a very successful, large meeting of The Council of Canadians on this topic.

And I say, Mr. Speaker, regardless of our views on this important issue, she is, I think everybody would agree, a person of great distinction and a person devoted to a vision of Canada. And I'd like all members to welcome her to the legislature.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF THE WHOLE

#### Bill No. 1 — An Act respecting the Conduct of

**Members of the Legislative Assembly and Members of the Executive Council, respecting Conflicts of Interest and to enact Consequential Amendments resulting from the enactment of this Act**

**The Chair:** — I would like the Minister of Justice to please introduce his officials to the committee.

**Hon. Mr. Mitchell:** — Mr. Chair, I have Doug Moen back with me — you'll recall he was here with me yesterday — and Darcy McGovern of the Department of Justice who is well known to members of the House.

**Clause 1**

**Mr. Toth:** — Thank you, Mr. Chairman. And to the minister, welcome to your officials and I just want to say as I reiterated yesterday, thank you for the opportunity to sit down and discuss the Bill and I believe a number of the amendments. And just after we had finished we had taken just a quick minute to speak to . . . ask the minister regarding some of the amendments put forward. I believe your department has taken some of the suggestions we put forward and put them in the form of amendments.

And I think as we get into the Bill we'll probably just start moving through the Bill clause by clause. There are some amendments that we'd like to make some comments on. But I think at the end of day, and I believe at the end of the day, Mr. Minister, certainly the idea is to have a piece of legislation that is here, that will let the public know that certainly individuals involved in public life and politicians are endeavouring to be as open and as forthright with the public and with all of their dealings . . . and even any investments and assets they would have.

And, Mr. Chairman, I think it's appropriate that we're doing this. I guess as I would reiterate one more time, it probably would have been wise as well to have some input from people on the outside who do have the concerns, and I'm not sure if the minister had the time or the staff did — possibly through the legal channels some input has been given — but groups like the taxpayers and other organizations that would have just . . . at least asked them for some ideas because I think the perception can still be there where it's just politicians doing something to better themselves.

And it's very important that we're really forward with this piece of legislation and that we're bringing forward that we're very clear so that even though the commissioner will be appointed by this body that the points and the guidelines are very clear so the public knows exactly where we're going.

And with that, Mr. Chairman, unless the minister wants to respond for a minute, I think we can move into a clause-by-clause review.

**The Chair:** — Before the minister responds, besides the member who is on his feet and has been recognized by the Chair, there are about seven other conversations which are taking place in the Chamber.

And although each conversation by itself doesn't create a problem, the number of them collectively do create a problem for the discourse of business. And therefore I would ask members to respect that. And if they feel the need to carry on conversations, perhaps they would like to do so outside the Chamber.

**Hon. Mr. Mitchell:** — Thank you, Mr. Chair. We did two things that were in addition to the consultations that took place with the official opposition and with the member from Saskatoon Greystone. The first thing we did was to examine the legislation and to speak to the officials involved in the other jurisdictions that have similar kinds of legislation. And we went into some detail in connection with those conversations and got the benefit of their experience. That includes Ontario and British Columbia and Alberta.

The other thing that we did was to review all of the literature on the subject, and there is some Canadian literature on the subject and we paid special attention to that. And in addition to that we had the consultations with your caucus and with the member from Saskatoon Greystone. So I think we've got something here that will work.

We have, as you have over the years, been alert to representations that were made to us, and our own democratic reform paper when we were in opposition tried to gather together our experience with respect to that. We paid attention to that, as did you. And I think we have something here that we can all be satisfied with.

Clause 1 agreed to.

**Clause 2**

**Mr. Toth:** — Mr. Chairman, I just wanted to mention, in clause 2 here it lays out a number of definitions and we had made a number of suggestions. Now clause 2(1)(d) expands the definition of Crown in this situation. And as much as we appreciate the fact that there's a broader definition of what Crown means, we were looking forward to something that would have included any corporate government involved . . . or as being a part of this definition as well.

And I just wanted to bring that to the minister's attention and maybe they could comment as to why they would have left that portion out.

(1445)

**Mr. Martens:** — Thank you, Mr. Chairman. If I could, I'd like to have leave of the Assembly to introduce some guests.

Leave granted.

**INTRODUCTION OF GUESTS**

**Mr. Martens:** — Thank you, Mr. Chairman. First of all I'd like to introduce an individual prior to my school, and that individual is Mr. Don Watson who is seated up in the gallery. He's from Hodgeville,

Saskatchewan, a very good friend of mine. And he's here today, probably for the Farm Progress Show, and has been interested in politics, he and his family, for a long time.

And I would just like the Assembly to welcome him here today, along with the grade 4 and 5 students from Cabri, Saskatchewan. They're here today dealing with . . . probably going to Agribition as well as . . . or the Farm Progress Show and as well to view the things in Regina here and along with the legislature. I'm going to be meeting with them.

They're here today with their teacher, Arlene Peltier, and 13 chaperons, and I won't go into the detail about that. I had a school earlier this morning where the chaperons outnumbered the students, and I think it's all to go to the Farm Progress Show.

But I want to have the Assembly welcome these people to the Assembly. They're from Cabri, and I want to have the Assembly join with me in welcoming them here today.

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

**Mr. Trew:** — Mr. Speaker, if I could have leave to tag on?

Leave granted.

**Mr. Trew:** — Thank you, Mr. Chairman, and colleagues. I want to join the member for Morse in welcoming this group from Cabri, and particularly Arlene Peltier. Arlene and I grew up next door to one another on the Beechy co-op farm many years ago, and it's a treat to see her here this day. So I ask all members to join me in welcoming the group.

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

## COMMITTEE OF THE WHOLE

### Bill No. 1 (continued)

#### Clause 2

**Mr. Toth:** — Mr. Chairman, just before the minister responds, I should maybe just be a little clearer. I meant . . . I should have suggested that what we were looking for was a corporate government control. And I'm just going to raise a suggestion we had put forward, and the minister probably has it in front of him, where any business or organization which Her Majesty the Queen in right of Saskatchewan appoints the majority of the board of directors, selects the chief executive officer, who owns the majority of the share capital, controlling interest — that's the area we were talking of where we have a little broader interpretation of what it means by controlling Crown in this definition.

**Hon. Mr. Mitchell:** — Mr. Chair, we were at pains to be as responsive to the proposal from the official opposition as we possibly could be. And when we

used the words in the amendment that we will be introducing momentarily, we used the term: "including corporations in which the Government of Saskatchewan owns a majority of shares." That, in our view, would cover all of the situations that are included in the proposal which the member has just outlined.

For example, one of the concepts in the proposal from the opposition is the idea of a controlling interest. And how do you know when you have a controlling interest and when you don't have a controlling interest? Is a 5 per cent interest in Saskoil a controlling interest? I think not. In IPSCO, whatever shareholdings the government has there — a minority share, very minor shareholding position — is that a controlling interest?

It didn't seem to be a very satisfactory approach to it because it lacked definition. So we think that the formulation which we are prepared to move, corporations in which the Government of Saskatchewan owns the majority of shares, should cover every situation that we can think of. And we thought by doing that that we were being fully responsive to your suggestions.

There is a House amendment, Mr. Chair. I move that:

Section 2 of the printed Bill be amended by striking out clause 2(1)(d) of the printed Bill and substitute the following:

"(d) 'Crown' means Her Majesty the Queen in right of Saskatchewan and includes departments, secretariats and offices of the Government of Saskatchewan and Crown corporations, including corporations in which the Government of Saskatchewan owns a majority of shares".

Amendment agreed to.

Clause 2 as amended agreed to.

Clauses 3 to 7 inclusive agreed to.

#### Clause 8

**Hon. Mr. Mitchell:** — We propose an amendment to section 8 of the printed Bill, Mr. Chair. I move that section 8 of the printed Bill be amended by:

Amend subsection 8(1) of the printed Bill by adding "including a corporation in which the Government of Saskatchewan owns a majority of shares," after "Crown corporation".

Amendment agreed to.

Clause 8 as amended agreed to.

#### Clause 9

**Hon. Mr. Mitchell:** — Mr. Chair, I move that section 9 of the printed Bill be amended first:



(a) by adding the following subsection after subsection (4):

“(5) The commissioner shall file with the Clerk of the Assembly a copy of any notice given and any terms and conditions imposed pursuant to subsection (4), and the Clerk shall make the copy of the notice and the terms and conditions available for public inspection at the office of the Clerk during normal business hours of the Clerk”;

(b) by renumbering existing subsections (5) to (8) as subsections (6) to (9); and

(c) by striking out “subsection (5)” in renumbered subsection (7) and substituting “subsection (6)”.

I so move, Mr. Chair.

Amendment agreed to.

Clause 9 as amended agreed to.

Clauses 10 to 12 inclusive agreed to.

### Clause 13

**Hon. Mr. Mitchell:** — I have an amendment to propose, Mr. Chair. I move that:

Amend section 13 of the printed Bill:

(a) by adding the following clauses after clause (1)(c):

“(d) the name and the address of each corporation, organization or association of or any of the member’s family is an officer or director;

“(e) the name and address of each organization or association in which the member holds a membership”;

(b) by renumbering clauses (1)(d) to (j) as clauses (f) to (l); and

(c) by adding the following subsection after subsection (4):

“(5) Notwithstanding subsection (1), the commissioner may exclude from a public disclosure statement the name and address of a corporation, organization or association of which any of a member’s family is an officer or director if, in the opinion of the commissioner, the exclusion is a justifiable departure from the general principle of public disclosure.”

I so move, Mr. Chair.

**The Chair:** — We have the amendment by the

minister. I just want to hold it in abeyance for a second.

**Mr. Swenson:** — Mr. Chairman, in earlier discussions with the minister, we had I thought agreed to, in section (e) there, to not hold member’s children in that clause. But I thought that the member’s wife, spouse, would be included in that.

Now I’ll give you an example. As everyone knows, the hon. minister’s wife holds a very prominent position in Canadian politics. And I’m sure that the odd time he gets lobbied a little bit, either at the kitchen table or perhaps even in bed for all I know — I don’t know.

But I would suggest that members’ wives are very influential people in their lives. And members’ wives and husbands could be the director of company XYZ or union X or whatever. And those people have more opportunity to lobby a member than anybody else does. And I can see the point where your children living at home probably aren’t going to be in such a thing.

But I think it would be appropriate in this exercise if . . . I know my wife’s got nothing to hide from this Assembly and I would think that all of us would feel the same way about our spouse. And I’m wondering if the minister might entertain an amendment to that section, and I’ll read it out for the minister’s benefit and he can deliberate with his officials. I would move:

That the amendment be amended in section (e) by adding after the word “member” the words “or his or her spouse”.

As simple as that, in this section.

**Hon. Mr. Mitchell:** — The point is an interesting point and it was the subject of a very vigorous discussion in our caucus. The amendments arise as a result of suggestions made by the opposition, and I thank them for that. I think it was a useful idea.

The fact is that section 13, which sets out the contents of a public disclosure statement, covered really a very broad range of ideas but had overlooked the idea of membership in organizations and associations that were other than shareholdings or the other kinds of interests that are covered by section 13 that have to be disclosed.

(1500)

And of course membership in an association can be of such a nature as to create a conflict. I think we all understand and accept that. And that is particularly the case if the membership is more than just a matter of having a card, but actually participating as an officer or director.

And so the present formulation, just so we’re perfectly clear what’s being proposed, the present formulation accepts the idea that was put forward by the Leader of the Opposition, actually, that the name and address of each corporation, organization, or association of

which the member or any of the member's family is an officer or director . . . That applies then to the member and the member's spouse and the member's dependent children.

That is a different order of involvement than just bare membership; that is active participation. So those have to be disclosed.

And then the clause (e) goes on to say that the name of each organization or association in which the member holds a membership. That would be the kind of less intense membership, if I can put it that way. And as I understood the member's intervention right now, I think that that satisfies his point.

We had a vigorous debate about this in our caucus. And I believe that I capture the conclusion correctly when I say that it was the feeling that there's a point at which you stop disclosing everything that is of no interest to the public.

I used in my conversation with the member I think yesterday, the idea that one of my daughters at university might be a member of Beta Sigma Phi. Well who cares? Nobody cares. And it will not affect my performance as a member of this Assembly. And if your interest of course is in my wife, she's caught by clause (d) I think quite satisfactorily, and caught by clause (d), and of course her life is an open book anyway. So we should probably think of another example.

But I think that we captured the idea, and there was such a long debate about this in our caucus that I have to respect the result of that debate. I don't feel able in this committee to respond to the member's suggestion except to say this: I agreed with the member and the member's formulation, and he will recall that, and I'll admit that frankly in the House. Then taking it to my caucus colleagues, and after long debate there they were unable to accept fully the idea.

So I have to leave it at that with some regret because we really did a good job of work on this in agreeing to these amendments. I want to say, just in case I don't get a chance to later on, that I do appreciate the approach that the opposition, and particularly the Leader of the Opposition, has taken in the discussion surrounding this Bill.

**Mr. Toth:** — Mr. Chairman, as well the minister in his amendment he's put before the Assembly, he's added an additional clause, clause 5.

"(5) Notwithstanding subsection (1), the commissioner may exclude from a public disclosure statement the name and address of a corporation, organization or association of which any of a member's family is an officer or director if, in the opinion of the commissioner, the exclusion is a justifiable departure from the general principle of public disclosure".

I think by the addition of that clause, Mr. Chairman, and Mr. Minister, it may leave some doubt in the

public's minds as to what are we trying to hide, and it would probably be fair to at least require that a notice is filed with the Clerk of the Assembly so that there is that idea of it at least being . . . it's not really out totally in the public, but the Clerk, the notice is filed regarding that exclusion and that in itself may be an indication to the public that we're being as forthcoming as we are. I think that would be only fair, Mr. Minister.

**Hon. Mr. Mitchell:** — I think that I'm not comfortable with characterizing this as the member does. The general principle of public disclosure that is referred to in the amendment is the principles in . . . particularly in section 3 and in section 5, and of course the prohibition against the use of inside information in subsection (4). That is the general principle of public disclosure. It is disclosure of interests that may affect our performance as members of this Assembly, or in the case of cabinet ministers as members of the cabinet. And what we run into though, in the case of some members, is situations in which their spouse has a position that is a nominal position, or a position of legal convenience.

I cite for example, the Minister of Municipal Government whose husband is a lawyer and is a lawyer who is active in corporate matters and estate matters and the like. He frequently finds himself in a position where he becomes the director of a company but it is a directorship of convenience in order to comply with the legal requirements pertaining to corporations and does not reflect any real interest on his part in the corporation. He doesn't have an equitable shareholding in the corporation; he is simply a director of convenience, a paper director. And therefore, having no interest in the corporation, the member herself will not have any interest which ought to be disclosed, having regard to the general principles of disclosure contained in the Bill. So that's what we're trying to get at here.

Furthermore, in connection with that case, the member's spouse, as a practising lawyer, has legal requirements with respect to confidentiality and privilege as to disclosing his client's affairs, and to some extent that question of privilege is raised in the ideas that I've just been talking about.

So that's what we are aiming at here. And to give notice of the problem is to defeat the purpose of the amendment. I mean if we're going to have the notice and all of that recorded with the commissioner or with the Clerk, we then have the same situation as though we didn't have this section and the Minister of Municipal Government would have to, in effect, provide the same statement although it would not necessarily be disclosed to the public. It probably wouldn't be, so that the second point I mentioned wouldn't be involved, that is the question of privilege. But still the uselessness of the whole process of Grant Carson listing all of his directorships of convenience in order to . . . so that the minister can comply with the Act just is something that we ought to avoid. And so the amendment is proposed on that basis.

**Mr. Swenson:** — Just so I have it straight here. The commissioner then will do these exclusions under this subsection, but no one but the commissioner will know that he did the exclusion, and the commissioner will do it from a general principle of public disclosure.

This person is going to be an officer of the Assembly, or a servant of the Assembly, not an officer of Executive Council or anything else. How do I as a member . . . because I quite honestly don't know what the general principles of public disclosure are. That I suspect has many definitions depending on the jurisdiction you're into.

Maybe what we have to do is define the general principles of public disclosure so that I have confidence that the guy that works for me as a member of the Assembly is . . . when he makes these exclusions, is doing it in a way that I understand. I mean if we're not going to have it filed with the Clerk and we're not going to have it filed with the Assembly that he has made 103 exemptions this year because of general principles of public disclosure, I don't know if he's up to the mark or if he's not up to the mark.

And it's not that I'm trying to mess this thing up. I hope the minister understands. It's just that it leaves it a little open-ended. I guess that some in the public and the media might say, well how do we know that this thing is being handled in a proper way. And I don't have the answer for it, quite frankly, Mr. Chairman, so I . . . Maybe the minister or his staff have got some way that we could feel more comfortable about this exemption being granted, when we have no sort of check and balance on it.

**Hon. Mr. Mitchell:** — I'm glad the member asked that question because I was not precise in my first . . . in my previous answer.

When you talk about the general principle of public disclosure, I refer to sections 3, 4, and 5, which of course is not the principle of disclosure. It is the . . . sort of the underlying principle which requires disclosure, yes.

So the general principle of disclosure is that everything will be disclosed, and that's what section 11, 12, and 13 are all about. These are the disclosure requirements and the requirement is that all interests — or a very wide, wide range of interests — be disclosed, and that is the general principle that will apply. And only if the commissioner is of the opinion that an exclusion of the kind of interest I've been talking about is a justifiable departure, will subsection (5) come into play.

This has been a very convoluted discussion, made so in part by my reference to sections 3, 4, and 5. But I think that at the end of the day we ought to be comfortable with this and we ought to really create the exception because it is a sensible kind of an exception, particularly for members who are married to lawyers, to chartered accountants, to certified public accountants, and I would think to people in business generally.

So I . . . let me put it this way to the member, Mr. Chairman: I think we're satisfied. We've worked this over very carefully and we're satisfied with this formulation, and we'd like to proceed on that basis.

**Mr. Toth:** — Mr. Minister, I wonder if we could just have a minute. There's another couple of comments that an individual wanted us to bring forward and I'm not totally familiar with them, and I wonder if we could have just a minute before we move on further in discussion. I don't think we want to move off of the amendments and vote them off until there's a little bit of information that the Leader of the Opposition is presently having some discussion with. If that's fine, just take about a minute.

**Mr. Swenson:** — Well I accept the minister's explanation, and I guess we're just going to have to try this thing out and see how it goes as far as these exemptions go.

Just for the record, I want to go back to the point I made earlier, and I perhaps was being unfair in picking on the minister's spouse, and I wasn't trying to . . . The minister's spouse is a well-recognized political figure in Canada, and those quite frankly aren't the people that I was directing my comments to. If the minister remembers, my administration was criticized for a particular land deal with the YMCA (Young Men's Christian Association) in the city of Regina, that there was X amount of dollars.

(1515)

And I guess the kind of thing I was getting at, and I just want the members over there, if they had trouble with this in caucus, to think back that the building committee of the YMCA lobbied long and hard to have some things done with their building. And lots of times, as the minister points out, that we have covered off directors in companies, and we've covered off the officers of organizations and unions.

But the building committee of the YMCA, and your wife's on it, and she's a fairly high-profile person on that committee, that's the lobbying that I was concerned about. I don't know why any of us that are in public life would want someone to say, well so-and-so's spouse is on the board of directors . . . or not the board of directors, on the building committee of the hospital or the building committee of this or that or the next thing, and we know darn well that that spouse is putting their two bits into the conversation with the elected member. You don't have any choice. You chose to live with that person for the rest of your life, okay . . . (inaudible interjection) . . . Well there's a good example the minister brings up — Sinclair Stevens.

I don't know, it just seems when we're going through this exercise . . . and I know I recognize the spot the minister's in, but I'm just saying, public perception-wise, my own government was criticized for what is recognized as a widely held public institution like the YMCA getting a land transaction

done, and any one of our spouses could be on the building committee of the YMCA . . . (inaudible interjection) . . . No, not the officer.

Most organizations will have different committees set up to handle things, and if we don't take ourselves above that, then I think we open ourselves for criticism. I just want to make the point, Mr. Chairman; the minister can take it for that. But I think it would behave us at this time to take that suspicion away. Goodness knows we're under enough of it some days that we don't need a little bit extra because my wife or my husband is on a high-profile committee, but not a director, not an executive member of a functioning organization.

**Hon. Mr. Mitchell:** — Well that's a pretty compelling example. And I think we should leave it on this basis. I've told the member the discussion we've had and the conclusion we've had; and in the context we're operating in we probably have to leave it where it is.

But the commissioner will no doubt be reading the debate and the exchange that you and I have just had and will be alert to these situations in the work that the commissioner does with us members as we're sort of laying our lives open in the preparation of our disclosure statements. And I think that it would be quite appropriate in this debate for us to alert the commissioner to the remarks that the hon. member has just made in this House and my response to it. And that some attention be paid to this.

And if it's something we should cover off, then let's cover it off in the next session by way of an amendment, if that seems to be a situation that deserves attention. And I suggest to the member we can just leave it on that basis.

Subamendment negated on division.

Amendment agreed to.

Clause 13 as amended agreed to.

Clause 14 agreed to.

#### Clause 15

**Mr. Toth:** — Mr. Chairman, maybe I'll allow the minister to bring his amendment forward, then I'll make a comment.

**Hon. Mr. Mitchell:** — I move that:

Section 15 of the printed Bill be amended:

(a) by striking out subsection (3);

(b) by renumbering subsections (4) to (7) as subsections (3) to (6); and

(c) by striking out "subsection (6)" in renumbered subsection (6) and substituting "subsection (5)".

I so move.

**Mr. Toth:** — Mr. Chairman, I guess as we look at the amendment brought forward by the minister, the question would be why we would eliminate section (3) from clause 15. Why is, at this time, the minister choosing to strike out subsection (3) of the clause 15 in the printed Bill?

**Hon. Mr. Mitchell:** — The only reason was that we have now introduced this expanded definition of Crown which includes all emanations of the Crown, and therefore we simply don't need subsection (3).

Amendment agreed to.

Clause 15 as amended agreed to.

Clauses 16 and 17 agreed to.

#### Clause 18

**Hon. Mr. Mitchell:** — Mr. Speaker, I move:

That section 18 of the printed Bill be amended by striking out subsection 18(3) of the printed Bill and substitute the following:

"(3) The commissioner shall be appointed by resolution of the Assembly".

Amendment agreed to.

Clause 18 as amended agreed to.

#### Clause 19

**Hon. Mr. Mitchell:** — Mr. Chair, I move:

That section 19 of the printed Bill be amended:

(a) By striking out subsection (1) and substituting the following:

"(1) The Assembly may, by resolution, remove the commissioner from office or suspend the commissioner"; and

(b) By striking out "the Lieutenant Governor in Council, on the recommendation of the Assembly" in subsection (2) and substituting "the Assembly, by resolution".

Amendment agreed to.

Clause 19 as amended agreed to.

#### Clause 20

**Hon. Mr. Mitchell:** — Mr. Chair, I move that:

Section 20 of the printed Bill be amended by striking out "Lieutenant Governor in Council" wherever it occurs:

(a) in subsection (1); and

(b) in subsection (3);

And in each case substituting “Board of Internal Economy”.

Amendment agreed to.

Clause 20 as amended agreed to.

#### Clause 21

**Hon. Mr. Mitchell:** — Mr. Chair, I move that:

That section 21 of the printed Bill be amended by striking out the words “Lieutenant Governor in Council” and substituting the words “Board of Internal Economy”.

Amendment agreed to.

Clause 21 as amended agreed to.

#### Clause 22

**Hon. Mr. Mitchell:** — Mr. Chair, I move that:

Section 22 of the printed Bill be amended by striking out the words “Lieutenant Governor in Council” wherever it occurs:

(a) in clause (a); and

(b) in clause (b);

And in each case substituting “Board of Internal Economy”.

Amendment agreed to.

Clause 22 as amended agreed to.

Clause 23 agreed to.

#### Clause 24

**Hon. Mr. Mitchell:** — Mr. Chair, I move that:

Section 24 of the printed Bill be amended by striking out section 24 and substituting the following:

24(1) Subject to subsection (2), the commissioner may, with the consent of the Speaker, use any employee of the Assembly as staff.

(2) Any officer of the Assembly may consent to act as staff for the commissioner where, in the officer’s opinion, to do so will not unduly interfere with the officer’s duties to the Assembly.

I so move.

Amendment agreed to.

Clause 24 as amended agreed to.

Clauses 25 to 28 inclusive agreed to.

#### Clause 29

**Hon. Mr. Mitchell:** — Mr. Chair, I move:

That section 29 of the printed Bill be amended:

(a) By adding the following subsection after subsection (1):

“(2) A member who makes a request for an opinion pursuant to subsection (1) shall promptly provide the member who is the subject of the request with a copy of the application”;

(b) By renumbering existing subsections ((2) to (4) as subsections (3) to (5); and

(c) By striking out “subsection (1) or (2)” in renumbered subsection (5) and substituting “subsection (1) or (3)”.

I so move.

Amendment agreed to.

Clause 29 as amended agreed to.

#### Clause 30

**Hon. Mr. Mitchell:** — I move, Mr. Chair:

That section 30 of the printed Bill be amended:

(a) By striking out “member concerned” in subsection (2) and substituting “member who is the subject of the inquiry”;

(b) By striking out subsection (4) and substituting the following:

“(4) Where the request for an opinion is made pursuant to subsection 29(1) or (3), the commissioner shall report his or her opinion to the Speaker and to the member who is the subject of the opinion”; and

(c) By striking out “subsection 29(3)” in subsection (6) and substituting “subsection 29(4)”.

I so move.

Amendment agreed to.

Clause 30 as amended agreed to.

Clauses 31 to 33 inclusive agreed to.

(1530)

**Clause 34**

**Hon. Mr. Mitchell:** — Mr. Chair, I move:

That section 34(1)(a) of the printed Bill be amended by striking out the words “Crown corporation” and substituting “Crown corporation, including a corporation in which the Government of Saskatchewan owns a majority of shares”.

I so move.

Amendment agreed to.

Clause 34 as amended agreed to.

Clause 35 agreed to.

**Clause 36**

**Hon. Mr. Mitchell:** — Mr. Chair, I move:

That section 36 of the printed Bill be amended by striking out “subsection (3)” and substituting the following:

“(3) Section 11 is amended:

(a) by adding ‘section 10.1 or’ after ‘Notwithstanding’; and

(b) by adding ‘caucus chairperson,’ after ‘Opposition House Leader,’ in clause (b)”.

I so move.

Amendment agreed to.

Clause 36 as amended agreed to.

Clause 37 agreed to.

**Clause 38**

**Hon. Mr. Mitchell:** — Mr. Chair, I move:

That section 38 of the printed Bill be amended:

(a) by renumbering it as subsection 38(1); and

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

“(2) Notwithstanding the repeal of *The Members of the Legislative Assembly Conflict of Interests Act*, proceedings may be commenced or continued pursuant to that Act with respect to any conduct of a member that occurred prior to the coming into force of this Act”.

I so move.

Amendment agreed to.

Clause 38 as amended agreed to.

Clause 39 agreed to.

The committee agreed to report the Bill as amended.

**Mr. Toth:** — Mr. Chairman, I’d like to thank the minister and his officials for taking the time to be here to address the concerns. I actually would like to also express my appreciation from our side of the House to the Assembly for the time that was also given in allowing the officials to sit down with us and the time the minister has taken to enter into some open discussion on the Bill, even prior to its coming in for second and third reading in this Assembly.

I think it was . . . that discussion was fruitful in putting forward suggestions that the government and minister and certainly his executive could look at so that when we got to this point in committee that we were able to move through probably a little quicker than we would have otherwise.

So I extend my appreciation for that. Thank you.

**Hon. Mr. Mitchell:** — Mr. Chair, I want also to thank Mr. Moen and Mr. McGovern for their work in connection with this Bill. This work has been ongoing for some time in the department and has been very, very difficult — a difficult project, and a project, I think, that was well done.

I want also to say to the member, Mr. Chair, that we on the government side are grateful for the time and attention that the opposition has paid to this Bill. I think it has been strengthened by the various proposals that they have made, which, for the most part, have been the substance of the House amendments that the committee has passed today.

And so I do want to record the excellent cooperation that I and my officials have had with members of the official opposition and the member from Saskatoon Greystone as we worked our way through this. It was an example of what we can do in this House if we work together and try and come up with a piece of legislation that meets all of our tests and is to the satisfaction of everyone.

**Bill No. 90 — An Act to protect the financial viability of NewGrade Energy Inc.**

**The Chair:** — I would ask at this time that the Minister of Justice please introduce the officials who have joined the committee.

**Hon. Mr. Mitchell:** — Thank you, Mr. Chair. Seated beside me is Mr. Don Wilson of the law firm of MacPherson Leslie & Tyerman. Behind Mr. Wilson is Donald R. Ching, who is the acting president of the Crown Investments Corporation. And to my right is Darryl Bogdasavich, who is a senior solicitor with the Department of Justice.

**Clause 1**

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. I think what we're seeing here in committee on this Bill 90 is an unfortunate occurrence. It certainly is an occurrence that we as members of the opposition and indeed the cooperative movement throughout Saskatchewan could do without. Because fundamentally what is the problem here is that we're taking a look at a confrontation that the government is having once more over some very, very basic human and civil rights.

And I think it is incumbent upon us as opposition members to continue on this struggle of making sure that the government does not, for the third time, embark upon a cognizant and thought-out and thought-through procedure whereby the basic human rights are once more going to be trodden upon as Bill 90, Mr. Chairman, I would suggest to you, certainly does.

And I'm going to suggest to you, Mr. Chairman, further that the government and the Minister of Justice in this case, who is obviously going to be taking the lead role here, is aware of that, and they are very uncomfortable with this type of legislation. And I say that, Mr. Chairman, because, as you get used to this House and you take a look at different Bills and so on that are before the House, Mr. Chairman, you can tell a lot by just simply taking a look at the Bill.

And I'm not talking about reading the Bill in particular. But this particular Bill 90, when I take a look at it, is called An Act to protect the financial viability of NewGrade Energy Inc. And what becomes very noticeable is that on the very first page, on the very first page we see a number of introductory paragraphs, Mr. Chairman. We see a number of whereases. The whereases that I am referring to are, first of all: "Whereas the Government of Saskatchewan and CCRL are the equity sponsors . . ." And it continues on. Then it says: "And whereas the Government of Saskatchewan has invested over \$230,000,000 . . ." And it continues. And then it goes on: "And whereas a commission of inquiry appointed by the Government of Saskatchewan has identified problems . . ."

You know, Mr. Chairman, introductions like that to a Bill are like red flags waving in the wind. Because it sends up the notice . . . sends out the notice to everyone who's got any interest in the Bill, that oh boy we are a little bit concerned and we are uncomfortable about what this Bill is doing. So therefore what are you trying to do in these types of introductions is simply justified. It's an attempt at a justification by a government to tell the folks, well really we know that it is a cruel, unwarranted Bill, and these really, you know, are the reasons why we are doing it. And then you've got your whereases in there.

I think it's a strong sign of nervousness on part of the government that indeed they are in peril and that they are on tenuous legal grounds in doing this type of thing, and that there is a need for justification. And I think this is a terribly, terribly undemocratic Bill. And

so do many of the people of this province. And so do many, in particular 240,000 people, in this province as well.

Mr. Chairman, to underscore what I am saying, I want to quote from the Saskatoon *Star-Phoenix*, June 1 in a letter to the editor. And this writer at that time in the *Star-Phoenix* . . . and I want to read just a few paragraphs of his thoughts. And he says . . . well it's Nolan Andres. It's a public letter, it was in the *Star-Phoenix*. So there is the identification of the author of this. And I just want to quote some of the parts of his letter, Mr. Chairman.

And he says:

I recently returned home to Saskatoon after spending several months in Central America. While there, I was frustrated, enraged and challenged by the tyrannical actions of their so-called democratic governments.

I remember being anxious to return to my home where justice had a chance and repression was the stuff of travellers' tales.

I was not prepared, however, to return to a place where the government we so readily elected would stoop to its own form of tyranny.

And rather some more irrelevant points that he makes. But he continues on and he says:

We also see our government refuse FCL's offer . . . give FCL a deadline and threaten legislation allowing the government to unilaterally rewrite a deal to which it agreed.

Then (he continues, Mr. Chairman), it has the audacity to accuse FCL of not negotiating in good faith.

The concluding quote, Mr. Chairman, that I would like to make from this letter is:

In the same years the government has been repeatedly embarrassing itself and the province, FCL has been in the running for and winning the Saskatchewan Business of the Year award.

Mr. Chairman, Mr. Minister, while your government is busily attacking FCL (Federated Co-operatives Ltd.) for political purposes — and that's no other conclusion that I can draw as I try to follow the machinations that you're perpetrating on FCL in getting your own way — while you're busily doing that, we have FCL out here as good corporate citizens of the province of Saskatchewan winning the Saskatchewan Business of the Year award, according to Mr. Nolan Andres, as I have been quoting.

And that's what seems so strange to me, Mr. Chairman, Mr. Minister, that in a *Leader-Post* article here from Saskatoon — and unfortunately the date is not comprehensible at this time because of poor

duplicating, but it does have the picture of Willard Estey on it. And I want to quote the article which says:

The man appointed to review the operation of the NewGrade Upgrader in Regina says it's an unusual inquiry.

"It's one of the first inquiries in Canadian history where we're not hunting down lost money or stolen money or money lost through negligence," Willard Estey said Thursday (Mr. Chairman).

(1545)

So why is the inquiry being conducted? My conclusion is that it's got nothing to do with money, Mr. Minister. My conclusion is that this is another one of those deals, be it Weyerhaeuser or be it the fertilizer plant, Saskferco, or be it the upgrader plant with the cooperative movement. It's something that the government prior to you has done and of course all of those things must be put into as bad light as possible.

Because I submit to you, Mr. Minister, this has got nothing to do with finances as such.

Now a shake-up of some of the finances is always in order, to renegotiate some of the financial terms is done by many, many corporations all the time. It's part of fiscal management. But you, Mr. Minister, you and your government now are embarking for the third time on something that is inherently wrong — inherently wrong, Mr. Minister.

Mr. Chairman, on May 15, in the Saskatoon *Star-Phoenix*, an article kind of summarizes . . . and for the sake of expediency I will just quickly read some of the parts in it, where it says:

If the government rams through a piece of legislation retroactively rewriting the upgrader agreement, it would mark the third time this government has used its legislation might to overturn contracts.

Mr. Minister, and that's the basic premise that I have in objecting to this Bill. You're trodding upon the people's rights of this province; where nothing that they can do in conjunction with a government is sacred because it's all now subject to the whim of the political people in this legislature to do what they want to unilaterally make decisions that will put the best political light on it for them in their interpretation.

But it goes on, Mr. Chairman, to say:

The first came when Romanow administration eliminated the personal services contracts of dozens of provincial government workers . . . (That's what you did.)

Then came the GRIP rewrite.

After unilaterally changing the GRIP contract of Saskatchewan farmers and being challenged in

court, the government cut the action short, again using legislative means.

And saying, we're above the law; you folks have no right to question to us. You have no legal right to do that.

And now we see what is happening with the Co-op upgrader deal here, Mr. Chairman, where the same type of an approach is being used by the government. And this article here concludes: "What's at stake here is the value of a contract."

Mr. Chairman, I submit to the committee and to the minister right now is that what is at stake is the value of contract. But what concerns me the most is the consequences of this type of an action. And you can talk to any businessman you want — and I've talked to some from Ontario, from Alberta, who are saying, what is going on in Saskatchewan? Is it safe for us to go there? Is it safe for us to make a contract in Saskatchewan, period, whether it be with the government or whether it be with other business functionaries, because we are concerned. And, Mr. Minister, this is the message that I am getting because that's the message that we are sending out to potential investors in the country of Canada and in fact offshore investors as well.

And that's why the Minister of Economic Development had to stand in his place here and listen to StatsCanada come and say Saskatchewan is one of the three provinces that is the lowest in Canada in terms of economic development. These kinds of things, Mr. Minister, just don't wash in the business world because what they're doing is putting at risk the reputation of Saskatchewan as being a good place to come in and do business, putting at risk, Mr. Minister.

I think we're all familiar with the advertisements that have been taking place in the two dailies and I notice even my weeklies. Federated Co-op Ltd. is taking on . . . they're taking you on and they're not taking this lying down because they too realize that this is more than just fiscal management that you're broaching upon, and they're listing the concerns that they have. And they are simply saying, your rights, your property, your business, is at risk with this government. That's what they're saying. That's what the cooperative movement, that's what FCL, is saying to its 240,000 members.

Now I know lately, Mr. Minister, there have been some of your cooperative members that are kicking back on your behalf, that are forming organizations now that are going to try to persuade the cooperative movement that the government isn't all that bad, in fact that it's their management in FCL that is at fault. But, Mr. Minister, that's not going to fly with these people.

It's certainly not going to fly, because it says in the advertisement that your rights are at risk.

This legislation puts at risk: the future of CCRL . . . the future of retail Co-ops in western Canada



(not only in Saskatchewan) . . . (It puts at risk) the Province of Saskatchewan's credit rating . . .

And I was just talking about that, the impression, the image, and the message that it's sending out.

Your rights are at risk and action is needed.

Mr. Minister, I could go on on some of these things. And I notice that some of your colleagues are urging me not to participate in this debate in committee on this issue. But, Mr. Minister, I am too concerned about what's happening here just to let this thing drop. And I want to make a few points, as I have already been making. And those are not the points that I am making, but rather what I'm doing is utilizing, I guess, the concerns and the messages that other people have. And I'm relaying them, Mr. Chairman, to the committee and through the chairman, Mr. Minister, to you and to your government.

We take great . . . or you take and your Premier takes quite a bit of glee, I suppose, in quoting Estey all the time. Use Estey's fundamental message, we're being told. Well you've heard the response to that, and that is that you should negotiate, not legislate. Estey says he was that far away from a settlement. And if your colleague there, the tourism minister for Medicine Hat, had just allowed a little bit more time, then we would have had a settlement. That's the implication, Mr. Chairman, of what has been happening here.

And I can draw no other conclusion — that you purposely did not allow enough time for the culmination of that settlement because it was not politically expedient. But, Mr. Minister, the other point I want to bring about here is . . . This is from the Prince Albert *Herald*, June 9, 1993. The headline reads, Mr. Minister: Co-op advised to walk away from new upgrader deal.

Now, Mr. Minister, who do you think would tell the co-op — or suggest to the co-op, not tell; that's not an appropriate word — but suggest to the co-op that they should walk away from the upgrader deal? Well let's pursue this a little bit, Mr. Minister.

Mr. Chairman, I'm quoting from this particular article:

But a report prepared by Deloitte & Touche's Saskatoon's office suggests none of the proposals for a new deal the government has put forward so far would benefit Federated . . .

So none of your proposals are anything positive or probably neutral to Federated.

The Deloitte and Touche report suggested that if anything, the government's plans might endanger Federated's non-upgrader operations.

Which means the refinery and in fact the entire cooperative movement as a result in Saskatchewan . . . no, not only in Saskatchewan, across western Canada.

The article continues, Mr. Minister, and Mr. Chairman. The article continues:

The report was written by Don Gass, the chartered accountant who headed the government's Financial Management Review Commission.

Mr. Minister, it's your own Don Gass that is saying that about that particular report, that individual that you're so fond of quoting when it suits your purpose. But now when he is recognizing that there are some inherent dangers within the approach that you're taking, the demands that you are making on the Federated Co-operatives Ltd. that he is not in agreement with, apparently . . . That's what I'm reading into it. I don't want to put words into his mouth, but I don't see what other conclusion I could come to.

Mr. Minister, I think what you're going to have to answer to this committee is why are you not paying attention to that gentleman who wrote your financial review report for you. Why are you not listening? I think these are legitimate concerns that you will have to address.

But, Mr. Minister, this Bill is not good. It is not good. And I could tell you, Mr. Minister, that the government has now made it a situation where you have the right to say that if you're unhappy with any kind of a situation that you should be able to take it to arbitration. And with that, Mr. Minister, I have no problem. You can take anything to arbitration if you feel that something is not within the guidelines or the parameters of what would be good for the Saskatchewan taxpayer. Well that's good. That's fine. That's dandy. But when you make a determination like that, Mr. Minister, does that mean now that the cooperatives will have that same right? If they are not concerned with something, the other side of the equation would be equitable and that they would have that same right. Well, Mr. Minister, obviously according to this legislation no, the government may but the cooperatives can't.

I'll tell you what's more. Under this Bill only Don Ching will have the right to say what goes to arbitration.

So what else does this Bill do, Mr. Minister? Well it goes a step further. And it says that Don Ching can refer things to arbitration, and then it says Don Ching can conduct the arbitration because it doesn't say that it can't, Mr. Minister; that's our concern. We have one individual that can say this thing is going to arbitration, and then he will be allowed, through that legislation, to actually conduct the arbitration.

In other words, this Bill is like a lawyer appointing himself to be the judge over his own case.

Well does the Bill provide for any input into the arbitration process by co-op? No, sir, it does not. The law literally allows the possibility for one man to appoint himself to be the arbitrator and that we hear the Premier saying, well trust me. Yes, trust me. There

is, Mr. Chairman, absolutely no trust left by the people of this province in this government because of their actions and what they're doing basically on a daily basis.

Mr. Chairman, and Mr. Minister, I say to you that the co-op trusted the Premier when he gave his solemn word in Prince Albert that he would not move against the upgrader agreement. They trusted him, and now look where it has gotten them. It is now said throughout Saskatchewan, Mr. Chairman, that the Premier is as good as his word.

Well I want to just draw the attention of the members of this committee to what else this Bill contains. Look at the provisions removing the co-op's right to seek justice before the courts, Mr. Chairman. That's what this Bill does. It would be bad enough if the law was to remove those rights in regard to the upgrader agreement alone. And one would expect that since the government claims that the purpose is directed toward the upgrader agreement. But then why doesn't it?

(1600)

But the Premier is not willing to stop at eliminating the co-op's right under the upgrader agreement. They go beyond that and remove their rights. And I quote: under any other agreement or any other Act or law. Now listen to that, Mr. Chairman: under any other agreement or any other Act or law. And that's where this tyranny comes in here, Mr. Chairman, because that's exactly what it has. Because the co-op has literally hundreds, perhaps thousands of agreements across Canada, particularly across Saskatchewan.

Mr. Chairman, by this Bill, those agreements can be void. They can be void. Just in relation to the upgrader itself, I would suggest to the suppliers and the consumers of that upgrader to be warned, to be alert, because the co-op has been relieved of all recourse under your agreements as well. That's what I say to them.

Mr. Chairman, I'm going to submit to you how extreme that is, how extreme it is to exempt any organizations, let alone the co-op, from the protection of, and here I quote again: they've eliminated the protection of the co-op by any other Act or law. In other words, there's a blanket statement in this legislation saying to co-ops, just in case we didn't catch every little legal nook and cranny, we're going to take away any other Act or any other law that may have given you protection. It's an all-encompassing Bill. They remove the application of the law to the co-ops.

Mr. Speaker, or Mr. Chairman, if it's just about the upgrader deal, as the Premier is fond of saying, then why on earth have you removed the application of all law, all law, and eliminated the effect of all agreements? That's what you've done with this Bill — any agreement and any type of protection of the law. And particularly since we see the Minister of Justice sitting now, carrying this Bill, that's a travesty, Mr.

Chairman, of the democratic process.

I say to the government, if you're unhappy with that deal then negotiate; don't legislate. That's what Don Gass said in as many words, said we were almost there. You could have negotiated this thing. You don't have to legislate it. But then again I guess if you're bent on doing something and it's terribly unfair to that particular party that cannot agree to something like this, well you say, you either see it our way or we're going to legislate. And with that threat hanging over the cooperative movement, you're not going to be coming into a negotiated term.

What I'm going to submit to you, Mr. Minister, through the Chair, is that if we are talking about something that is not as you would have it, a crisis, I am going to submit to you what we're talking about here simply is a matter of debt restructuring.

Debt restructuring, as I mentioned a few minutes ago, is something that is relatively common and is not an unusual phenomenon, Mr. Chairman, among major corporations. We see that all the time. We see that from General Motors; we see that from IBM; we see that from CP (Canadian Pacific); we see that in Air Canada. And, Mr. Chairman, I might add, being in Saskatchewan here, we even see debt restructuring as an almost normal course of business for the farmers in this province now.

So, Mr. Minister, debt restructuring is wise, and there's nothing wrong with it under certain circumstances. But it's not, I'm going to say to you, Mr. Minister, the panic situation that the Premier and you are trying to make this to be. There is no panic. There is no particular rush. The provincial government has not had to put a penny of deficiency payments to the upgrader for three years.

Now if I'm wrong, Mr. Minister, I want you to get up when you have the opportunity, at your earliest opportunity, and correct me. But what I'm saying to you right now, that the provincial government has not had to put up a penny in deficiency payments in over three years in this particular project. There is no panic. There is no rush.

And I think, Mr. Chairman, people must understand some of the facts about . . . on behalf of the Co-op upgrader specifically — that cash flow has been paying the bills, Mr. Minister. Cash flow has been paying the bills.

The interest rates, the operating costs are being made and, Mr. Minister, they are being made without the help of government. There are no government funds going into this, although admittedly, admittedly the principal is not being reduced. There's not enough cash flow, Mr. Chairman, for that. That will be admitted. And that's certainly not the best situation in the world.

But what we're saying to you, Mr. Chairman, Mr. Minister, is that debt . . . is that it's wise perhaps to consider debt restructuring — we've never been opposed

to that — but not to the extent that you're prepared to force the cooperatives to do.

But regardless, Mr. Chairman, the bills are being paid, they are being paid, and there is no imminent threat to the upgrader or to the taxpayers of this province. The only threat, I would submit to you, that is imminent is the political threat that you are gearing up for in your vindictive approach to do away with another project of the previous government.

Well, Mr. Chairman, I want to spend just a minute now . . . and I know the minister is anxious to get on to his feet to do some rebuttal. But, Mr. Chairman, I want you to look at the lengths that this Bill goes to to deny what for everyone else are considered to be human fundamental rights. And we can see the markings, I believe, of some bitter retribution of members opposite.

The Premier's law partner and the patronage appointment — I'll be quite blunt about that — Don Ching is given the power . . . Now the minister's upset when we start doing this. But, Mr. Minister, Don Ching is given the power to unilaterally change any part of the agreement by fiat, by decree. We have the rule of decree over the rights of 240,000 co-op members, and that is the totalitarian type of an approach that exists.

And I submit to you, Mr. Chairman, that in spite of the minister's protestations, that is no exaggeration. Because I want him to get up and prove to me that I'm wrong, that indeed there are no such powers for that individual in this Bill. I want you to get up and do that, Mr. Minister, because I'll quote the section of the Bill:

Every decision of the minister . . . is final and conclusive and is not open to question or review in any court, and no decision . . . by the minister shall be restrained . . .

Now you can listen to that and the back room or the back-benchers of the NDP (New Democratic Party) can listen to what this Bill is doing. It says: every decision, not open to question. And that is an absurdity in this legislative process, and the people back there are sitting and they are accepting that.

Now I'm going to suggest to you, Mr. Chairman, that regardless of how members opposite protest, I say that any provision that says a minister may make a unilateral decision about absolutely everything and furthermore that those decisions cannot be questioned, is committing tyranny. It boils down to that, Mr. Chairman.

And I'm going to repeat what I alluded to before. I don't . . . I say to you, Mr. Chairman, and to you, Mr. Minister, that this Bill is not about the upgrader agreement, and the contents of the Bill itself prove that fact. I think, quite frankly, that this is an indication of the character of some members of the government who are willing to take their political retribution to this extent.

Even when the government eliminated the rights of the government employees that I talked to you about before in the article, when it eliminated their rights to seek justice in the courts, it did not include such a totalitarian provision such as this. Even when you folks across the way cancelled the contracts of 60,000 farmers and eliminated their right to go to court for protection, there was no such totalitarian clause such as this.

And even when the government day after day brings forward laws that removes people's rights to be free from arbitrary search and seizure, even when they give NDP appointees the power to enter your property, search your property, remove your property — all without a warrant — even as they keep passing such laws, they restrict themselves to the search-and-seizure power and do not include such a totalitarian clause around which I have been construing my remarks.

Mr. Speaker, quite candidly, this Bill creates a dictator in the province of Saskatchewan, a single person whose word will be beyond the reach of the judicial system, whose decisions, Mr. Minister, I say to you and I . . . (inaudible interjection) . . . You say it's not fair. You bet it. That's exactly the point. This is exactly the whole problem here.

The Bill, Mr. Minister — I'm glad you have agreed — is not fair. Now I'm putting your words in your mouth but that's the point — the Bill is not fair. We're giving power to an individual, undreamt of, who has literally dictatorial powers.

Now I want you to get up and refute that, Mr. Minister, and you will be getting that opportunity. But you show me in the Bill whatever clause you want to that is going to refute what I have been saying about the power, the end power that this individual will have. There's no recourse. Decisions made by that man, sir, cannot be questioned, cannot be restrained. That's what the Bill says. Now what do you mean I'm not being fair? That's what the Bill says.

And I challenge you to show any instance where such a regulation exists in any Bill across Canada. Isn't that, Mr. Minister of Justice, part of a legal terminology . . . is that you will go out and you will find precedents for things or you will show well we can do this here because in A, B, C, and D's jurisdictions these things are. Now I would be interested and I look forward, Mr. Minister, as part of your response to be able to cite the A, B, C, and D, these jurisdictions have exactly this in it. And I think you're going to be hard put; you're going to be hard put to do that.

And, Mr. Minister, I think on this precedent business — and I'm trying to cut my time a little bit shorter here than I normally would have taken — but I think the thing that comes closest, the thing that comes closest to the precedents that you will be able to recite for members of this committee are The Crown Employment Contracts Act and the GRIP (gross revenue insurance program) contracts cancellation Act. Those may be two precedents that come close.

Those may come close.

So, Mr. Chairman, Mr. Minister, I'm going to repeat that the Bill is not about whether the NewGrade is a good deal, a bad deal, or somewhere in between as an indifferent deal. If you want to renegotiate it, you can. And that's exactly what Judge Estey told you to do: to negotiate, not legislate. I don't think — and I'm not going to put words in his mouth — but I don't think the judge would agree with what you're doing right now.

(1615)

Just as we found that Judge Muir condemned the government for taking his recommendations on labour legislation and distorting those recommendations, I wonder if we don't find that as Judge Muir told you as Minister of Labour . . . or told the Minister of Labour, I should say, do not try to use my words to justify your deeds. And I think maybe that's exactly what we're having here.

The Premier is fond — and I hear it question period after question period — saying that he talks about this spirit of Estey. That's the phrase that he uses, Mr. Chairman: the spirit of Estey. And I don't think that that spirit of Estey is nowhere near to what I've been talking about now about the attack of the fundamental democratic rights of the individuals of the province of Saskatchewan. The principles of justice are not being well served in this particular Bill, Mr. Chairman.

I have a number of questions. I think what I'm going to do now is give the minister an opportunity to answer some and to rebut some of the arguments that I have been making. So I'm going to give the minister an opportunity now, and then I perhaps will turn it over to my leader who is anxious to get his say in as well.

So, Mr. Chairman, if the minister wants to respond to some of my concerns and alleviate the deep feeling that I have that there is something very fishy in this whole thing, I will be looking forward to his remarks.

**Hon. Mr. Mitchell:** — Mr. Chair, and to the member, the member took advantage of the opportunity, while he was on his feet, to raise a very large number of issues. And I will not attempt to deal with all of them in the expectation that if the member really expects me to deal with some of these matters, he will come back to it later on as we consider the Bill clause by clause.

But there are a number of things that I do want to say to the member and through him to the Assembly and to the public of Saskatchewan. It has been the position of the government from a very early stage that we want to negotiate with Federated Co-operatives Ltd. respecting a number of issues surrounding the upgrader. They know what these issues are. We've made it perfectly plain to them. And we have been pressing this position on them for a long, long time.

Finally, in an effort to break the impasse . . . Let me just pause there and say what I mean by impasse. What I mean is this. Our efforts to negotiate were responded to very, very negatively. Federated indicated on a

number of occasions and in a number of ways that they were not interested in negotiating any of the issues that we put forward with respect to the upgrader and the operation of the upgrader.

They made that very clear. They couldn't have made it more clear. And all of our efforts to get something going with respect to a discussion of these issues and a negotiation of these issues was met with an exceedingly negative response.

Now it pains me to say that because of the respect I have for the organization and for so many of the individuals who are senior officers in the organization. But it is a fact that they have simply refused to enter into any meaningful negotiations with respect to the issues that we have felt deserve discussion and negotiation around the upgrader.

And it's a very frustrating experience for anybody to encounter when you simply cannot sit down and have discussions about issues, particularly with respect to a partner of yours in a deal as large and as expensive and as complicated as the Co-op upgrader. When your partner simply says, I'm not prepared to discuss any of the matters that you identify as issues, the situation is very, very frustrating to say the least.

So in due course the government enlisted the assistance of Mr. Justice Estey. And he came here and he worked for five and half months. He was appointed under The Public Inquiries Act, and certainly it was an option available to him to have a public inquiry and dig into all of the facts surrounding the deal and what's wrong with the deal and what's right with the deal and submit a report. If he had done that, he would have been acting in the style of commissions of inquiry, and there are countless examples of that process having been followed.

Mr. Justice Estey, however, chose to approach this as a mediation where he would attempt to get the two sides together and resolve some of the issues that he identifies as issues that ought to be dealt with in order for this upgrader to be a functioning, viable, financially viable facility.

He spent five and a half months in that role as mediator — five and a half months — at the end of which he has to report that he is not able to mediate a settlement, that he is not able to conclude negotiations with respect to the issues involved. And he writes the report, which he has written and which I'm sure all members of this House have read.

Following the receipt of that report — and members here know the detail of what happened — the government attempted over and over again to initiate discussions with Federated based upon what Estey had to say. And we tried again and again to get something going. Negotiations, discussions, call it what you will, some exchange of ideas, some negotiations about the matters that Mr. Justice Estey, who has spent five and half months out of his life looking into this, identifies as issues that ought to be addressed and resolved in order for this upgrader to

work.

And the answer that we got was, no, no. In one way or another the response was always negative. And so we're at our wits' end. What does one do, faced with this kind of a situation?

Now members opposite, some of the members opposite have direct hands-on experience with negotiation with respect to this upgrader and they know how difficult the situation has been in the past. I referred to some of that in my second reading speech. I refer to it again today. We have a partner who is unwilling to sit down with us and negotiate with respect to issues that we think are important and that Mr. Justice Estey considers to be important.

But I want to say to the members opposite and to every member of this Assembly: we want to negotiate; we want to negotiate. We are prepared to negotiate starting right now, starting any time at all. Start tomorrow morning, any time. We'll go to Saskatoon to do it. We'll do it here. We'll go to Timbuctoo to do it, but we want to do it. That has been our position throughout and it remains our position.

I want to say that to the member because that's very, very important, because over and over again we hear you asking us questions which seem to be predicated upon the idea that we refuse to negotiate. We're legislating instead of negotiating. We don't want to do that. We regret being here with this legislation.

But what do you do when your partner won't negotiate with respect to the issues? You've got to do something. You can't just sit there and write letters and make phone calls saying, please negotiate, and your partner won't negotiate. So here we are.

Now the member, Mr. Chairman, used a number of expressions that he was reading from, that he was reading from advertisements and letters to the editor. And I was glad he did that because it . . . I wanted to deal with that point.

There is so much rhetoric being used with respect to this particular problem that has just blown the whole situation out of proportion and gotten us away from what is really at stake here, what is really at issue, and what this Bill is all about.

**An Hon. Member:** — Which is rights and freedoms.

**Hon. Mr. Mitchell:** — It's not . . . Well it is not about . . . The member says, rights and freedoms. And I say to the member with great respect: it is not about rights and freedoms. It is not about rights and freedoms; it is about a deal that has gone wrong. It's about a deal that Mr. Justice Estey looked at and reported in the terms that he reported.

And I don't have to repeat that to the member. He's read Estey's report and he knows the way in which Estey characterized the deal. It just doesn't work the way it is. It can't work the way it is; changes are necessary.

So this Bill is not about rights and freedoms. And I hope to be able to demonstrate that to the member so that he doesn't have to take his feet again, so that he can be persuaded by the force of my logic that this is not about rights and freedoms.

The member read from a letter talking about tyranny and characterized this as some kind of a political attack or political agenda by the government, and characterized it in terms like that that are just totally wrong, just totally out to lunch. What is at stake here is, as I said, a facility that doesn't work, an agreement that doesn't work. And all this legislation seeks to do in a very modest way is to try and make parts of it workable. And let me now get into that.

What does this Bill do? Well the first thing this Bill does is address the question of arbitration. You would think, looking at the upgrader agreement, at the operating agreement, that that wouldn't be a problem. Because it is clearly spelled out in the agreement that disputes between the partners, between the government and Federated, or CIC (Crown Investments Corporation of Saskatchewan) and CCRL are to be decided by arbitration — plain, simple, commercial arbitration. It's an idea that's included in practically all commercial deals.

And it should work. It's a simple, relatively inexpensive process, and it works. And it works in hundreds and thousands of situations. And it ought to work and it ought to . . . It ought to work here, except it doesn't. And it doesn't because of the rather peculiar way that they have structured the reference of disputes from the board of directors to the arbitration process. And the problem is that it takes a three-quarter vote of the board of directors to refer a dispute. CCRL have half of the directors on the board of directors, so simply with their directors voting no, no dispute can ever be referred to arbitration. And that has been the experience up until very recently from 1989.

So although there were disputes building up, and I think four or five of them built up, the board of — four of them had been built up — the board of directors simply refused to refer them. So these disputes sit there. I mean, they can't be dealt with. There's nothing that can be done.

So that part in the agreement just didn't work because of that one little glitch. It was a question of referring the dispute to the arbitration process.

All this Bill does in that respect is to remove that little glitch. That's all it does, Mr. Member. It removes that little glitch.

Now this is the arbitration process. I'll get onto the other parts of the Bill in a moment, but so far as arbitration is concerned, that's all it does. The arbitration process in the agreement remains intact except as regards the provisions in the Bill that clear up the glitch that I was talking about earlier.

If members will take the time to compare section 3 of

the Bill with the arbitration procedure spelled out in the operating agreement, you will see the extent to which we have maintained the integrity of the process of arbitration as spelled out in the agreement.

(1630)

We have only affected it to the extent that we have clarified that question of the reference of the dispute and the associated matter of what happens when the matter gets to arbitration, who carries it and who represents who. Because you got this peculiar situation where CCRL are running the refinery next door, they're managing the upgrader facility, they're an equal partner in the ownership and operation of the upgrader, and they are, at the same time, participating as board of directors in the referring of arbitrations, as I mentioned earlier.

This section 3 with respect to arbitration, as I said, removes the glitches, and that's all it does.

If you lay section 3 alongside the provisions for arbitration in the operating agreement, you will see very clearly that we have gone to every length we can to maintain the integrity of the agreement as it relates to arbitrations. And I point out to the members that CCRL have the same access to that arbitration process as has the government and they will continue to have that same access and our members have never, never denied CCRL the opportunity to refer any dispute to arbitration and they will not do so. They will not do so. The agreement will continue to operate and operate as it should, as between partners, Mr. Chairman, and to the member.

You and I were partners in a business and we were to refer any dispute to arbitration, we would refer each other's disputes to arbitration; it would be as simple as that. For some reason, in this agreement that hasn't worked, and clearly Mr. Justice Estey points out that it doesn't work, and the members opposite know from their own experience that it doesn't work, and it is important to address it.

Now it is true — and I've said this in my second reading speech in the most positive terms — that Federated have unblocked the process so that the existing arbitrations are in fact . . . or the existing disputes are referred to arbitration, and that's great. And as long as that continues, this portion of the Act will not be proclaimed. We won't use this unless and until a problem arises such as the ones that we've experienced with the four disputes that are there now.

And we hope that we will never have to use it. But in the light of the experience in the last three and a half, four years, it is a subject that ought to be addressed. It's a problem that never should have arisen, and it should not arise in the future because there simply has to be a way of resolving disputes. And that should be in accordance with mechanisms set out in the agreement, namely, arbitration.

So when you deal with that aspect of the Bill, Mr. Chair, and Mr. Member, when you deal with the

arbitration aspect of the Bill, we are not overturning any contract. We are not overturning any contract. We are not reneging on a contract. We are not upsetting a contract. We're not doing any of the things that have been suggested by you in your questions during question period and in your remarks outside the House and indeed the remarks of Federated in their campaign outside the House. This is not reneging on any contract.

This is a question of making a provision for dispute settlement already included in the agreement a workable functioning process — working, functioning procedure.

The second thing that the Bill does has to do with the cash shortfalls, with the losses. And as Mr. Justice Estey has pointed out, the agreement is silent on that point; the agreement is silent on the question of who bears the losses.

We have said over and over again, and the government was . . . this was the position of the government before the last election that there is nothing in the agreement that says that the government has to bear the losses, that the government has to bear losses.

And Mr. Justice Estey makes this clear in his report that there is no such provision. And his solution to it, his solution to the problem is that the party should share the losses equally — the whole thrust of the agreement would lead you to the conclusion that if the parties had thought about it during negotiations, if Federated had thought about it and if the government had thought about it, their conclusion would have been that the losses should be shared equally. And that's the conclusion that Mr. Justice Estey came to and that would seem to be the fair conclusion having regard to the agreement as a whole.

So we're not upsetting any contract when we provide in this Bill for how losses will be covered. We are not upsetting any contract. We're not overturning any contract. We're not reneging on any contract. We're not affecting any contractual relations. We're not doing any of the things of which the opposition has accused or of which Federated has accused us. There is nothing in those two provisions that interfere or renege or upset or overturn a contract. We have not done that.

Now we come now to section 9. And with respect to section 9, members will note that what is being provided against there, the main thing that is being provided against is what happens if it becomes necessary to protect the financial viability of NewGrade, to protect the financial viability of NewGrade.

And the risk there, as I tried to explain in my second reading speech, was that something may happen that would threaten the continued operation of the upgrader. Now members will recall what I said then, and I won't repeat it. But I will say that the Bill goes on in section 10 to require that the minister, in exercising

these powers under section 9, will have to: "... lay before the Assembly the order in council and a report outlining the reasons for and the circumstances surrounding the order in council."

Now that is a power to modify the agreement. No question. It is a power to amend or supplement the agreement. No question about that. But it is a power that is intended to be acted on only in the event that the financial viability of NewGrade is threatened.

And so I submit to you in all fairness, that is not an overturning of contracts. That is not interfering with individual rights and freedoms. That is not doing anything except doing what we ought to do in order to protect the substantial interest of the province in that particular facility; to protect our large investment; to protect our future liability.

Now I would think that that would be sufficient to say on that point, and that the member should realize that none of the provisions in this Bill do any of the things that the member has been accusing us of doing. There is no tyranny, there is no tyranny in any of those three concepts. There is no attack on FCL in any of those concepts. There is no attack on the co-op movement in any of those three concepts. There is no overturning of contracts.

It is, I submit, a minimal response. It is a minimal response from a government which is doing what any responsible government in this province would do, and that is act to protect the interests of taxpayers in this large and complicated and very important facility. It is, I submit, something that the members opposite would be doing themselves in the event that somehow or other they had been successful in being re-elected in 1991.

No responsible government can deal with the situation described by Mr. Justice Estey in his report. No responsible government can do that. I would just remind members opposite the effect of what I said in my second reading speech, and that is that no responsible government would have entered into this agreement in the first place. It was a bad agreement, and it's an agreement that any responsible government would have to try and change.

Now we wanted to change it by negotiation. We still want to do that. We want to get on with it. We want to get serious about it. We don't want to have to use any of these powers. We want to work it all out.

But you can't negotiate with yourself. In order to negotiate, you've got to have the other party to negotiation sitting there at the table with you, prepared to discuss the issues and to discuss them in good faith and try and work it out. And that simply hasn't happened. And every, every answer that we've got from Federated with respect to these requests has been treated in a negative way.

I want to say parenthetically that there have been discussions going on in the last few days at the level of officials with respect to matters that I think are

properly described as technical. And they're not right on the main issue, but they're the kind of discussions that should take place in order to properly deal with the issue.

So we're not throwing cold water on what's happening right now. We think it's encouraging, and we want those negotiations to continue and to escalate so that we can come to grips with the very real issues that are at stake here.

So if those negotiations blossom into real negotiations dealing with the issues, no one would be happier than the Government of Saskatchewan, no one would be happier. And let's hope that that's how this situation does play out because that's what we want, that's what you want, that's what the people of this province want, that's what the co-op members in this province want, and in all logic it is what should happen.

And we stand ready and able and anxious to get on with those negotiations. And if our partner will only agree and address these questions at the negotiating table, we will do that and we will be more than happy to.

I have to address ... and I'm sorry to be taking so much time with this, Mr. Chair, but there were many, many questions in the member's presentation. He dealt at some length with the question of justice and access to the courts. And this is a very complex matter that has received some attention in this House already in the Premier's estimates, but which I have to try and address this afternoon.

First of all, I want to say, Mr. Chair, that where the member talks about this Bill taking away CCRL's right to sue, he is mistaken. It does not have the effect. Section 12 does not — and I repeat this to the member who's shaking his head — Section 12 does not take away CCRL's right to sue any party to a NewGrade agreement respecting matters that arise except if the dispute arises out of the enactment of this Bill or the application of this Bill.

Any other issue, any other issue that arises with respect to the relationship surrounding this upgrader that could go to court before this Bill is passed, can continue to go to court. Any cause of action that exists apart from this Act continues, and it is not taken away.

Now if this has a familiar ring for members opposite, it is because we discussed this same question in December of 1991 when we were dealing with the government employment contracts Act, because we had a similar debate at that time. And this is the same kind of an idea that pertains here. And it was difficult to explain and to understand at that time, and it is difficult to explain at this time because I realize it's very technical. But that is the effect of it.

The other arm to this that was touched on by the Opposition House Leader is what we call the privative clause, and that is section 16 of the printed Bill. And I just want to say for the record what this is about. The provision says that:

Every decision of the minister pursuant to this Act and every certificate filed by the minister pursuant to this Act is final and conclusive and is not open to question or review in any court . . .

(1645)

And that is a provision that applies to administrative tribunals and decision-making apparatuses in government across this country in countless situations — absolutely countless. It applies, for that matter, to boards of arbitration in most jurisdictions. It applies to the National Energy Board and all of the federal regulatory structures, and it applies to the Saskatchewan regulatory structures. And members opposite passed such provisions with respect to decisions that had to be made within government over and over.

It is a well understood and a very limited concept in Canadian law. It is limited by hundreds, even thousands of decisions of superior courts right across this country, right up to and including the Supreme Court of Canada in case after case.

And what it means simply is this. The courts will not interfere with the decisions of the decision-making body unless — and this is important — unless the decision that is made is outside the jurisdiction of that particular body. That's how it applies.

Now members will know that I had the pleasure of meeting about 15 Westfair Foods employees in my office yesterday. They were there to talk to me chiefly about a decision of Mr. Justice Barclay of the Court of Queen's Bench. Mr. Justice Barclay was considering a decision of the Labour Relations Board. The Labour Relations Board's decisions are protected by exactly this kind of a clause; it's word for word the same as section 16(1). Is exactly the same kind of protection there, and yet Mr. Justice Barclay overturned the ruling of the Labour Relations Board providing for the payment of partial wages because he found that the board did not have the jurisdiction or the right to make that particular order.

And that's all this is. It's not some magic new prescription for protecting decisions that are going to be made under this Act. This is just the normal course.

And the point behind it is this. We are saying in this Act that the minister is responsible in accordance with the traditions and the legal framework of ministerial . . . of the kind of government that we have — parliamentary democracy and ministerial responsibility. That minister is responsible. Through that minister, the whole government is responsible. That minister and that government have to report to this Assembly in respect to their administration of this Act and have to ultimately report to the people of this province. And that's all this has to say.

These are not decisions for the court to make. The court is not going to decide any of the things that are set out in this Act for the minister to decide. It is the

minister that is responsible for deciding that. And we do not want, I repeat, we do not want the courts to substitute their judgement for the judgement of the minister. It is the minister who is responsible and not the courts. And that's all we're providing here.

And the check is that if the minister decides something which he does not have a power to decide, does not have jurisdiction to decide, then the aggrieved party can go to the courts and get an order quashing that decision, and this section 16 will have no protection for the minister in respect of such an order made, as I say, without jurisdiction to make it.

So it is simply not an issue. And if the members will examine those sections carefully and recall, in the case of section 12, the discussion we had in relation to the Act passed in December 1991 and the information that I've given them with respect to the application of section 16, then I think we do not have a problem. But I say again it is quite wrong for members opposite to be characterizing these sections as somehow taking away the legal rights of people, of interfering with their rights and freedoms. It does no such thing. It does no such thing. It is a very limited number of ideas.

And I hope we don't have to go through the whole 1991 argument all over again. I'm prepared to do it. I'll stay here as long as I have to to do it. But the plain fact is that no one's legal rights are being interfered with. Anyone who had a legal right prior to the enactment of this Bill continues to have a legal right. Anyone who has a legal right that does not arise from the . . . a claim that does not arise from the enactment or the application of this Act continues to have that right. And that's the plain and simple fact of the matter.

And so the member's idea that this is somehow interfering with democracy as we have known it and the running of the operation of our system based upon the rule of law in this province and in this country, they're just plainly wrong.

I want to say something just finally about the member's arguments with respect to the financing of the project. And the arguments seem to be that nothing was very wrong, that the situation was working pretty well, and that there was no cause for the government to be concerned. And I simply want to say that that is not the case. I want to say that the operation of the upgrader is close to the line. That's obvious from the analysis of Mr. Justice Estey in his report. It is also the fact, and I think that members opposite know it to be the fact. This facility is operating close to the line. It wouldn't take much of a blip; it wouldn't take much of a blip; it wouldn't take much of an event or occurrence in order to throw the viability of that project into grave, imminent danger.

There is simply insufficient cash flow to handle the project. It doesn't matter how you cut it or how you slice it, with the present debt structure and the present operations of that facility, there just simply isn't enough cash flow to make it work.



Now what could be simpler than that? We know that. Federated know it. You know it. The province knows it. Now what in the world is a government supposed to do when it's faced with a situation like that, where there is simply insufficient cash flow to handle the project? Are we just to sit back and let it spiral down and down and down the drain until the cataclysmic event happens and the whole project collapses? Is that how a responsible government should behave? Is that how we should treat this?

I think the answer is clearly no. We have to act. Any responsible government would have to act. You, in our position, would have to act. And so we are. We're acting, we're trying to act, in a measured and appropriate way. But to suggest that we're embarked here on some kind of political exercise, on some kind of an exercise that isn't based upon reality and the facts — the real, base facts with respect to that upgrader — is not fair and not true.

I want to, just as I'm sitting down, say to the member of Rosthern that you should attack me all you like and attack the Premier and attack any of Her Majesty's ministers who are sitting in this House and are able to stand up and defend themselves; but I don't think it's appropriate and I don't think it's in accord with the traditions of this House to attack a public servant, particularly one who is here for the service of the committee, bringing advice and knowledge to the committee.

I say that with respect; the member knows how much I do respect him. But I have to say this, that in my experience it is not in accordance with the traditions of this House for us to be attacking public servants who are not able to rise and defend themselves. Let's attack each other. I'm responsible for the actions of that public servant. There are other ministers here who are directly responsible. The Premier is here and he is directly responsible. Attack us, but not the public servant.

I'm sorry to have to raise that but I think it is something that I hold as a very important principle and I couldn't sit down without addressing that.

**Hon. Mr. Shillington:** — If the member's got a short comment . . . I gather we're going to Committee of Finance at 7, so if you've got a short comment, but we might as well rise before 5. I'll let you go ahead with the short comment, though.

**Mr. Neudorf:** — Well thank you, Mr. Chairman, that's awfully nice of you to give me a short comment here. But I wasn't going to get up at all, and defer to my leader. But, Mr. Minister, I don't like attacking individuals. I don't make a habit of doing that, but when it comes down to something as substantive as a Bill like the NewGrade and the individual that is involved, I can say nothing else except that it's crass politics that is involved, why that individual is there to begin with.

Now don't . . . it's the same thing as if Jack Messer was sitting in beside there or in Crown Corps . . .

**An Hon. Member:** — Or George Hill.

**Mr. Neudorf:** — Or George Hill, for that matter. There we've got it. That, Mr. Chairman, is the fundamental . . . (inaudible interjection) . . . I'm glad, Mr. Chairman, that I have the Premier's attention. There sits . . .

**The Chair:** — Order, order. Order, order. Order. I'll ask members to come to order and allow the hon. member for Rosthern to make his comments.

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. I say to the Premier and I say to the Minister of Justice that what I see sitting in front of me now is what used to be a fairly good law firm in this province. Mr. Chairman, I think it's rather ironic that the law firm — can I quote a law firm? — of Mitchell, Taylor and Ching . . .

**An Hon. Member:** — Romanow and Ching.

**Mr. Neudorf:** — And Romanow and Ching as well. There they are. It's the only law firm in the history of this province that is defunct because they are all sitting in the legislature of Saskatchewan, either duly elected as the Premier and the Minister of Justice, or those two get together and pull their crony in now to head this.

Mr. Minister, this sounds ironic. I'm not attacking the individual as an individual, but rather in the position of a political appointment. And you, Mr. Minister, are exactly the man who stood up in this legislature and said — and I'm sure that those words have come back to haunt you — that we have not made one political appointment as a government.

Now that has come back to haunt you on numerous times, I'm sure, Mr. Minister. And that is why I say that you have given your political appointment to this particular position. And you have given him inordinate powers that no other individual in this province has ever had to run afoul of the contract that has been duly signed by this government, the federal government, and the cooperative movement within the province.

And now you are deciding unilaterally, oh, that's another one of the previous administration's doings that we've got to try to discredit — as I'm sure you will Saskferco, as I'm sure you will Weyerhaeuser in due course. I mean these are things that are coming. These things are coming. So therefore now you're . . . It amazes me why you will take this kind of an approach against a cooperative movement in the province — the cooperative movement.

Mr. Premier, I say to you that there were cost overruns because of fire. But ever since that cost overrun, it has not cost the province of Saskatchewan one thin dime. The upgrader is carrying itself. Operating costs are being met. They are being met on a daily basis. Interest payments are being made. Mr. Premier, that's the reality. That is the reality on an ongoing basis.

I would admit one thing to you, Mr. Premier. I would

admit to you that the principal is not being paid down, the principal is not being paid down because the differential isn't big enough. What's the differential right now? Somewhere around \$8?

**An Hon. Member:** — 5.85

**Mr. Neudorf:** — Okay, so it's 5.85. And in spite of that, the operating costs and interest costs are being met. Now what if, and it will happen, the differential goes to \$12, to \$14 . . . (inaudible interjection) . . . He says, what if it goes to 4?

What kind of an optimist are you, Mr. Premier? That has not happened. We have to work from the premise under which we're working right now, and that is that there is not a thin dime, there is not a thin dime being paid out by the province at all. The taxpayers are not.

Mr. Premier, what I'm trying to say to you is, there is no rush. It's politically motivated. Mr. Estey said, we were that far to an agreement. Then you pulled the minister of tourism for Medicine Hat out of the game and you put in the Minister of Justice to put a dastardly deed like this through this legislature, Mr. Premier.

And that is what we are objecting to and that's why we're saying, let's slow this thing down, grow up, go back to the negotiating table without the gun to the head of the cooperative movement of this province and sit down and do a good job of that.

Now, Mr. Chairman, being past 5 o'clock, I call 5 o'clock.

The Assembly recessed until 7 p.m.