

The Assembly met at 1:30 p.m.

Prayers

## ROUTINE PROCEEDINGS

## PRESENTING PETITIONS

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to lay on the Table, for the citizens of this province, in excess of 1,500 petitions that:

Pray that the entire process regarding the trials of child sex offenders needs review; child witnesses require safety and an appropriate condition in the courtroom while testifying without question; mandatory training for judges, lawyers, and investigators is required; that sex offenders are dangerous and should not be released pending appeal; victims' rights through victims' compensation programs should equal those offered to the defendants through legal aid; that this has resulted in the lack of confidence in the judicial system and the judicial process.

That your Hon. Assembly may be pleased to cause the government to immediately investigate and offer changes in these failed areas.

Mr. Speaker, these petitioners come from Martensville, Saskatoon, and in fact and indeed across the province, Mr. Speaker, and it gives me pleasure at this time to lay these petitions on the Table.

## INTRODUCTION OF GUESTS

**Mr. Kluz:** — Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly, 36 students, grade 4 students, from Wadena School.

When they first wanted to come to the Assembly they were told there was no tour guides available, so I agreed to be their tour guide for the day and am touring them around. It certainly gets appreciation of how hard our guides do work, and maybe from time to time our members should do that, and they'll realize that our guides are a very important part of this Assembly.

They're accompanied today by teachers, Reg Glennie and Denise Nelson, also by a student teacher, Garth Ulrich, and two chaperons, Pat Nakrieko and Margaret Nataraj. I would like all members of the Assembly to greet them here today.

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

**Mr. Scott:** — Thank you very much, Mr. Speaker. I would like to join the member from Kelvington-Wadena in welcoming the students and teacher from Wadena, Reg Glennie, a personal friend through wildlife circles for a number of years.

Some of us hope to see Mr. Glennie and some of the students in Wadena next Friday at the western hemispheric shorebird reserve dedication ceremony and welcome you here, in joining with your member.

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

## STATEMENTS BY MEMBERS

### HMCS *Regina*

**Mr. Van Mulligen:** — Mr. Speaker, I have a comment to make about Saskatchewan's navy. On June 13, Her Majesty's Canadian Ship *Regina* will slip Halifax and proceed to sea. After stops in Charleston and Aruba, she will transit the Panama Canal on Canada Day. San Diego will be her final port of call before she sails into her new home port of Esquimalt, British Columbia, on July 20.

HMCS (Her Majesty's Canadian Ship) *Regina* is the fifth of twelve Canadian patrol frigates. This world-class vessel, 440 feet long and displacing 4,750 tonnes, was built at Lauzon, Quebec. One of the sub-contractors was SED Systems from Saskatoon, who assisted in developing the communication system.

The total complement of 225 officers, sailors, and air crew includes several people from Saskatchewan including her captain, Commander Mike Jellinek, who grew up in Estevan. After her commissioning on September 30, *Regina* will be stationed on Canada's west coast to advance Canada's maritime interests. She will be an ambassador for the city of Regina and the province of Saskatchewan in ports around the Pacific rim. God bless the good ship *Regina* and all who sail in her. Thank you, Mr. Speaker.

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

### Rosetown Water Treatment Plant

**Hon. Mr. Wiens:** — Mr. Speaker, on Tuesday I was honoured to take part in the dedication ceremony of the new water treatment plant in Rosetown; an event that has some promising implications for all those regions of Saskatchewan and other areas of Canada which suffer from poor quality water.

Much of Saskatchewan was an old seabed. The high levels of salts and minerals in groundwater have, until today, been difficult to remove. The old Rosetown plant was worn out and left quite a bit of iron and manganese in the water. We have all drunk that kind of water somewhere in Saskatchewan and are familiar with its taste and its effects.

This new plant is only the second of its kind in Canada and represents leading technology in water treatment to remove these elements through a process called electrodialysis reversal. The end result will be an excellent quality of water for drinking, manufacturing, and food processing. As well, the plant will provide a

demonstration of the technology for other areas of the province and Canada with similar water problems.

Two quick notes, Mr. Speaker. The plant is financed by the town of Rosetown and assisted by a grant approved by the PAWBED (Partnership Agreement on Water Based Economic Development) agreement, the federal-provincial agreement with Sask Water and PFRA (Prairie Farm Rehabilitation Administration) — a good example of cooperation between three levels of government.

Particularly significant was the naming of the plant for Mike Bohn, the former public works superintendent for Rosetown and long-time dedicated public servant. It was good to see his family take part in the dedication in memory of the work Mr. Bohn did in achieving the goal which Rosetown has now achieved — high-quality drinking water.

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

### Student Summer Employment

**Ms. Hamilton:** — Thank you, Mr. Speaker. It's a well-known fact that this weekend is Queen Victoria's birthday observed, and that we in Saskatchewan have almost a religious responsibility to plant our gardens in honour of the good Queen, which must mean that Victoria is the fertility goddess of Saskatchewan.

Now all levity aside, Mr. Speaker, this weekend also marks the beginning of summer which means that university, technical school, and high school students will be beginning their summer employment, and those not yet employed will be looking in earnest. So I remind students, businesses and all interested people, that there are two provincial programs and one federal, dedicated to placing students in summer jobs so that they can gain worthwhile experience and earn something towards their education.

The Partnerships '94 program sponsored by the Department of Education, Training, and Employment hopes to find positions for 3,200 students. Interested employers should contact the Partnerships '94 office in Regina.

As well, through the Public Service Commission, applying students are placed through a random selection process into appropriate available jobs. This program runs from May 1 to August 31.

Finally, Mr. Speaker, an employment officer, who noted that we make private members' statements, asked that I would mention that their centre provides many services for students and employers, its main objective being jobs for students.

These are all worthy programs, and hiring a student is a worthy investment in our future. I encourage all organizations that can, hire a student.

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

### Preventing Child Abuse

**Ms. Lorje:** — Thank you. Today I was privileged to meet with a group of courageous women and men who are passionately concerned about the horrors of childhood sexual abuse. The ugliness of the Martensville and other childhood abuse cases across Canada focuses attention on the continued need for vigilance and improvements to the system to protect the children.

Our government has developed a number of initiatives — the children's action plan; the discussion paper *Children First: An Invitation to Work Together*; victim services; improvements to the judicial process; and ongoing work to develop the respectful, decent protocols that enhance the dignity of these unfortunate victims.

Even more important though, Mr. Speaker, is the need for public education about this soul-destroying sort of abuse and the continued ongoing dedication by all people, and most importantly, commitment by governments to stop the abuse, to cry out for the children, and to vow for zero tolerance of violence.

All of us have a responsibility and a role to play in the healing and helping. Together, all of us can stop childhood sexual abuse. Thank you, Mr. Speaker.

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

### ORAL QUESTIONS

#### Premier's Comments on Quebec

**Mr. Swenson:** — Thank you, Mr. Speaker. My question will be to whichever minister feels qualified to answer the question.

Mr. Speaker, I'm sure everyone in this Assembly believes in national unity. We're all proud Canadians, and from the speeches I've heard in here I think we all have a strong sense of nationalism as far as our country goes. And it is appalling, Mr. Speaker, to see the Bloc Québécois and their leader running around using taxpayers' money to break up our country.

But I think, Mr. Speaker, that the Premier of our province is performing his own con game for the last couple of days at the expense of the people who elected him.

The western premiers' conference was called, Mr. Speaker, so that the economies of western Canada could come together and solve some of the pressing problems in front of us. It's painfully obvious, Mr. Speaker, to me today, and that's why I place the question to the government ministers here, that the Premier is picking a play with Quebec to detract from his own dismal performance in this legislature. He's playing into the hands of Lucien Bouchard who has counted on someone like the Premier of our province to spout off.

My question to a minister is this: will you contact the Premier of our province who is currently in Manitoba,

and remind him that your government has chased 16,000 jobs out of our province and playing politics does nothing to solve the fact that 16,000 jobs are missing. Would you do that?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I appreciate the question from the hon. member. I want to say that if he is so naïve to believe that the issue of separation of Quebec has nothing to do with the economy and jobs, then he in fact is sadly mistaken.

The fact is, is that in the world economy the ongoing debate about separation in Canada directly affects jobs, company profit lines, bottom lines, right across Canada. And when we talk about the importance of keeping Canada together as a unit, we are talking about stability of the economy and stability of the job market in this country. And that's fundamentally important.

At a local level obviously we are dealing with agriculture, we're dealing with economic development in western Canada at the Gimli, Manitoba premier's conference.

But for you to say that unity of Canada has nothing to do with jobs, and nothing to do with the economy, shows why after nine years of governing this province we have a \$15 billion deficit. Because Canadian unity has everything to do with jobs and the economy of this country and our Premier is taking that message very strongly to the western premier's conference in Gimli today.

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

**Mr. Swenson:** — Mr. Speaker, there isn't a person in this province, and certainly the people in this Assembly, that don't understand that a separate Quebec would have strong economic ramifications for all of us. But the Premier, Mr. Speaker, is doing nothing to keep that from happening. And contrary he's promoting a raising of the temperature in the debate that is politically motivated with inflamed rhetoric.

Mr. Speaker, Mr. Bouchard is looking for people around this country to come out and beat their chests so that he can go home and say, see, Quebec must separate from the rest of Canada.

The message that needs to be delivered, Mr. Speaker, to the Premier of this province, is that we have our own separatist movement right here in the province of Saskatchewan. People are being separated from their jobs, families are being separated from their pay cheques, and rural people are being separated from their health care.

I ask again, Mr. Minister, will you contact the Premier and tell him to get off his contrived Quebec bashing and get on with building the economy of western Canada. Would you do that, sir?

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

**Hon. Mr. Lingenfelter:** — I say to the member opposite, the Leader of the Opposition here in the legislature, that I believe that the Premier is speaking very directly to the people of Quebec and the people of Canada, talking about how important it is to keep Canada together.

Now, sir, I want to say to you and to your members of your caucus, it was not that long ago in this very Assembly that the leader of the Conservative Party, Mr. Dick Collver, stepped aside from the Conservative Party to start, what? — the Unionest Party that advocated separation of western Canada. That's deep in the roots of your Conservative caucus, sir.

I want to say that the attempt of our Premier to hold Canada together should be applauded by all members here in the legislature, and supported; not politically attacked for some phoney argument that you and your members opposite promote. I say if there's any separatist movement in this Assembly, it comes from the Conservative caucus, as proven by the Dick Collver move and Dennis Ham, the brother of the Leader of the Liberal Party, when they started the Unionest Party here in the province.

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

**Mr. Swenson:** — Well, Mr. Speaker, this is just like 1981 all over again. While Saskatchewan burns, the member from Riversdale is off playing the national political game. I mean this guy's been around almost as long as nationhood itself. The only difference this time, Mr. Speaker, while our province burns, is that the Premier is off seeking a little personal glory, and politics is the prime motivator this time. He knows full well that all of us have a commitment to the national unity debate.

But it's the polls at home that bother the Premier right now, and that's why we have this inflamed rhetoric when the province's economy is in such rough shape. So he serves his own selfish political interest, rather than the interest of building this country.

And I say again to the minister, I say to the minister, contact your Premier and tell him to get off this performance — it's the same as a \$3 bill — and tell him that he needs to concentrate on building the economy of western Canada along with his fellow premiers; and if he's got something concrete to say about national unity, do it; cut out the rhetoric. Let's get on with fixing the economy of our country, sir.

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

**Hon. Mr. Lingenfelter:** — Well I say again to the member opposite, to the Leader of the Conservative Party, that that is exactly the message that our Premier is taking to Gimli, Manitoba, and to Canadians — that jobs and the economy of Canada depend very much on keeping Canada intact. And that is the confidence that we are sending to the people in Quebec who want to remain in Canada, and we believe that to be

the majority of people in Quebec.

And we're saying, and we should be sending a consistent message from this Assembly, that we support our Premier in keeping Canada intact. Your attempt, your attempt, I say, to play politics flies in the face of what your Conservative members did, the predecessor to the member from Estevan, Mr. Dick Collver, when he set up the Unionest Party.

So it is very, very suspect for you to stand today and talk, and talk about what you are going to do to keep Canada together, because it is not very realistic.

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

### Judges' Court Action

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Justice. I'm sure, Mr. Speaker, the Minister of Justice will understand where the question's coming from, considering the debate we've had in this House regarding the whole court case and judges from . . . rather, about a month ago.

On May 4, Mr. Minister, I asked you how much it would cost to defend yourself and your government against a potential lawsuit by the Provincial Court judges. You said, and I quote:

. . . the department has not made any such estimate because frankly we don't expect to be sued.

Wrong again, Mr. Minister. Have you made that estimate now?

Mr. Speaker, to the minister: will the defendant please rise and tell this Assembly how much taxpayers' money will be spent defending his illegal actions in this lawsuit.

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

**Hon. Mr. Mitchell:** — It's a well-framed question, Mr. Speaker, a well-framed question.

I want to say that we have made no estimate as to the cost of defending the lawsuit. We had come to the conclusion that there wouldn't be any such lawsuit; we weren't expecting it. But we are going to be instructing counsel to defend both the government and myself, and it is something that we have to do.

Our advice, as I said in this House, our advice from our people in the department who are expert on these matters was that what we have done in this House . . . the law that this legislature has passed is constitutional, within the competence of this government, and now, by virtue of this lawsuit, we're going to have to go court and defend ourself on these matters before the Court of Queen's Bench. So that's how the system works and that's what we're going to have to do.

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

**Mr. Toth:** — Mr. Speaker, again to the minister. Mr. Minister, we're quite well aware of a number of the lawsuits that have taken place over the last few years and the costs associated. We've spoken to people in the legal community who estimate that this case . . . that if this case went all the way to the Supreme Court it might well add up to some 4 or \$500,000 of taxpayers' money — this because of your incompetence in the flawed process you've put in place. At the end of that process you might lose anyway and end up having to give the judges their increase on top of it.

Mr. Minister, it seems to appear that you and your government colleagues were more interested in public approval rather than heeding your own laws and setting the example. Mr. Minister, as you like to say, there is law and then there is justice.

Will the defendant again please rise and tell this Assembly whether he thinks it is just that Saskatchewan taxpayers may wind up footing the 4 or \$500,000 bill because of the major blunder made by you as a minister.

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

**Hon. Mr. Mitchell:** — Well in the short time permitted to me in question period, Mr. Speaker, let me sum up for the hon. member the basis on which the government acted.

We simply couldn't afford to pay the award. One of the major problems with the award is that it threatened the consensus that we have built in this province around the idea of expenditure restraint, and a balanced budget.

It's been very difficult, very hard, very taxing work for us to do that, but we have managed to do it. We did it on the basis that everyone's had to sacrifice. And in that atmosphere, in that . . . with that background, we simply couldn't pay the award.

Now I've made this point at length. The member knows exactly why the government acted.

It doesn't sit well in his mouth to stand up at this late date and suggest it was only because it was trying to appeal to the popular opinion — that was not the issue. Popular opinion comes and goes. But the fact of the matter is that if we had shattered the consensus around expenditure restraint, we were threatening the whole program of the government, and we simply couldn't allow that.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Minister, again, I think, Mr. Minister, if we look at the case that's rising before us, whether you win or whether you lose, the taxpayers pay, all because of a decision made by your government to disobey and to rescind its own laws.

Mr. Minister, you yourself have admitted — and we've had this discussion in this House — that the commission was a bad idea. So even in the best-case scenario for your government if you win the case, it costed Saskatchewan taxpayers.

Mr. Minister, your government's incompetence will wind up costing Saskatchewan taxpayers hundreds of thousands of dollars. I believe, Mr. Minister, on the basis of the discussion we've had, you should do the honourable thing, Mr. Minister, and resign. For the people of . . . for the sake of the people of Saskatchewan, will you do the honourable thing, Mr. Minister, and rather than being asked to resign, will you resign in light of recent events?

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

**Hon. Mr. Mitchell:** — No, Mr. Speaker.

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

### Investment in National Pig Development

**Mr. McPherson:** — Thank you, Mr. Speaker. My question today is for the minister in charge of Crown Investments Corporation.

Mr. Minister, your government recently invested 1.25 million in National Pig Development north-east of Regina and this increases your ownership to some 72 per cent. This is on top of the two and a half million dollars in equity and loans the government invested in 1989 and another 2.75 million you have promised if National Pig expands.

Mr. Minister, would you confirm those figures and table your study that proves this is a profitable investment for the people of Saskatchewan?

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

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. Let me say to the member opposite that the Government of Saskatchewan, through CIC (Crown Investments Corporation of Saskatchewan), has had a share in Nation Pig now for approximately four years, I believe.

We had a portion of about 50 per cent for a while, and we have now increased our investment in National Pig — it's not a loan, it's not a grant; it's an investment in National Pig — by \$1.25 million to build the expanded facility at Balcarres. This is a state-of-the-art facility; it is the only one in Saskatchewan, and it is renowned across the world. We have contracts with countries all over the world to buy the product that comes out of the barn in Balcarres.

This is a good investment, it's good for the people of Saskatchewan, and it's quite different than some of the investments we're dealing with that we inherited from previous administrations.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Minister, speaking of investments, a Manitoba company is moving its hog operation to Humboldt and will be investing \$350,000 of its own money, Mr. Minister — its own money. Your government has been very vocal in saying that if projects are viable, they should be able to draw private investment and that no government money should be provided. People will invest if they think they can get a good return.

Mr. Minister, if investors thought National Pig Development had a feasible business plan, they would probably invest. As majority shareholders in this company, we assume that you have a complete business plan. And would you table it today, Mr. Minister?

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

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. The company does have a complete business plan, and I haven't got it with me here, but I'm sure that that can be made available.

I want to say to the member opposite and to the people listening that the barn in Balcarres is entirely different than the one that the member is talking about that is being developed at Humboldt. One is a nucleus barn — and I don't know all the details about that — but one is a nucleus barn and the other is a multiplier barn.

And the company in Manitoba that is building the barn or filling the barn in Humboldt is simply using the hogs from Manitoba and sending them over to Saskatchewan so that they can raise those hogs here. It's an entirely different operation. The NPD (National Pig Development (Canada) Co. Ltd.) barn in Balcarres is unique and the only one in Saskatchewan. And to mix the two is absolutely wrong and it's discrediting the work that this organization is doing.

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

**Mr. McPherson:** — Mr. Speaker, Mr. Minister, I guess this barn must be unique. Experts tell us that the industry standard for building a hog-breeding facility is \$3,400 per sow place. Your company is costing taxpayers almost \$12,000 per sow place to build this facility. If this is so, how do you expect to make this a viable, profitable operation that won't cost Saskatchewan taxpayers any more money?

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. The history of this company clearly indicates that it's a profitable company. Expanding the barn is not the same as expanding an ordinary hog barn, and I think the member should understand that. I tried to explain that we are dealing here with different situations.

One is a nucleus barn, the other one is a multiplier barn — they're entirely different. And then if you want to go beyond that, I'm sure that the members opposite, some of them also have experience with pig barns and do it for a lot less than \$3,400 per animal. So it

depends on what kind of a facility you have.

We have a state-of-the-art facility here which is going to make money for the people of Saskatchewan and supply products to all over the world.

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

**Mr. McPherson:** — Mr. Speaker, Mr. Minister, National Pig Development is building a hog truck-washing facility right in the middle of the town of Balcarres. Residents in the area are upset; the facility is too close to their homes, the town's ambulance service, and a public park. They're worried about the smell, of course. They've been told the manure removed from the trucks will be hauled to a field just east of Balcarres right next to a natural waterway.

Mr. Minister, while we agree with the need for a truck wash for such a facility as National Pig Development, the location leaves much to be desired. Did your government conduct an environmental impact study that you're so famous for demanding of others?

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. It is interesting to hear the members opposite now being against all forms of economic development in this province. When the economic development isn't moving as quickly as they'd like to see it move, then they complain about it being too slow. Today they're saying you're moving too fast or you shouldn't be doing economic development. You've got to make up your mind which way you want it.

Let me comment briefly on the truck-wash facility at Balcarres. I understand that that is one site that had been indicated that they would want to build it on. If that's not going to be acceptable to the town of Balcarres, I've been given to understand from the National Pig organization that they will move that to a place or a location that was acceptable to the town.

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

#### Arts Board Grant

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Saskatchewan Arts Board or designate. Mr. Minister, the other day you promised to undertake a complete review of the \$9,500 your government is giving to Christopher Lefler. Have you completed this review, Mr. Minister? What changes will you be making in the policies of the Arts Board as a result of that review? And what will you be doing about the \$9,500 grant given to this individual that is receiving it for defamatory art?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker, in the absence of the minister, I'll take notice of that question.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Minister, this morning on CBC (Canadian Broadcasting Corporation) radio the executive director of the Arts

Board said that all policies were followed in awarding this grant. She said that the grant was awarded even though the Arts Board had full knowledge of the defamatory nature of Mr. Lefler's work. She said this was not a consideration, that the Arts Board has no business even considering whether or not a project is defamatory or may hurt others.

Mr. Minister, this simply is unacceptable. The Government of Saskatchewan should not be giving taxpayers' money to so-called artists who use their work to defame and hurt other people.

Mr. Minister, did this grant fall within government policy; and if so, will you change that policy and cancel that grant?

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

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. To answer the question from the member, I want to say firstly that no one on this side of the House would believe the interpretation of any quote that may come from a member of the Conservative caucus. And in the absence of the minister, I'll take notice of the question.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Minister, the quote was direct from CBC this morning. The Arts Board is saying that the public defamation of another person is art and is worthy of . . .

**The Speaker:** — Order, order. Will the members please come to order. Order.

**Mr. Boyd:** — Thank you, Mr. Speaker. The Arts Board is saying that the public defamation of another person is art and is worthy of government funding. What else could the Arts Board fund under the guise of art? Would racist material be eligible for public funding under the guise of art? How about pornography? Would that be eligible for funding under the guise of art? The point is your . . .

**The Speaker:** — Order, order. I have just called the members to order. Would the members please allow the member to ask his question.

**Mr. Boyd:** — Thank you, Mr. Speaker. The point is, your government has the responsibility to set some standards and not award money to people who use their so-called art to defame and hurt other people.

Mr. Lefler and your Arts Board are hiding behind freedom of expression the same way Ernst Zundel hides behind freedom of speech. The fact is, freedom of expression does not give you the right to hurt other people.

The University of Saskatchewan understands this and the people of Saskatchewan understand this as well. Everyone seems to understand it except the Arts Board and your government.

Mr. Minister, will you take some responsibility and

ensure that taxpayers' money is not used to fund this type of defamatory and offensive material.

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

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. In the absence of the minister, I'll take notice of this question as well.

### Proposed Gun Control Legislation

**Mr. Martens:** — Thank you, Mr. Speaker. My question is to the Minister of Justice. Mr. Minister, last weekend the Prime Minister announced that his government will be bringing in more restrictive gun laws this fall. And once again the federal government appears to be developing a Canadian-wide response to a problem that exists mainly in major urban centres like Toronto and Montreal; and there are thousands of responsible gun owners in this province who may end up suffering as a result.

Mr. Minister, this legislature recently passed a resolution calling on the federal government to consult thoroughly with all provinces before any new gun control laws are introduced. Have you followed up on that resolution, Mr. Minister? What contact have you had with the federal Minister of Justice about this matter? And what assurances can you give us that the new federal gun laws will not put unwarranted restrictions on thousands of responsible gun users in this province?

**Hon. Mr. Mitchell:** — Mr. Speaker, I sincerely thank the member for that question. We've just come through the implementation of the last round of federal gun control legislation and it was quite an experience. The legislation was clearly drafted for problems other than those that exist in the province of Saskatchewan. And it was very difficult to make the federal legislation fit the Saskatchewan situation. We went as far as we could in implementing the legislation, but even so it was an awkward piece of legislation for Saskatchewan residents.

I've written to Mr. Rock asking that this time there be full consultation on this legislation before it's implemented in Saskatchewan. He's undertaken to me that there will be such consultation, and we'll try to deal with it in a more appropriate way this time.

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

### MINISTERIAL STATEMENTS

#### Construction of Bridge at Cumberland House

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. I rise today to inform the House about a very important and historic announcement that was made this morning in Cumberland House.

I, and the Minister of Highways and Transportation, and the Associate Minister of Education, had the honour of participating in the announcement of the construction of the Cumberland House bridge under

the Canada-Saskatchewan infrastructure works program. The cost of the bridge is estimated to be \$6 million. The cost of this project will be shared equally by the federal government, the provincial government, and the Cumberland House Development Corporation who will contribute up to \$2 million.

I want to at this time, Mr. Speaker, thank Mayor Harold Carriere and Chief Pierre Settee for their dedication to this project, and I want to say that their leadership and their work with the government and their local MLA (Member of the Legislative Assembly) played a very important role in this important decision.

Bridge, environment, geo-technical, and design work will start immediately. The actual construction activity of the bridge approaches and the connecting roads will begin in 1995 and should be completed by late 1995 or early 1996.

The announcement of the bridge was very welcome news to the residents of Cumberland House. This project will provide the community with a dependable, year-round road link and essentially makes Cumberland House a part of Saskatchewan. The bridge will lower personal transportation costs and travel time, and generally make travel easier. Year-round access to supplies essential for daily living will also relieve some of the financial burden of isolation that some residents have felt.

The Cumberland House bridge should also increase opportunities for economic development in the community. Cumberland House is the oldest community in Saskatchewan. As such, it has considerable tourism potential. Year-round access will help develop that potential; hunting and guiding opportunities may also be increased.

There will also be other important economic benefits related to the planning and the construction of the bridge, Mr. Speaker. Not only will local residents have an opportunity for jobs and pay cheques, but they will be able to obtain on-the-job training and experience, the kind of lifelong job skills that can be applied to other opportunities in related fields.

Northern firms and businesses should also see a significant increase in their activity. As a way of ensuring that the economic benefits of the infrastructure works program are felt in the North, we are encouraging northern sourcing of contractors, materials, and services for the Cumberland House bridge project wherever possible.

Mr. Speaker, the Government of Saskatchewan is confident that the Cumberland House bridge project will improve the quality of life for northern families, help build the North, and in doing so, help fuel Saskatchewan economic recovery.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. And I'd like

to thank the minister for having the text sent across. Most of all I think I would like to offer my congratulations to the people of Cumberland House who obviously have been looking for this project for a very long time. And it was only a short time ago that we saw the former mayor trek all the way from Cumberland House to Regina here with a cross on his shoulder to get the point across to people in public places that Cumberland House deserves some attention. So I join with the Deputy Premier in congratulating those people.

I hope that as this project goes along that it doesn't have the same criteria attached to it that the Melfort water pipeline did. It's one thing for us to have a water pipeline that leaks, but to have a bridge that won't stand up would be too bad. And I say to the government opposite, if you apply the same criteria and principles, we'll have trouble, and the people of Cumberland House will still be on an island.

So please do it properly this time and let Northern people direct some of the traffic up there and I'm sure we'll have a very fine bridge that we can all use in the future, and the people of Cumberland House, after 300 years, can finally join the mainstream of Saskatchewan society.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I too would like to congratulate Cumberland House today on this very, very exciting endeavour.

I think perhaps that there are individuals both past and present that deserve some recognition. And credit must be given to the many, many people who have kept this issue at the forefront for such a long time.

A past mayor of Cumberland House, Lennard Morin, who actually represented our party in the last election, did see this as probably one of the most important issues that his people faced in Cumberland constituency. And what he did do, as acknowledged by the Leader of the Official Opposition, was to carry a cross from Cumberland House to Regina, in order to raise this issue before the people of Saskatchewan.

I also think that it is significant and deserves some recognition that the new Member of Parliament representing that part of the province, Mr. Gordon Kirkby, as well was very, very intimately involved. And this is one of the things that Gordon Kirkby had indicated that he would take as an issue to the Ottawa government.

I do think that it can't go unnoticed that it was the federal infrastructure program that was able to bring forward many, many of these dollars. So as much as that may be skirted over by the province of Saskatchewan, I don't think that it goes unnoticed by the people of Saskatchewan and particularly the people from Cumberland House.

We are very, very pleased that this is finally going to be available to them. It'll make for a much safer and

more comfortable existence for all the people of Cumberland House.

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

**The Speaker:** — Before we go on to the next question, I do want to remind members that the ministerial statements should be non-partisan as I think they were today. And the responses also . . . (inaudible interjection) . . . I said non-partisan. The ministerial statement was non-partisan. And the response to that should also be non-partisan, and I think some of them were on the realm of being political, and members should take note of that.

**Hon. Mr. Mitchell:** — Mr. Speaker, could I have leave of the Assembly to introduce guests?

Leave granted.

### INTRODUCTION OF GUESTS

**Hon. Mr. Mitchell:** — Mr. Speaker, in your gallery are four people who are representative of the Cryout for the Children organization. And the member from Rosthern I understand tabled a petition from that organization earlier today.

I and the member from Saskatoon Wildwood had the pleasure of spending approximately 80, 85 minutes at a meeting with the four people who I'm about to introduce today, and we had an excellent meeting. We share a deep commitment to the plight of children who are the subject of abuse and we had a most productive discussion along the lines of what can be done and how we can work together in the future to resolve some of those problems.

So I will introduce them, Mr. Speaker. Carol Dalton — I'll have Carol just stand up so that the Assembly will see her — Linda Guenther; Debbie Hills, and John Guenther.

Mr. Speaker, would my colleagues in the legislature welcome these guests today.

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

(1415)

**Ms. Lorje:** — Yes, I would like to join with the Minister of Justice in welcoming these people to the legislature. I have been working with them for the last couple of months and I have been extremely impressed with their compassionate dedication and their desire to see real and meaningful social change in the area of social justice — childhood sexual abuse. Welcome to the legislature.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. I want to join with my colleagues across the way in welcoming Linda, Debbie, Carol and John here. I had the opportunity to introduce them a few weeks ago. And I also share the member of Wildwood's concern that



we know that there are a lot of problems that these people are putting an extremely great deal of time, personal effort and energy into trying to address.

I'm very pleased that they were able to meet with the Minister of Justice. I hold the right to reserve judgement on the results of that meeting. I don't gush with the enthusiasm at the time that the minister does, but I'm sure that his words will be reinforced once I've had a chat with these folks up here.

And I'm very glad, Mr. Speaker, to be able to say to them, welcome here and I hope that we have results for what you are intending. And thank you for your work.

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

**The Speaker:** — I would like to request of members that I could revert back to routine proceedings. I skipped over one particular item, introduction of bills.

Leave granted.

## INTRODUCTION OF BILLS

### **Bill No. 70 — An Act to amend The Legislative Assembly and Executive Council Act (No. 6)**

**Hon. Mr. Lautermilch:** — Thank you. Mr. Speaker, I move that a Bill to amend the Legislative Assembly and Executive Council Act (No. 6) be now introduced and read a first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as it relates to question no. 60, I hereby table the response.

**The Speaker:** — The answer for no. 60 has been tabled.

## GOVERNMENT ORDERS

## ADJOURNED DEBATES

## SECOND READINGS

### **Bill No. 56**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Goulet that **Bill No. 56 — An Act to amend The Automobile Accident Insurance Act** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Well, Mr. Speaker, it's been a while since we debated this particular Bill before the House, and it seems that some things have changed since then.

SGI (Saskatchewan Government Insurance) did a

study which showed that 40 to 45 per cent of the people at that time were in favour of no-fault insurance as outlined by the government. But I strongly suspect, based on the number of letters to the editor in various newspapers across this province, that that number is dropping. The phone calls I receive in my office are not supportive whatsoever of no-fault insurance.

I shouldn't say that — I did receive one phone call from one person who felt that some changes to the insurance was needed. His particular concern was the legal fees that were being asked for by the lawyers. But even he, Mr. Speaker, was not totally enamoured with it, although he felt that there was some value with the changes.

But, Mr. Speaker, that was the only individual who called my office supporting. All others have been opposed to this. And more and more people in the public, as they phone or as you run into them in our daily business, are opposed to this particular form of taxation, because that is indeed what it is, because it limits the amount of monies being paid out to victims while the rates remain the same, Mr. Speaker.

I received a very interesting letter in the mail, dated May 10, from a Robert L. Stevenson of Saskatoon. And Mr. Stevenson's letter is very good, Mr. Speaker, very good indeed, because he goes through it and outlines the major problems, as he sees them, in no-fault insurance.

The major problems, as he sees them, are also the problems that everyone else is witnessing in this legislation, Mr. Speaker. And the reasons, the explanations for these problems, are the things that the minister must take a look at and must fix. And that's part of what the minister is trying to avoid doing in not appearing in the public and debating this issue.

And more and more groups are calling for that kind of debate to take place, Mr. Speaker. The consumers association of Saskatchewan is calling for it, and the legal profession is calling for it, the public is calling for it, and yet the minister resists because he knows that to go before the public on this issue will expose the flaws, the very serious flaws, in no-fault insurance.

And I'd like to read Mr. Stevenson's letter into the record, Mr. Speaker, because it does a very good job at outlining all of the errors in this particular piece of legislation. The letter is addressed to Mr. Premier and members of the Legislative Assembly. It says:

No-fault insurance Bill 56 is proceeding rapidly through the legislature, and if passed, will radically change the legal rights of accident victims in our province. SGI is currently sponsoring an advertising campaign in support of alleged improvements and benefits. The public will realize that advertising slogans are just that, no more, no less. Their decision about such an important measure must be one that is informed and based on facts.

Now that it is finally possible to see Bill 56, after months of secretive, behind closed doors lobbying by SGI and manoeuvring with your government, lawyers are forced to say to the public: "BUYER BEWARE". There are four basic and important issues for (the) public (to consider) . . .

# ISSUE 1: WHAT WILL BE THE CHANGES IN INSURANCE COVERAGE IF PROPOSED NO-FAULT BILL 56 BECOMES LAW?

Basically, insurance is supposed to be about spreading risk. Risk means the possibility that on a given day one may be involved in an accident in which they risk losing their car, their health, even their life. Everyday we are all at risk of losing something of benefit, known in insurance jargon as "loss". The question is: "Who must bear the burden of loss; who has to pay?"

And I'll repeat that, Mr. Speaker. "Who must bear the burden of loss; who has to pay?"

Normally, without insurance, the law stays with the victim. However, when one purchases insurance, in exchange for the premium, the insurance company agrees to accept the risk of loss within the subject matter of the auto insurance policy. The key issue then is the extent of coverage.

Bill 56 and as yet unpublished regulations will state the extent of coverage. Significantly, they will not state exclusions.

Again, Mr. Speaker, as in many other pieces of legislation before this Assembly, the concern here, as expressed by Mr. Stevenson, is more than just the actual piece of legislation but how regulations will become a part of this Act and how they will be implemented; what will be covered and what will not be covered. What will be excluded? What is the small, fine print on the back of this contract, Mr. Speaker, that people have to be afraid of?

Mr. Speaker, Mr. Stevenson goes on to say:

Significantly, they will not state exclusions. Exclusions are matters specifically not included in coverage. Although excluded, they will be very real losses to the victim and for this reason everyone needs to look beyond SGI's no-fault insurance proposal if they are to truly understand exactly what areas are specifically not covered by the scheme. In other words, what no-fault Bill 56 does not cover is just as important as what it does cover.

Mr. Speaker, I'll repeat that: "In other words, what no-fault Bill 56 does cover is just as important as what it does not cover."

Carry on with the letter:

Where an exclusion exists there is no protection afforded by no-fault insurance. Further, it will not be possible to purchase coverage separately as a rider or endorsement in most circumstances even though the basic premium has been paid. Escaping the no-fault system will be virtually impossible.

SGI's publicity alleges that the new no-fault plan will mean improved benefits for everyone. However, scrutiny of Bill 56 reveals the truth to be the very opposite:

1. There is no compensation for pain and suffering, including chronic pain, loss of amenities, or loss of expectation of life in most circumstances;
2. There is no compensation for pain and suffering where there is non-permanent partial or total disability;
3. There is drastically reduced compensation based on flat rates for permanent partial or total impairment;
4. There is under compensation for lost wages;
5. There is no assured compensation for rehabilitation and other expenses;
6. There is no lump sum compensation to long-term disability victims for future lost earnings capacity or future costs of care in most circumstances.

When SGI advertises that current program benefits are inadequate, they offer partial truth in the place of the whole truth. In fact, they are referring to present no-fault benefits which we may all agree are inadequate. But this is only part, and a very small part, of the coverage story. What about public liability protection, based on plate insurance, which provides coverage up to \$200,000 and which has actually fairly compensated the great majority of injury claims? What about extension insurance which provides coverage up to \$2,000,000 for severe and catastrophic injuries? This information does not appear in SGI's advertising nor does it acknowledge that the SEF 44 family protection endorsement which provides coverage up to \$2,000,000 against the risk of personal injury or death caused by an under-insured motorist, now forms part of nearly all automobile insurance policies issued in Canada!

If no-fault Bill 56 becomes law, current extension insurance coverage of \$2,000,000 including the SEF 44 family protection endorsement will be of no help to Saskatchewan accident victims in most circumstances. The no-fault scheme retains the accident victim's legal right to bring a law suit under traditional principles of tort law only in

strictly limited cases. The threshold requirements, necessary to trigger extension insurance coverage, are astronomical and mean that SGI will keep virtual control of all cases under the no-fault category.

The public needs to know, but the straight story is not being told, that no-fault Bill 56 will actually seriously reduce coverage and restrict benefits for Saskatchewan residents. No-fault Bill 56 will mean that innocent victims of accidents and their families will be forced to pay for the wrongdoing of those who have caused the accidents. It is true that unsafe drivers will benefit through SGI's proposed no-fault scheme, but in doing so, it will penalize safe drivers. Why should innocent accident victims give up compensation for severe pain and suffering in order to fatten SGI's coffers? Why should innocent accident victims give up compensation awards in order to subsidize an enlarged insurance bureaucracy? Why should innocent accident victims who have permanent partial or total disability be subjected to the uncertainties of benefits decided by SGI, paid every 2 weeks, coupled with never ending surveillance and scrutiny?

Fairly indicting. It indicates, Mr. Speaker, that there are a lot of serious problems with the no-fault insurance on that first item, Mr. Speaker, items that need to be carefully considered by the general public before they make up their mind as to whether or not SGI's no-fault insurance scheme has any benefit.

And when the public is prepared to make up their mind, Mr. Speaker, they need an avenue available to them in which to express that. And the government's 1-800 number, Mr. Speaker, is definitely not the avenue by which the public can properly express themselves. That can only happen, Mr. Speaker, through public debate.

(1430)

Mr. Speaker, Mr. Stevenson's second item from his letter, and it reads:

WHAT IS A REASONABLE PRICE FOR THE REDUCED COVERAGE OF SGI'S PROPOSED NO-FAULT PLAN IF IT BECOMES LAW?

No-fault will mean significantly reduced insurance coverage and restricted benefits for Saskatchewan residents but there will be no corresponding reduction in premiums. SGI's publicity states: "No rate increases in 1994 and probably none in 1995". Rate increases? For reduced coverage and benefits? How can this be? The explanation is that in order to achieve seriously reduced compensation for Saskatchewan accident victims, SGI will deploy an enormous bureaucracy to "look after" the claims, to "advise" on them, and to "determine" them. For the seriously injured and disabled, this process will not end until

they die which will mean years and years of administration. Such an "enhanced" bureaucracy will not come without a substantial overhead cost.

Mr. Speaker, I have to agree with Mr. Stevenson in this concern that under no-fault insurance we will have an ever-growing bureaucracy, somewhat like Topsy, Mr. Speaker, that will grow without control.

SGI bureaucracy is already fairly large, is already fairly cumbersome, and goes in its own direction, Mr. Speaker, without considering the benefits of its clients, of those who pay the premiums, Mr. Speaker.

I carry on with the letter, Mr. Speaker:

In fact, a study of no-fault plans in other jurisdictions show that they characteristically involve increased premiums. Quebec, which has a no-fault system since the late '70s, has amongst the highest premiums in all of Canada. Under no-fault, Quebec drivers have been penalized by their insurance companies with premium increases even when they have not been at fault in an accident. Premium increases have ranged from 15% to 25% and in extreme cases almost 167%.

And Mr. Stevenson takes that information from a *Globe and Mail* article of March 25, 1994.

In the United States, four jurisdictions which experimented with no-fault insurance, discontinued because of premium increases. Under no-fault, Saskatchewan drivers face not only reduced benefits but seriously increased premiums. The public will realize the delay in premium increases of up to 2 years merely coincides with the timing of the next provincial election.

And I think, Mr. Speaker, that Mr. Stevenson has hit on a very important point there, that yes indeed, premiums may remain relatively stable over the next two years but will start to increase after that point. And the reason this is being brought in now is that it will be approximately two years, as one of the back-bench members told us the other night, probably 1996, for the next provincial election, so increases would hit somewhat after that, Mr. Speaker, not before.

No. 3:

WILL THE CLAIMS PROCESS UNDER THE NEW PLAN BE FAIR AND RESPONSIVE IF NO-FAULT BECOMES LAW?

Well, Mr. Speaker, this will be again another serious problem.

SGI's publicity states: "Victims will automatically receive compensation . . . " The word "automatic" has a dictionary meaning which includes " . . . something mechanical . . . not characterized by active intelligence".

Well, Mr. Speaker, that could be applied to a number of other items in this government's particular operation.

In truth, examination of no-fault Bill 56 reveals the claims process will be neither fair nor responsive. The potential for conflict between SGI and accident victims is due to the fact that they have opposite interests. SGI will maximize its control and minimize benefits, which is really what no-fault is about. For that purpose, it employs and no doubt will continue to employ, even more adjusters, lawyers, mediators, claim managers and so on and has the resources of the government itself behind it.

What about the injured accident victims? They must cope with serious injuries and their effects. Few, if any, know anything about claims procedures or legal rights. Until now, only lawyers have stood (against) . . . SGI with all its resources and the injured accident victim. Accident victims have thus had the benefit of the lawyer's knowledge, training and experience in handling the personal injury claim both in direct negotiations and, if necessary, in court. However, under SGI's no-fault Bill 56, the vast majority of accident victims will no longer be able to afford legal representation. The new legislation actually contemplates SGI assuming the role of legal advisor to the victims!

Sort of advising the victim against yourself, Mr. Speaker. I hardly think that SGI is going to be providing substantial advice to the victim of an accident that they should proceed against SGI when it would be against SGI's best interests to do so.

SGI is empowered by the legislation to determine matters such as rehabilitation, income replacement benefits, employment, death benefits, percentage of impairment, etc. The probability of conflict of interest on any one or all of these issues about which it is purported the insurer will advise on and determine for the insured will be obvious to most. "Don't worry", says the fox, "I will look after the chickens!"

Occupations which are professions such as law have legal duties of care to the client which, if breached, and loss or damage is suffered by the client, means liability to compensate for such loss or damage. In other words, if the client suffers loss or damage because of professional negligence whether it is a lawyer, doctor, architect, engineer or accountant, there is protection for the public as an integral part of the professional responsibility. Under SGI's proposed no-fault Bill 56, although SGI will be constituted the accident victim's supposed legal advisor, and, worse, the judge of benefits, it will have absolutely no liability for any loss or damage it may cause to an accident victim as a

result of mishandling of a claim. On the contrary, no-fault Bill 56 gives SGI or any director, officer, employee or agent of SGI, legal immunity from any such claim. It is unacceptable that SGI purports to take direct responsibility for accident victims, without the accident victim having the protection of independent legal counsel and free access to the courts. It is unconscionable that SGI should not be accountable in cases where it causes loss or damage in its direct dealings with accident victims. Why should it not be compellable in a court of law to compensate its victims for wrongdoing?

It is an underlying principle of our legal system that those who advise and those who judge should be impartial and appear to be so. Under the existing automobile insurance system, SGI's authority with respect to claims extends only to negotiating and settling them. It certainly does not have the legal power to determine them, and if a settlement cannot be arrived at, it is an independent, impartial court which determines them. Can any claims process which constitutes the insurer, the advisor and the adjudicator, one and the same, be fair and responsive? No-fault will constitute SGI an unaccountable, all powerful bureaucracy which ignores legal traditions and safeguards. In this respect, SGI will resemble if not rival the bureaucracies of the Workers' Compensation Board and the Tax Offices.

SGI's publicity in support of the new plan alleges that it offers an independent appeal process provided through the courts. What could be more fair? The truth is that SGI's appeal process will be for the vast majority a complete illusion. There is more than one way to take away an accident victim's right to sue. One is to make the appeal process uneconomic for the accident victim. Under no-fault, there will be no lump sum settlements which means there is no basis for the lawyer's fee to be assessed on a contingency fee basis. Instead, the accident victim will have to pay the lawyer a fee based on standard hourly rates. This will mean that SGI will be able to bankrupt the accident victim by having their lawyers drag their feet to force the victim to incur excessive fees. Contingency fees which are attacked by the insurance industry and other business groups notably the media, are far from being a problem for the client. In fact, contingency fees have allowed the accident victim to have a fighting chance against powerful and rich insurance companies. No wonder the insurance industry, SGI included, is trying to eliminate contingency fees because it means they can deal with the accident victim without the person having effective legal representation to protect their rights.

Under no-fault, benefits are typically limited and paid every two weeks. The amount in issue

will be consequently small. Furthermore, as previously noted, SGI will be empowered to “determine” numerous issues, such as rehabilitation, income replacement benefits, employment, death benefits, percentage of impairment, and so on. Any one of these issues is subject to the following legal obstacles.

1. When SGI determines a claim for such a benefit, the legislation states that it is final;
2. However, the victim has 60 days to apply in writing for a review;
3. After review, if SGI has not changed its final determination, the victim has 30 days to request mediation in which case the victim must pay the insurer a fee (and in this case, Mr. Speaker, the insurer is SGI);
4. After mediation, the victim may then appeal to the Court which must be within 90 days after the insurer has reviewed its determination;
5. On an appeal, the court must adopt SGI’s findings of fact unless the victim puts them in issue;
6. Within 30 days of the court’s decision, the insurer or the victim may appeal to the Court of Appeal.

How many accident victims will be able to afford legal representations at standard hourly rates through such a process? How many will successfully overcome the issues raised by SGI without the help of legal counsel in such a process?

The so-called “independent appeal process” is in fact modelled in part on a procedure found in The Small Claims Act which in itself should ring alarm bells as far as the type of compensation to be expected is concerned. The procedure will be so cumbersome and so uneconomic for the vast majority of accident victims, that it will prove to be a sham.

The legislation also creates inequities between different classes of claimants. For accident victims with earnings more than \$50,000 per year, or rehabilitation and other expenses more than 500,000, there is the possibility of pursuing regular court action but only for the excess amount. In the result, there is a statistically remote potential liability for Saskatchewan residents which will mean continuation of package policies, continued premium earnings for SGI, but without the coverage and benefits for the great majority of Saskatchewan residents who may sustain serious but not catastrophic injuries in motor vehicle accidents.

#### ISSUE 4: THE NEED FOR PUBLIC HEARINGS

The public does not realize that “no-fault” has seriously different, even opposite meanings depending on who is using the terminology. The theory of no-fault — to compensate

anyone who is injured without assessing blame for the cause of the injury — sounds good. But in practice, when insurance companies use no-fault, it means inadequate coverage, reduced compensation, increased premiums, and a claims process which is neither fair nor responsive to the needs of the accident victim. In certain important respects, no-fault Bill 56 adopts the worst of no-fault provisions as compared to other jurisdictions. This is seen, for example, in its proposal to assume control over the accident victim’s rehabilitation but with a cap to the total maximum amount of benefits of \$500,000, as compared to jurisdictions where there’s no limitation on the grounds of benefits payable for medical and rehabilitation costs. Under no-fault Bill 56, victims who sustain catastrophic injuries such as quadriplegia, will find the coverage inadequate, about 25 per cent of what is needed, based on court assessments. The extremely high monetary thresholds, coupled with the legal requirements of proving fault will mean that most if not all seriously injured people will not be able to obtain (the) compensation they need.

(1445)

From SGI’s perspective, the real agenda is power, its purpose to have total control over the automobile accident insurance business from the determination of premiums to the determination of benefits. Lord Acton’s dictum serves as a warning: “Power tends to corrupt, and absolute power corrupts absolutely.” From the government’s perspective, the only analysis appears to be the economic analysis. The essential element missing from the no-fault proposal is justice. The omission is one which reflects the absence of thinking or even awareness about distributive justice which is at the heart of personal injury compensation law. Those who analyse everything in terms of economics are frequently reluctant and unwilling to commit themselves to this type of thinking because for them justice is a notion that defies scientific analysis — it can’t be counted, or weighed, or measured. Consequently elements such as pain and suffering are rejected. Such a materialistic approach will create problems not solve them, in the face of human suffering.

The need for public hearings to ensure that everyone is properly informed regarding this important issue before no-fault Bill 56 becomes law, is imperative and urgent. Who is there knowledgeable enough about the present personal injury compensation system, besides the legal profession, to say objectively whether or not SGI’s new plan is what it claims to be? How many people are familiar with the basic principles governing the award of damages for personal injuries and death in the tort system? How many are familiar with the actual heads of

damage? How many understand how the present value of future economic loss such as income or cost of care are determined in settlements in court cases? How many know about the legal limit which has been imposed on non-pecuniary damages? How many know the efforts taken by the courts including the Saskatchewan Court of Appeals and (the) Supreme Court of Canada, to ensure a rational and yet compassionate legal system, one that will not follow the extravagant example of our American counterparts? How many are familiar with the actual settlements and damage awards to know whether or not they are fair and reasonable? If the average citizen is not informed on these basic matters, how can they possibly know whether or not no-fault will be beneficial as advertised or dangerous to the public interest?

Mr. Speaker, Mr. Stevenson has an excellent letter here. I know that he has sent it to the government. I would sincerely hope that the minister and the Premier have taken this letter into consideration.

I would like to read the last paragraph of this letter:

You are urged therefore, together with all MLAs, to immediately stop the passage of no-fault Bill 56 in the legislature in order to allow careful study and scrutiny of the proposed legislation. Elected members will be wise, considering the seriousness of this matter, to distance themselves from SGI's "play to win" methods which depend for their success on the denial of proper public consultation including consultation with the legal and other concerned professions, and the suppression of public hearings.

Any legislator who does any less will do a great disservice to the people of Saskatchewan.

Yours truly, Robert L. Stevenson.

This letter outlines the vast majority of problems with the no-fault insurance scheme that the minister has proposed. Mr. Speaker, we will have opportunities later to go through the various aspects in much greater detail and I will leave the rest of my comments until that time.

Thank you, Mr. Speaker.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I looked forward anxiously to an opportunity to contribute to the debate on this issue. It won't take me very long to put my two bits worth in, but I think it's important to note a couple of things, and to let my constituents know where we stand on this Bill.

The no-fault insurance Bill, Mr. Speaker, really is: it's not my fault that you need money Bill, but you do need the money so where do we get it. That's what the Bill really says. If we don't get it through the premium system of the insurance program, then even though it

was your fault that you caused the accident, you're hurt and you have to go into the medical system, you need to replace a truck, or a car, or something, you have a financial loss and there's a burden on yourself that you can't pay.

And society in Saskatchewan has always said we help those that can't help themselves, so we are all obligated somehow to help this poor fellow out, whoever he happens to be, or she. And the reality is that then do we put them on the welfare system and cause the taxpayers to have to pay the bill? And we've shook our heads and said, no, the taxpayer can't afford to pay any more; we've got too many people on welfare already; we've got to have this all paid through the insurance system.

And we went through some of these problems with SARM (Saskatchewan Association of Rural Municipalities) back in those days when I was a reeve, Mr. Speaker. We found ourselves facing some real questions. We found ourselves facing the questions of, why do premiums get so high — and we had to identify that — and how do you control those premiums? And that was the important thing because unfortunately, if premiums get too high, then the insurance system itself collapses because people simply can't afford to pay the premiums and they don't buy the insurance to cover themselves no matter what the risk is. And the system will fail.

So you have to somehow control the pay-out for insurance to the extent that people can still afford to pay the premiums. So it is a very complicated issue. There's very many sides to this argument. Unfortunately, through the research that I've done, the little bit of it that I've had time to do, I find that it's nothing new to have no-fault insurance in North America and in the free world. It's been done in other jurisdictions.

And what this government should have done, quite frankly, Mr. Speaker, is take a look at what has happened a little more closely in those jurisdictions. Because what has happened is that when they went to a Bill in legislation that got as severe as this Bill is, they found that it caused an automatic failure of the system and they had to back up in a short period of time and rewrite the Bill and come up with another idea that was a little more moderate.

In other words, the government is trying an overkill with this Bill, that has proven already not to work in other jurisdictions. Can't say that you are absolutely wrong in trying to solve these problems, but we've already got evidence that an overkill of trying to solve these problems will kill the workability of the legislation itself and you will end up having to come back to the drawing table and do it over again.

And what we are saying is, as I hope a responsible opposition should, is that you should take a look at what will work. And there are some workable plans in other jurisdictions that are getting closer to that centre of workability and you should work on trying to find those out. Hire some university kids and send them

into that research program to find out what's going on.

I know you're not going to let this Bill go; you couldn't do that; you have to save face and ram it through. But we know you're coming back with it, absolutely, so we're saying to you right away, get some kids out of the university that are bright and young, and have them research what needs to be done to fix this thing. Because you're going to be back with it in a year or two anyway; so you might just as well start on it now.

We find ourselves, Mr. Speaker, in a situation where once again we're asking the government to use a little common sense in trying to balance things between all of the factions that are involved. And that's simply what I am saying.

And there are so many questions that I don't understand about this Bill, Mr. Speaker, that I feel that it is really important that we get into a question and answer process with the minister so that we can ask him what is really his intention of the law, not simply what we would read out of it. Because the intent of the law here may be as important as what we would read the words to say, because it's very confusing.

And so with that, I think it's important that we get on . . . it is important I think that we get on into committee so that we can ask these questions. So with that I'll thank you, Mr. Speaker, for the Assembly's time.

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

#### Bill No. 64

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Mitchell that **Bill No. 64 — An Act to amend The Credit Union Act, 1985** be now read a second time.

**Mr. Martens:** — Thank you, Mr. Speaker. I understand after perusal of this Bill that the legislation will provide for the adoption of a concept of regional directors for the credit unions. I am sure this is a welcome change especially since presently director nominations are sought at the branch level and the names are taken to the annual meeting of the credit union for consideration. The changes will allow credit unions to be elected at their annual meeting of members. I'm sure this will simplify the process involved.

As well, Mr. Speaker, the Bill contains a number of so-called housekeeping changes which will correct statutory references and allow for service of documents by certified mail or priority courier.

Considering the way financial institutions must keep up with the '90s and beyond, I'm sure these adjustments are welcomed by all. And considering this, we don't find the Bill controversial and, Mr. Speaker, we are prepared to let the Bill move into Committee of the Whole.

**Mr. Sonntag:** — Thank you very much, Mr. Speaker. I

just want to say a few words in support of the Bill as well. With the many years that I've been involved in the credit union system, the old Bill and Act was certainly one that proved to be very cumbersome with the branches and the credit unions that we had in Saskatchewan.

It certainly will ensure that the branch has regional representation on the board of directors. The last credit union that I worked for in Meadow Lake, the nominations were sought from outside the main branch credit union and the branch. And certainly the local folks there did not feel that they had representation, or fair representation from their community when in fact those members had to be then officially re-elected at the main annual meeting in Meadow Lake. So all they really had in effect was a nomination at their local area at the branch level. I know this will be met by much support by the small branch credit unions in Saskatchewan.

I think I simply want to conclude on that and leave it at that, and say that the Bill certainly cleans up a lot of the areas within Saskatchewan that were having difficulty with this. And I know many of my colleagues will be happy to see that this has been changed as well. So I encourage all members to support the amendment that's being put forth today. Thank you.

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

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

**Mr. Martens:** — Thank you, Mr. Speaker. It has been discussed earlier that I ask for leave to introduce a Bill from the Public Accounts Committee dealing with The Provincial Auditor Act. And the amendments have been circulated briefly with the members of the committee and with the Government House Leader, and therefore I ask leave of the Assembly to introduce the Bill.

Leave granted.

#### INTRODUCTION OF BILLS

##### Bill No. 71 — An Act to amend The Provincial Auditor Act

**Mr. Martens:** — Thank you, Mr. Speaker. I move that a Bill to amend The Provincial Auditor Act be now introduced and read the first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

#### ADJOURNED DEBATES

##### SECOND READINGS

##### Bill No. 65

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No.**

**65 — An Act to amend The Natural Resources Act and to enact a Consequential Amendment to The Forest Act** be now read a second time.

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. This Act to amend The Natural Resources Act and the Consequential Amendments to The Forest Act, I've read the Bill in its entirety very carefully, all two and a half pages of it, and I concur with the minister when in his second reading speech, he makes the comment that the amendments are essentially of a housekeeping nature.

However that does not mean that I do not have some questions that I would like to ask him. And to facilitate matters, Mr. Speaker, what I am going to do now is just suggest that we will allow this Bill to go into committee, and when this is done, that we could go into Committee of the Whole later this day and perhaps wind up this Bill this afternoon yet.

Motion agreed to, the Bill read a second time and, by leave of the Assembly, referred to a Committee of the Whole later this day.

(1500)

### COMMITTEE OF THE WHOLE

**Bill No. 65 — An Act to amend The Natural Resources Act and to enact a Consequential Amendment to The Forest Act**

**The Chair:** — At this time I would ask the minister to introduce the official who has joined us here today.

**Hon. Mr. Wiens:** — Thank you, Mr. Chairman. I have with me Mr. Michael Shaw, the deputy minister of the Department of Environment and Resource Management; joining us in a minute will be Mr. Les Cooke, associate deputy minister.

And we appreciate the speed with which the opposition is facilitating this Bill, but they're calling some additional officials in the event that there are some questions here that go beyond the functional knowledge of either of the two officials that are here. So we'll answer as we can. Thank you.

#### Clause 1

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, I would not want you to get the wrong impression that the speed and alacrity with which we are proceeding is going to set the precedents that are necessarily going to be repeated all that often.

Mr. Minister, I recognize that the forest renewal and development fund was set up to collect that softwood lumber export fee that the federal government was basically mandated to do and had to do. And now that that has been resolved, that issue, you are in essence repealing that section of the Act that set it up.

Now if you could concur on that, then I would have a following question and that is this: how much revenue was collected pursuant to the implementation of that

requirement, and what happened subsequently to those sums of monies that were collected?

**Hon. Mr. Wiens:** — Mr. Chairman, yes, the question the member opposite asks is correct, that actually the Bill is being repealed. The officials don't have the exact number that was collected, but when we get into estimates later on, they'll be able to provide that information, if that's okay with the member opposite.

**Mr. Neudorf:** — I think that will be all right, Mr. Minister. I have a kind of a vested interest in asking that question because our industry is also subject to some of those countervailing measures that we have been paying over the numbers of years, and so I have some empathy with the softwood industry . . . (inaudible interjection) . . . Well I hope so; I hope we will be getting some of that money back, pursuant of course to the free trade arrangement and the dispute settlement mechanism that has been in place — and only because of that, actually.

So, Mr. Minister, another question that I would have is this, that there's a consequential amendment to The Forest Act to allow management of forest renewal funds, it says, in instances where no forest management agreement is in place. I'm just wondering, can you give me an example of an area in Saskatchewan of this, and what kind of money are we talking about for this forest renewal project?

**Hon. Mr. Wiens:** — Mr. Chairman, I think the member opposite knows some of this, but for those who are watching I just want to outline briefly the nature of the organization of the forestry industry.

There are several forest management licence agreements in Saskatchewan that cover significant blocks of Saskatchewan forest land, but there are also significant blocks of Saskatchewan forest land which are not within a forest management licence agreement. And in those areas cutting is permitted by permits, and fees then are charged on the basis of those cuts, and they don't have a forest renewal fund within an FMLA (Forest Management Licence Agreement) from which to function. So this then provides for a similar collection system for those funds so they can be used in the reforestation activity to maintain a sustainable forest.

**Mr. Neudorf:** — One thing I noticed when I was going through it is that a red flag was raised when you make the suggestion that these amendments are going to help ensure the financial accountability and contribute to the effective and efficient government operation. And so we're talking about money and that usually means that there's going to be a transfer of money from this bin into that bin, and all the machinations that governments do, as they organize and reorganize departments and areas within these departments.

The one thing that caught my attention is that one of these amendments is going to allow contractual services to be provided to other jurisdictions. That means to me that you're going to contract certain



expenses, certain procedures, certain operations within this branch to other jurisdictions out of province or private businesses. In other words, you're contracting out — I mean that's almost one of the last things that I would expect you to do, so could you expound on that please?

**Hon. Mr. Wiens:** — Mr. Chairman, one of your colleagues had commented on this the other day in a positive fashion in response to the original statement I made, but this is contracting in, not contracting out. This is a case where we, in the establishment of a maintenance system for our own aircraft, can effect the economies for the maintenance of our fleet to prevent us from having to go as far away as Montreal for certain kinds of repairs. And the process of establishing that, with the expertise we have in our branch, we also provide a service for neighbouring provinces. So this is an opportunity for us to actually bring some business home to Saskatchewan.

**Mr. Neudorf:** — I misunderstood that part. I thought I was coming to the section that you're just talking about now. And I would assume that what you're doing here is trying to facetiously, heaven forbid, make a profit. And so we'll be using a government department to make a profit. I dislike the ring of that word coming from the minister opposite.

And I see nothing wrong with that, so I'm not criticizing you for that. And if you can use the resources that we have and if you can facilitate the generation of revenue, of course that is a good thing, and I would compliment you on that.

And what I would like you to do is just expand a little bit of in what areas you're talking about your aircraft maintenance and so on. I'm assuming you mean that other folks inside, outside of province would be bringing material in here to be upgraded, to be reconditioned, and so on, at an expense to them, which would be a profit for us. And that these profits then in turn, would these profits go to the general revenue? And I have some subsequent questions that I want to ask.

Just leave that one for the moment. But we'll take a look at what happens to these revenues and you will be applying them to the operational aspects of the department and help to reduce some of the expenses that way. What kind of monies are projected, that this would generate?

**Hon. Mr. Wiens:** — Mr. Chairman, I don't know why the member opposite would find it surprising that his colleague on this side in the same business as he, which is farming and raising hogs, would be averse to the notion of making a profit. It's sort of in the nature of the goals of farmers in the province to try and do that, however elusive that goal sometimes can be.

Nor I think shouldn't it be surprising to the member opposite that as a government, social democratic government, it shouldn't be surprising that they are in the business of trying to do good financial management, because it's been the history of the

province that we have restored financial stability to this province on a number of times, having seen others undermine it.

But without getting into that rhetoric, I want to comment on the specific items on the Bill where the member asks about the nature of the service. Primarily the area considered for this contracting within the province, bringing other business into the province, is the aircraft maintenance and repair business. These individual items on these aircraft can cost in the 50, 60, 100, \$150,000 for repair, because it makes it unnecessary for people to send their business far away. If we're bringing business in from the neighbouring provinces, we can do it at a profit and still do it more cheaply for our neighbouring provinces. And we are trying to work cooperatively with our neighbouring provinces in the forest fire business because it makes for better management of resources that way.

But to the extent that we achieve revenues for this kind of service, it will go into the commercial revolving fund from which all expenses and revenues around the forest fire-fighting activity go, because it is sort of a business of its own. So it will become part of the cash flow of the commercial revolving fund which is the fund out of which forest fire-fighting activities go.

And because we do not yet have this in place, we're seeking approval here. We don't have exact numbers because we haven't marketed, but we certainly expect that this would . . . that the returns here would be in the hundreds of thousands of dollars.

**Mr. Neudorf:** — Thank you, Mr. Minister. You mention fire suppression, fire-fighting, and so on. Do you do that for profit or do you do that for a break-even?

**Hon. Mr. Wiens:** — Fire suppression is done within the province and between provinces on the basis of sharing resources to simply facilitate cooperative fighting of the forest fires.

**Mr. Neudorf:** — All right, Mr. Minister. I have to admit that I was a step ahead of you there and I had a personal reason for asking that question since one of your water bombers and bird dog came out to my farm the other day and helped suppress the fire, and I was just wondering whether this was done for profit or whether my bill would only be for expenses incurred. But I haven't got the bill yet so I guess the jury is still out on that one.

But seriously, Mr. Minister, now that we're on that topic, I do want you to pass on to Duncan Campbell and the folks up in the Prince Albert area, I was tremendously impressed. From the car phone on the way home the previous Friday, around 3 o'clock, I believe, my wife called me on the car phone and said, we've got a major problem here. And I was not too far from home, but on the car phone Duncan Campbell phoned back immediately when he was informed of that and we got the whole situation lined up, that by the time I got home pretty well the bird dog was there

and a minute later the water bomber was there and they were tremendously helpful.

And you could also pass on, if you don't mind, at the same time, that of the 200 or 300 people that were spectators at that particular spectacle, when they were pushed back, I have never been so amazed — and I'm a pilot and I do a lot of flying and so on — the accuracy was just amazing with which that fire depressant, the red mud was dropped. It was like dead on from a hundred-mile-an-hour moving plane and to hit it at precisely that was very impressive. And it was much appreciated. And I would appreciate that, Mr. Minister, if you could pass that on to the folks.

So having said that and getting back to what we were talking about before I tried to bait you there, the revenues generated and so on, and the contracting in, is this going to be in competition with private industry or is this relegated to more or less government to government?

(1515)

**Hon. Mr. Wiens:** — No, this is to provide a service that otherwise is available only at distances such as California, Montreal, and other such places. So this is a new service for this region of the continent.

**Mr. Neudorf:** — The other questions that I had, Mr. Minister, are pursuant to particular clauses. So we'll continue on, Mr. Chairman, and as the clause arises, I will ask the question.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

#### Clause 7

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, clause 7(2) says:

All assets and liabilities of the fund are transferred at their book value to the general revenue fund.

Could you indicate to me what the assets and the liabilities are that we're talking about that are going to be transferred, and that is the book value; do you have a comparative market value at the same time of those assets and liabilities? So that's a twofold question.

**Hon. Mr. Wiens:** — Mr. Chairman, the assets that are remaining in that fund relate to the Hudson Bay reforestation fund. It was a cash asset worth about \$250,000.

**Mr. Neudorf:** — When you say worth, Mr. Minister, is that the so-called book value or is that the actual trading value.

**An Hon. Member:** — It's cash.

**Mr. Neudorf:** — That's cash, thank you.

What kind of revenues are we going to . . . it says on (5) now:

After March 31, 1994:

all assets, revenues and liabilities accruing to the fund are deemed to have accrued to the general revenue fund;

These revenues — what types of revenues? Is this an appropriation that we're talking about from this House or is it revenue that we were talking about earlier in terms of contracting in?

**Hon. Mr. Wiens:** — Mr. Chairman, it's only the interest on that 250,000, or whatever the amount is exactly, in the interim period between its being there and the transfer out.

Clause 7 agreed to.

#### Clause 8

**Mr. Neudorf:** — Clause 8 is the transitional audit which talks about The Natural Resources Act and the Provincial Auditor shall audit the accounts and transactions of the fund for the fiscal year ending on March 31, 1994. Now, Mr. Minister, does this mean that this new Act is going to have in it as a requirement that the Provincial Auditor must audit those accounts?

**Hon. Mr. Wiens:** — Yes, Mr. Chairman, the member opposite is correct. The Provincial Auditor will be required to audit this fund because it is a final wrap-up of the fund.

**Mr. Neudorf:** — Well then, Mr. Minister, how do you equate the fact that the . . . I'll ask you a preamble first of all, a preamble question. Where will the money come to pay for the audit?

**Hon. Mr. Wiens:** — Mr. Chairman, the auditor is billing our department for a number of audits that go beyond what he believes his other resources allowed him to do and it is likely that he will be billing the department for the audit on this as well.

Clause 8 agreed to.

Clauses 9 to 11 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 3 — An Act to Create, Encourage and Facilitate Business Opportunities in Saskatchewan through the Establishment of the Saskatchewan Opportunities Corporation**

**The Chair:** — I would ask the minister at this time to introduce the officials who have joined us.

**Hon. Mr. Lingenfelter:** — Mr. Chairman, it's my pleasure to introduce to the members of the opposition, members of the Assembly, my staff who are with me. To my right is Zach Douglas, president of SEDCO (Saskatchewan Economic Development

Corporation); behind me and to my right, Hermien Pluimers, director of corporate affairs; and legal counsel, Garnet Holtzman, seated directly behind me.

# Clause 1

**Mr. Boyd:** — Thank you, Mr. Chairman, Mr. Minister, and welcome to your officials this afternoon.

Mr. Minister, in your second reading speech you noted that unlike SEDCO, SOC Co's allocation would come out of the Consolidated Fund. Could you clarify that for us, where SEDCO's allocation came from and where SOC Co's is going to come from?

**Hon. Mr. Lingenfelter:** — It will be a simple line item in the Department of Economic Development. So the flow-through will be within the Department of Economic Development. One line will be for Sask Opportunities Corporation, and under that line there'll be an allocation of the amount of funds. And therefore during the estimate process, the opposition, or government members for that matter, would be able to ask about the performance of the corporation and what were the plans for the expenditures in that year.

**Mr. Boyd:** — Thank you, Mr. Minister. Given that this Bill does not eliminate SEDCO and that SEDCO will be wound down, I presume, over a course of several years, where will SEDCO's continuing funding come from? Why was this funding not also moved over to the Consolidated Fund?

**Hon. Mr. Lingenfelter:** — SEDCO will basically continue to be managed through CIC, as it has in the past, with the annual report, which will be reported to the legislature and reviewed as has been for many years under The Crown Corporations Act, and as well, performing and answering questions before the Crown Corporations Committee.

**Mr. Boyd:** — Why, Mr. Minister, did your government decide to make the change, this funding change for SEDCO and not for other Crown corps?

**Hon. Mr. Lingenfelter:** — What we are doing here is because of the nature of the organization of SEDCO, or the Sask Opportunities Corporation, because of the arrangements that are being made on a constant basis, and the public scrutiny when it comes to spending taxpayers' money on local investment, what we're trying to do here is make the operation of this corporation as transparent as possible.

And also because the funding is much more to do with economic development **per se** than any other of the Crown corporations that might provide power or telephone, or for example, SGI, these are loans that are being given out in large part for economic development. We thought it much better and appropriate that it would be lodged within the Economic Development funding and come to the legislature, as I think we all support the idea of having a look at in advance the monies that are appropriated

on an annual basis.

**Mr. Boyd:** — Thank you, Mr. Chairman, Mr. Minister. I wonder if you could outline for us again some of the kinds of businesses SOC Co, the new corporation, will be investing in.

**Hon. Mr. Lingenfelter:** — The arrangement will be considerably different than the mandate that SEDCO had developed over the past 10 or 15 years. The new corporation, Saskatchewan Opportunities Corporation, will look at strategic investments in some of our cluster areas of development where we have identified, within the Department of Economic Development, fast growth areas of the province.

We also believe that the tendency of SEDCO to lend money to competing businesses on Main Street, Saskatchewan should come to an end. I use the example of a car wash or a restaurant in a local community where already that service was being provided, or a motel or a hotel. In the past, SEDCO, in many instances, came in and loaned money to new operators who would compete very directly with established businesses.

Now we all know that at best most of our rural communities are stable; some are growing slightly. But the need for more infrastructure on Main Street just isn't a priority where we should be plugging in taxpayers' money. So we're withdrawing from that large area where SEDCO had a fairly broad mandate.

And you can go to most of our communities and find where, in the last 10, 15 years, SEDCO has actually invested in programs or projects that compete directly with other legitimate business people who have received their loans from the regular lending institutions. We think those kind of loans in the future should be dealt with by local credit unions or Royal Banks who understand Main Street, Saskatchewan much more than the organization centred here in Regina.

The loans that will be given out in the future will be for projects that are difficult, if not impossible, for lending institutions at the local level to handle. We discussed in question period today some of the larger hog operations, for example, where a local community group may need 5 or \$6 million to do an operation. Hogs may not be the best, but let me use an alfalfa dehy plant or possibly a pelleting plant in Meadow Lake or some of these larger projects where there just isn't enough money within the lending institutions at the local level.

(1530)

The entrepreneurs can come then to Sask Opportunities and make an application to finish off a deal. Let's say they have 50 per cent or 60 or 80 per cent of the money they need; they need 10 or 15 per cent to finish off an arrangement. Sask Opportunities Corporation would see their mandate to come in and help conclude a deal that was being pushed and formulated at the local level with a large component

of risk capital by the proponents as well as risk capital being put in by other lending institutions. This would be an example of the kind of projects where we might be involved.

**Mr. Boyd:** — Will there be any other . . . you mentioned competing businesses under SEDCO and you won't be looking at funding this type of arrangement any longer. Are there any other arrangements that you won't be considering funding under SEDCO?

And as well, when we look at the — under SOP Co now — the kinds of things that you're going to be doing, you're indicating in your speech before that retail enterprises would only receive loans or other assistance if there was strong community support. How do you intend to judge that strong community support? What indicators will you be looking for in assessing strong community support?

I wonder if you'd address that as well as if there are any other areas, other than competing businesses in SEDCO, that you'll be not funding.

**Hon. Mr. Lingenfelter:** — The other fundamental changes . . . And the member raises a good point of other changes that will occur.

First of all, it's my assumption, although not clear yet, that the small business loans program, SBLAs (small business loans associations), will not be transferred from SEDCO through the new entity, so the SBLAs will be located somewhere else. So that will be a change.

The other thing that will likely change is the property division within SEDCO, which had been built up over the years to have a whole array of property — some buildings in Regina, Saskatoon, industrial parks in many of our smaller communities. Saskatchewan Opportunities Corporation will not have a properties division. And this will be a significant, a significant change from where we were in the past.

And so that basically is where there will be other changes from SEDCO to the new Opportunities Corporation.

**Mr. Boyd:** — Mr. Minister, I wonder if you'd touch on the other issue that I mentioned and that would be the judging of community support for new initiatives — what kind of indicators you'll be using to assess that strong community support that you said you'd be looking for.

**Hon. Mr. Lingenfelter:** — One of the key areas that we have been having a lot of discussion on is in the establishment of the REDAs, the regional economic development authorities. We see initially the REDA's having a fair bit of influence on what projects are recommended to Sask Opportunities Corporation and those that aren't.

So we will have consultation on a very close basis with the new regional economic development authorities. This will not be a veto power over these

kind of decisions, but they certainly will be called on to have a look at those projects that are being supported.

The other thing that we find relevant in terms of one of the changes is the syndicating of loans where we will be doing deals with other regular lending institutions. So there will be a level of due diligence being done by local investment banks, or the regular banks and credit unions, at the local level.

The other thing that we will want to do is check closely with the business development people in the area, chambers of commerce, business organizations, to consult with them as to whether the project make sense in the broad terms for their community.

So it will be broad-based, the kind of consultation that will go into that kind of a lending process, or on the other hand if we're doing a direct investment, which will also be the mandate of the new corporation, that is taking actual equity positions.

**Mr. Boyd:** — Thank you, Mr. Minister. That kind of provision to allow for an exemption to your policy in the case of strong community support, is there any concern that it may open the area of abuse up? Do you not think that this is sort of the thin edge of the wedge, that once you make an exception in one case it will become increasingly difficult to turn down other cases? What controls or measures do you plan to implement to ensure that this does not happen?

**Hon. Mr. Lingenfelter:** — Well I think your concern is legitimate and I'll not argue with you on that — that the argument that you start winding your way back into a problem of lending to competing Main Street businesses. But I think in the formula that we've developed, there is a clear condition that we will not be lending a hundred per cent, or even a large per cent, of the monies that will go into these kind of operations and that there will have to be a large component of local investment.

And along with that . . . for example, in Rosetown, where we made an exception on a hardware store I think about 12 months ago, we actually canvassed Main Street and got a petition that they actually wanted the investment to take place. And so there will be that kind of scrutiny before monies are loaned out to that kind of a competing main street business.

**Mr. Boyd:** — Thank you, Mr. Minister. You've stated that a major difference between SEDCO and the new corporation SOC Co will be that SOC Co will never participate if there is not also private sector involvement. Can you confirm this, Mr. Minister? Will this apply to just loans, or will it apply to other areas of activity such as equity investment as well?

**Hon. Mr. Lingenfelter:** — Yes, it will apply to both. And it will not be just a marginal amount of entrepreneurial monies being put in and risk capital being put in by the proponent, but we see it as being a partnership. And also not only that, we will make sure that there is risk capital significantly being put in by

the proponents, but also if we are taking an equity position in a company it won't be a lesser sharing operation; that if we put in 25 per cent of the money, we will expect to own 25 per cent of the operation, and accept for the people of Saskatchewan 25 per cent of the profits when profits come available.

So it will be a business deal. There will have to be a great deal of proponent's money at risk along with Saskatchewan Opportunities Corporation. And if there are profits made, we expect that those profits would flow back through the corporation to the people of the province.

**Mr. Boyd:** — Thank you, Mr. Minister. On the subject of equity investment, how is that a change from the past practice? As I understand it, SEDCO has always taken equity investments where necessary. What kind of changes are you planning on implementing there?

**Hon. Mr. Lingenfelter:** — Well you might argue that SEDCO took equity position, but it's interesting in a way this equity positions were taken. Not up front. It was never a policy of SEDCO to get into a business taking an equity position. It was only after the business got in trouble and then some sort of pref shares were issued or loans were converted to shares to try to keep the company afloat. And so you are really taking equity in a company that really had in fact lost its value, and that is not what is anticipated here at all.

And in fact SEDCO's mandate was not to take equity positions, but only taking equity positions in a way to help relieve economic or financial problems on companies that had got themselves into trouble. And these kind of equity positions are, in many ways, simply not an acceptable way to do your investment portfolio. Because of course all of those equity positions — not all of them, but the vast majority of them end up losing money.

Our position will be is that we will put and take equity positions in good projects up front, and when profits are made on the majority of the investments, which we expect there will be, then the profits will flow back to support and promote those few operations that in fact may not make it.

This was not the case with SEDCO. We continually, as a government and taxpayers, ended up with the worse case scenario or the bottom 10 or 15 per cent — that's where all of our equity positions ended up being at and we had none of the successful equity within the portfolio.

**Mr. Boyd:** — Thank you, Mr. Minister. Under this program will you be looking at taking controlling interests in any firms? Do you have any enterprises that are targeted for take-overs in that respect?

**Hon. Mr. Lingenfelter:** — No, it's not our policy to take majority positions as a stated policy. In fact, our policy is very clear. Saskatchewan Opportunities Corporation is to use the money as a revolving fund and, hopefully, although we will need annual allocations of money for the first few years, we

anticipate and believe that in the longer run, if properly managed, that the amount of money we need within Saskatchewan Opportunities Corporation will actually not increase but hopefully decrease as the companies we invest in or loans that we lend out get paid back with interest, that the amount of money will actually be less. And this was true of SEDCO for many years. It worked on a break even kind of position.

**Mr. Boyd:** — Thank you, Mr. Minister. I've noticed that few, if any, explanations you gave in second readings regarding the differences between SOC Co and SEDCO are actually in the Bill. Will these be established in regulation or will they be simply general policies of SOC Co?

**Hon. Mr. Lingenfelter:** — Actually, both. They'll be some in regulation, but obviously the will of the management and the will of the government, and I might add, now that this is the prerogative of the opposition members to scrutinize the spending of the corporation in advance right here in the Assembly, it will be the responsibility of all of us to make sure that the spending habits of the Saskatchewan Opportunities Corporation are kept on stream — that we really reflect the economic needs of Saskatchewan business people.

**Mr. Boyd:** — Thank you, Mr. Minister. As the legislation reads, SOC Co has a very broad range regarding what it can do, and it appears that it's not substantially different from SEDCO in that regard.

Again, I'd ask you: what comfort can you give to the business community, particularly, I guess, the business community, that their concerns regarding SEDCO are actually reflected in this Bill?

**Hon. Mr. Lingenfelter:** — Well I might add, with the exception of the Saskatchewan taxpayers' association, we've had broad buy-in by the chamber of commerce and other business organizations. And the truth of the matter is that as this new entity has been formulated, it really has been with the advice of the lending institutions, both the banks and the credit unions; the chamber of commerce has had a great deal of advice that they have given to us, and also the economic development authorities. So they will be very interested in how the company performs and will be watching very closely.

And I think, quite honestly, with the structure and the fundamental change of having this corporation report on its spending in advance here in the Assembly, that this has really relieved much of the concern that business people might have had, had it been formulated under a standard Crown corporation strategy.

**Mr. Swenson:** — Thank you, Mr. Chairman. I have a few questions for the minister based on some of his comments. Yesterday, Minister, in second reading debate I read you some verbatim from some of your members, and I would enter once more the verbatim which was given by your member from Prince Albert Carlton in second reading debate on this speech. And

he said:

I believe that this Saskatchewan Opportunities Corporation which is formed by this Act will form a very important part of the Saskatchewan government economic policy because what it will do is it will be able to provide money to those businesses or corporations or enterprises which are developing which are unable to get money otherwise . . .

And you've just told the member from Kindersley that that simply won't be the case at all; that this will not be the lender of last resort any more as it formerly was under its mandate, that you will be ensuring that there is lots of private capital involved in here. And yet your member, who is a long-time member and fairly influential in your caucus, states that you will be lending money to people that can't get it anywhere else, and I just wonder how you square that statement with what you've been telling us in the House today.

(1545)

**Hon. Mr. Lingenfelter:** — I don't think they're inconsistent, although I don't have the actual quotes in front of me. But as I mentioned only moments ago to the member from Kindersley, the operation of a new pelleting plant — let's use that as an example — that might be worth 5 or \$6 million and the local community has raised the first 3 or 4, you might argue, and that's all they can get and they can't get the money anywhere else, Sask Opportunities could come in to finish off the deal. And these are the kinds of arrangements that Sask Opportunities will be involved in.

Not only those. I mean it may be that an entity may just want government involvement because it gives an extra security blanket by having the government involved to some extent. For us it may look like a good deal because there's a good return on it. But a lender of last resort for deals that have been shopped around and can't get any money anywhere else, those will not be eligible for Sask Opportunities Corporation.

**Mr. Swenson:** — Mr. Minister, I hope your members clearly understand that, because I've looked at the verbatim from a number of members on this issue. And your member from Athabasca said that the key industry areas are agriculture, value added products, and forestry, minerals, energy, tourism, and information processing communications. Well there's not a whole lot left there, Mr. Minister. That tells me that you're into just about potentially everything.

And the member from Prince Albert feels that if in any of those areas you don't come up with private financing, that you should be prepared to step in. And I understand the want of companies to want some government financing as a security blanket. That has been part of the SEDCO mandate for a long, long time under many different types of government.

I remind the minister that the picture that has often been painted of the corporation, at least in the last few

years, perhaps isn't a totally accurate one; and the numbers that are thrown around. Because I noticed — and I went back to the year-end reports — that for instance in 1988 there was 119 loans made by SEDCO; 60 of those were under 50,000 and 99 of them were under 250,000. They're the type of thing that the member from Prince Albert was talking about.

In 1989 there was 260 loans approved; 160 of those were under 50,000, and 229 were under 250,000 — so that type of loan. Most of these, Mr. Minister, weren't reneged upon.

In 1990, 183 loans; 123 of them were under 50,000. Obviously they had some component of other financing available or they wouldn't have been under \$50,000. There must have been bank financing or there must have been some other equity financing.

In 1991 there were 116 loans, and 79 of those were under \$50,000. The vast majority of the loans in each year that were approved by the credit officers of the time were under \$50,000 which tells me they had to have some other component because there's very few things in life that you could start or maintain with a \$50,000 loan — certainly not a pelleting plant or some large endeavour like that.

So I'm wondering, given that there was that kind of history before and there's some expectation by your members that there will be some of that continuing in the future, that they won't all be big projects like pelleting plants. And the member from Kindersley pointed out the concern that is on Main Street, Saskatchewan. And it is a valid one, because there were loans made in the past that directly interfered with the commercial viability of existing businesses. I admit that quite readily, that both in my time as minister and previous ministers, those things were done. And in the world that we live in today, those probably are not appropriate because those existing taxpayers are under a tremendous amount of strain.

Given that fact, I want to ask you, and we're getting into the personnel area here now, if the credit officers who approve those, in most cases, small loans — and the stats would prove out that most of them were under \$50,000 — and there is the expectation that you will venture out into a number of areas, will the same credit officers that are currently with SEDCO move over to the new corporation, or are you going to make wholesale changes?

In other words, you're saying to these people that you currently have, they're not up to the mark; that we're going to change these people holus-bolus out of there in order to come up with a new type of credit officer who understands commercial viability better than they did in the past. Is that sort of the message that you're sending?

**Hon. Mr. Lingenfelter:** — Well I think it's key for us to . . . and I say again, all legislators, because we're all going to be involved in this new corporation in a new way that we weren't in SEDCO, and I say this to the member from Thunder Creek because as Leader of the

Opposition he'll have an important role to play in the funding of the corporation because the allocation will come through the Department of Economic Development, and we will have a chance to debate each year here in the Assembly before the next tranche or the next expenditure is made; I say to the member opposite, on the issue of staffing of the new corporation, there will be no general move of people from SEDCO to Sask Opportunities Corporation.

The president has met with the employees and discussed this issue with them. And anyone will be eligible to apply for jobs at Saskatchewan Opportunities Corporation, but there will be no automatic moving of people from one corporation to the other.

So it will be twofold. One, obviously a new mandate dictated to them by the Assembly, by the Legislative Assembly. And this is part of it. Our discussion today will certainly be read by the new employees of the Opportunities Corporation so they will understand that we are all on the same ground when we talk about the need to not use taxpayers' money to compete directly on Main Street.

And that signal has been clearly sent already; in fact SEDCO has already withdrawn from that area. And secondly, there will be new people in Saskatchewan Opportunities Corporation.

So it's two-fold. One, a new, directed mandate from the legislature, from all of us because I think we're all basically saying the same thing. And that doesn't happen often but in this case I think we're all of the same view, that we have no need to use taxpayers' money to finance operations on Main Street, Saskatchewan, that is, in the retail end of the economic scale.

And I think we also all believe that there has to be new people brought into the organization and that just shifting all of the folks from SEDCO over to Sask Opportunities Corporation wouldn't do either. So I think in that sense we can probably agree to agree on that item.

**Mr. Swenson:** — I wonder if you could tell me, Mr. Minister, if the current board of SEDCO will shift over then to the new operation. Or will there be a new board put in place?

**Hon. Mr. Lingenfelter:** — There again, it will be in fact a new board and my anticipation is that in the period between now and the passage of this Bill and July 1 when we're hoping to have the new corporation up and operating, we will have an interim board appointed. And I would expect there not be crossover from the old board to the new board. If it were, it would be very minimal. But at this point the expectation is there wouldn't be.

**Mr. Swenson:** — Well I think it very important, Mr. Minister, that if you are to be successful at this that you do have an entire new entity there, that the current board members not be just transferred across, because

they've worked under the old mandate with different criteria in front of them than the new.

And I notice now that the minister will be the chairman of the board rather than someone else being the chairman of the board. And I guess if that is to enhance accountability, you would indeed want to have a new board in place with yourself as the chairman to start off in a new direction.

Can you tell me what the provisions for severance will be for laid-off SEDCO employees?

**Hon. Mr. Lingenfelter:** — Let me just say that on the issue of severance if and when needed — obviously we're trying to do as much of this through attrition, as we wind down the corporation, as possible — but it will just be standard severance, whatever they are eligible to within their contracts or agreements.

I want to say as well that on the issue of the board of directors of SEDCO, I must first of all compliment them strongly because much of the changes that have occurred here have come as a result of the work done by the board of directors that was appointed early in 1992. And they have spent endless hours basically working out SEDCO's wind-down and giving recommendations to government on the establishment of the Saskatchewan Opportunities Corporation.

I want to say as well that the board is now down to five individuals and they simply will not have time — even if we wanted them to or they would agree — to come over and run the new corporation, because for the next 18 months, two years for sure, they are going to have their hands full winding down the old corporation.

Now we had a long discussion about whether we would ramp the board back up to the 8 or 10 which traditionally sat on the board. But we feel that rather than do that, we will just let the board wind down along with the corporation itself. And so while we have five members now, there'll be no new people appointed to SEDCO board.

Sask Opportunities will have a new, small, interim board set up, and we expect at no time will there be more employees in combination between Sask Opportunities and SEDCO than there were when SEDCO was running at full peak. And nor will there be more board members than we might have had in the days when we had quite a few more board members a few short years ago.

**Mr. Kluz:** — I ask leave, Mr. Chair, to introduce guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Kluz:** — Thank you, Mr. Chair, and to the member for interrupting his line of questioning.

I want to introduce to all members of the Assembly, my constituency assistant who is sitting in the west side gallery, Sharon Nedjelski, and she's accompanied here by her daughter, Darcy Jankowski. I'd like all members to welcome them here today.

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

## COMMITTEE OF THE WHOLE

### Bill No. 3 (continued)

#### Clause 1

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Minister, will laid-off employees be entitled to collect their unused holiday pay?

**Hon. Mr. Lingenfelter:** — They will be entitled to all of the benefits that they might have at a time when they would . . . job would disappear if in fact that happened.

I say again that in large part we're hoping that a number of these people will be simply dealt with through attrition. I might add as well that we have developed programs that will help support the staff who have to find new employment. We've had a number of workshops on managing change and preparing résumés and job-search techniques.

We've had individual consultations on career consulting and also a corporate campaign, a one-time résumé mail-out, and other services that we are providing for those people who might be interested in moving, even at this point, in order to be able to move from a position of employment to another position of employment, as opposed to just waiting until that final day when that job description might disappear and they would then have to go job hunting from a position of unemployment.

So we're doing a lot of work with the employees well in advance, and I think the relationship with the management and the employer has been, in many ways, stabilized through some good work that the management team has done in preparing for the inevitable.

**Mr. Swenson:** — Well I can appreciate your concern, Mr. Minister, but I need to clearly have you on the record on some of these issues. A lot of these people are not unknown to me and I, in my office, have a picture of the 25th anniversary celebration with them all there and I proudly display that picture because, in my opinion, those were very good employees and I want to make sure that at the end of the day that they are treated appropriately and that's why I have to ask the next question: will the employees be entitled to use their unused sick leave and sick pay towards the end of the winding down of SEDCO?

**Hon. Mr. Lingenfelter:** — I want us to be clear on this because when I talk about holiday pay, that is very clear that there's a standard procedure that employees are eligible. Sick leave, as you know, is different and

those discussions are going on at the present time. But as you might expect, not in all cases is the issue of sick leave automatically transferred to cash or to days off. Sick leave, in many cases, is specifically intended for those days when you are sick, and if you're not sick obviously you're not compensated for it. So that's something that is being worked on right now.

(1600)

**Mr. Swenson:** — Will there be a criteria worked out, Mr. Minister, and when will you make that available to the House so that we can scrutinize that process? Well you said sick leave is being worked on right now, that you're developing a process or a criteria. I very much would like to have that criteria available to me so that I can compare that to reality as things change. And I'd like your commitment to make that available.

**Hon. Mr. Lingenfelter:** — The commitment I'll make to you is I will make the president or his designate available to you to discuss — as Leader of the Opposition — to satisfy your concerns, because I think we have legitimate concerns, and I'm sure the employees do.

This is a bit of unusual circumstance in one sense that you have a Crown corporation that's actually winding down. But in this day of downsizing of corporations there are just many, many examples of how to carry out proper downsizing of the corporation. And on the other hand, there are many examples of how not to do downsizing.

And I appreciate the member's concern and we'll make the president or his designate available to you to discuss this issue.

**Mr. Swenson:** — Thank you, Mr. Minister. I'll look forward to that.

I see in the Act there's a provision to have an executive committee of the board and I'm wondering why this provision is necessary. You've just told me that the board is going to be quite small; that the old SEDCO and the new SOC Co will have combined boards that would only be equivalent of the old, sort of 10-member board that was previously in place. Can you explain to me why you feel it's necessary to have an executive committee of what could be a very small board — four or five member board; and why it needs to be in the Act.

What do you anticipate happening that this executive committee would have to deal with and who do you envision being on that executive committee?

**Hon. Mr. Lingenfelter:** — Well as you will know, as minister of Crowns you often have executive committees that meet in between regular board meetings, and in order to basically save time for the board, prepare uncomplicated issues, research, that might be needed to do advance work to board meetings. It's expected that this committee would not meet regularly, as I don't think most executive committees do; they're used on special occasions.



And while the initial board of Saskatchewan Opportunities Corporation will be very small — four or five people — I expect as SEDCO winds down and Sask Opportunities winds up, or ramps up, that we would end up with probably eight or nine members on the board. And we will have all of the regular committees that an institution like this would warrant because there will be those times when an executive committee would serve a useful purpose for management.

**Mr. Swenson:** — And who would you envision, Mr. Minister, being on the executive committee? Would it be yourself, the president, vice-president — who would you envision this being made up of?

**Hon. Mr. Lingenfelter:** — Well it's normal that the chairperson of a board is automatically on other committees. But I would say that this is standard procedure within the Crown corporations sector, that executive committees are established to deal with specific issues.

So you would pick those people on the board who may, for whatever reason, be obviously the most qualified. It could be regionally based, people who could come in quickly. The other criteria may be just simply people who have the expertise but also the time to meet more often than regular board meetings.

**Mr. Swenson:** — Given the new environment that we live in, there used to be an engineering component to SEDCO that dealt with issues surrounding gas tanks and that type of thing. That, as I understand, has been disbanded. Is the Department of Environment now taking over that type of process that SEDCO used to manage in order to make sure that we don't run afoul of the member from Rosetown and his department when you're lending money? Because a lot of commercial property today, for instance, is under a lot of environmental scrutiny by lending institutions. Even farms today are having to come forward with environmental reports. Who will perform that function for the new entity?

**Hon. Mr. Lingenfelter:** — Well not unlike other lending institutions, obviously clients would have to provide some sort of a proper form of environmental sheet that would outline what they are going to be doing. And then obviously if it were a project that needed an environmental assessment or an impact study, that would be a requirement and need that would be necessitated by the Department of the Environment. And my colleague, the Minister of Environment, would have a direct responsibility to be involved.

But as you know, we are no longer involved in a property division. So it was seen that that area basically disappeared at the time that the property division was begun to wind down.

**Mr. Swenson:** — I'm glad you brought that up, Mr. Minister. I'm very curious about your plans for the property division. It was always one of the things that

mystified me, why SEDCO owned so much ground around this province, all over the place — all of it, I can assure you, acquired I think before I was ever around in that ministry. And that is going to be a very difficult task, to dispose of that in any meaningful way.

Are you going to continue . . . you're not going to continue on with the property division, so I want an understanding from you of how you're going to dispose of this stuff that in many cases no one has wanted, and how you foresee this being done. Is this going to be done with the private sector driving it, or is your department going to drive it, or how are you going to get rid of property that was bought mostly in the mid and early 1970s that today is very, very difficult to dispose of? Can you give me a window on how you're going to do that?

**Hon. Mr. Lingenfelter:** — Well as you know, within SEDCO you tended to have some non-productive assets or non-productive properties. Already we have disposed of half of those. I think when we came to government there were 12 non-productive pieces of property; six of those have been disposed of. And at this point we've chosen to do it in-house and it seems to be working almost better than we had hoped or expected, especially given the times we live in where properties are not in great demand in many of the areas.

When it comes to some of the industrial parks, we have worked closely with the towns and cities to work out formulas where that land could be purchased or turned over at a reasonable number to the local communities. And I think of our properties in total, when we came to government there was something . . . 80 or a little in excess of 80; we are now down to slightly below 60, I believe, or right around 60. And so it's being worked out. And we expect as SEDCO winds down, along with it the property area will be wound down as well.

One thing we have instructed our people to be careful of is not to be in too great a rush to dump this property onto the market. This is in many ways valuable property. We have to remember it's owned not by the management of SEDCO but by the taxpayers of the province, and we have to try at every opportunity to maximize the return on that property as we dispose of it.

**Mr. Martens:** — Well, Mr. Minister, I know that you've moved some of it, but it's primarily been little bits and pieces. That a lot of those so-called industrial parks are . . . I mean that property in Saskatoon, I haven't seen much happen there. Those are very large chunks of land, and you've got a Titan Building up there right now that I understand you're in negotiations with people, but that's a very difficult property to move.

And I mean I've heard people say that even for a dollar they're not sure they want to undertake owning some of that stuff because of the services and the ongoing tax load and everything that has to be provided there. And I would think that it will be a very, very long time

before you dispose of some of that property and perhaps even beyond the end of your government.

So are you envisioning . . . if SEDCO were cleaned up, for instance — all except the property division — in a year's time, is there a place where you would put that? Would you take that into Economic Development, or would you roll that into the new entity?

**Hon. Mr. Lingenfelter:** — There's no opportunity for it to go into the new entity. But I think, first of all, that there are plans in place that this property will not take a long, long time to dispose of. You're right, some of it has not a great deal of value in its present form. And you refer to some of the industrial parks and those we advertise. And actually, some of those are being turned over at a very reasonable price to the local communities.

On the other hand, a large percentage of the property is actually located in Regina and Saskatoon, and this property has a fair bit of value. And we are going to be obviously cranking out as many dollars from that property as possible to try to keep the bottom line of SEDCO as solid as possible.

When it comes to where this property could be disposed of in a larger bulk area, and actually disposed of if SEDCO were to be wound down quicker than we expect, Sask Property Management might be a logical place to turn it over to, to administer and dispose of because there are some certain similarities and some expertise in Sask Property Management that could do that service for us.

**Mr. Swenson:** — Will those disposal prices and the arrangements around them, will they become part of our yearly review in here of the new entity? Are we going to have the details of those disposals made . . . I wouldn't expect maybe some company names to be bandied about, but the sale prices and that type of thing, will that be available to the Assembly?

**Hon. Mr. Lingenfelter:** — Yes, obviously it will not be part of the new Opportunities Corporation, so it won't be here in the Assembly. But in Crown corporations obviously there'll be an opportunity for members to ask questions about the disposal strategy.

**Mr. Swenson:** — Now I only have two questions left, Minister. Under clause 17(1)(f), I notice that SO Co can create and participate in investment funds and investment pools. Is this allowing the new entity, for instance, to get into the growth fund business — the Saskatchewan government growth fund, which I believe you administer and are able to dispense money out — is this new entity going to have any inside track on that growth fund money that presently is there?

**Hon. Mr. Lingenfelter:** — We'll continue to be one of four or five investment companies that work on behalf of the SGGF (Saskatchewan government growth fund), but this is the extent of the involvement and there's no anticipation of increased involvement in that area.

**Mr. Swenson:** — Would this provision in the Act allow you to exceed your investment limit, because you could roll investment . . . immigrant investment money, for instance, in along with your — I believe you have a legislated cap of 2.5 million. Because you have access to this money, would that in effect allow you to exceed your limits?

**Hon. Mr. Lingenfelter:** — No, those are two separate approval processes, so there would be no impact or there could be no stacking, if you want to put it that way.

**Mr. Swenson:** — On clause, I believe it's 17(2) through (4), SO Co cannot, under any circumstances, lend more than 2.5 million even with the approval of the Lieutenant Governor in Council. Is that clear? That's the absolute limit?

**Hon. Mr. Lingenfelter:** — No, the legislation doesn't say that. Just to be clear, that is not a provision in section 17.

**Mr. Swenson:** — Okay. If I've misread this then, could you tell me what the approval limit is? Is there a top end number there that the corporation can lend, or is it open-ended?

**Hon. Mr. Lingenfelter:** — What the situation is of course is you're partly right and partly wrong. There's a limit, but it would take order in council or cabinet approval to go over that limit.

**Mr. Swenson:** — Is this any different than the provision that SEDCO had before as far as having to have a limit and then cabinet approval over that?

(1615)

**Hon. Mr. Lingenfelter:** — Under SEDCO it was 2.5 million; in Sask Opportunities it's 2 million on loans and 1 million on equity. So you've got two levels in the new corporation — 2 million for loans, 1 million on equity. In SEDCO it was 2.5 million. But as in SEDCO, if it was over 2.5 you could still, you still could go and get approval for a higher value, and that will be true on the equity side and the loan side in the new corporation.

**Mr. Swenson:** — So you as chairman of the board, Minister, could go to cabinet with a proposal at any time and exceed those limits, and there would be no problem with that?

**Hon. Mr. Lingenfelter:** — Well as with SEDCO, as long as it didn't override the cap of, in this case 100 million; on the SEDCO side, I believe it was 300 million or 400 million in its final days. But obviously when cabinet makes that decision, these decisions are made public within a short period of time, so there is also a clearing-house for the public to be aware of that expenditure. And then also during Crown Corporations Committee, this could then be scrutinized again by members of the legislature.

**Mr. Swenson:** — Thank you, Mr. Minister. This is indeed going to be an interesting exercise that will be watched, I'm sure, with a degree of anticipation. And the critics of SEDCO are long and many, and they will be watching this very closely as will members from this side, because if anything the former opposition loved to chew on was SEDCO. And we'll see how son of SEDCO does out there with all of the commitments that it's made.

And I appreciate your answers. It's something new; it's our job to let you have the opportunity. So I'd like to thank you and your officials for the answers, and I guess we'll see what comes out in the wash.

**Hon. Mr. Lingenfelter:** — In closing off the debate with the Leader of the Opposition, I want to thank him for his questions. And I want to say as well that in the consultation that went on leading up to the establishment of the corporation, he was good enough to attend my office once or twice to spend an hour chatting about some of the pitfalls of SEDCO. And having been minister for some time, his views were more than helpful. And I want to thank him for his cooperation here in the House.

Clause 1 agreed to.

Clauses 2 to 39 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 38 — An Act to amend The Parks Act**

**The Chair:** — I will ask the Minister of Environment and Resource Management to introduce his officials who are assisting him in this review for the committee.

**Hon. Mr. Wiens:** — Thank you, Mr. Chairman. Joining me today for The Parks Amendment Act is deputy minister, Michael Shaw, on my right; assistant deputy minister in charge of management services division, Bob Blackwell, on my left; Don MacAulay, director of parks and facilities branch, behind Mr. Shaw; and Ken Lozinsky, the manager of park management services; and Nancy Cherney, on my left behind Mr. Blackwell.

#### **Clause 1**

**Mr. Neudorf:** — Just a short introductory statement. I was prepared to do the next item but in the interests of expediency and since the officials are here, let's do this one. And I understand that the member from Saskatoon Sutherland wants to have a few words, so I'll give the floor to him at this time.

**Mr. Koenker:** — Thank you, Mr. Deputy Chairman. Today I would like to basically comment on Bill 38, since I didn't have an opportunity at second reading, and to pay particular tribute to one individual who was, in my estimation, very responsible for helping to protect the Clarence-Steepbank area which is included in this Bill.

That individual is Hal Miller, who was a conservation

officer with the department, and tragically died in December in an automobile accident, before he was able to see his work come to fruition in the form of this Bill.

This afternoon I would like to read into the record what I regard as almost a poetic description of this park area that we are talking about. This description was written by Hal Miller and formed a July 13 preliminary draft to the proposed provincial wilderness park for Clarence-Steepbank Lakes. And in the introduction to his proposal he writes — and I'm going to quote rather extensively:

The Clarence-Steepbank Lakes area is a wild space in Saskatchewan's boreal forest. Pristine forests, a chain of lakes, streams, and a steep undulating landscape are natural features of this land which provide foundations for its character. It is in some ways mysterious; it has strength and it features tranquility. The Clarence-Steepbank Lakes area is a wild country with its own identity.

Unlike the surrounding areas, this country is relatively free of development. Clear cuts and fire-killed timber are non-existent. The absence of man-made disturbances makes this still a genuine wilderness. Here forests have matured to climax stages of succession. This forest environment provides critical habitat for a specific community of living things.

Beyond the mature forest there are also many other types of wild environments. They provide habitat for diversity of plants and animals. The presence of various soil types, a landscape that is steeply sloped to undulating, and the presence of water systems are all reasons why such a wide variety of environments do exist. Nothing present seems to be out of place here. There is a variety here, yet it all fits together. Conflict is absent. Tranquility is present.

This country's mysterious qualities originate from knowledge that suggests little is known about its cultural past, and that rare plant species may exist. Many of the area's intricate environmental relationships are yet to be discovered.

Strength is quite apparent to those who view its steeply sloped landscape. The presence of large mature spruce provide one with a similar sensation. Strength in a more subtle form exists in the balanced relationships found among the various natural systems and communities that are present. These relationships have long-term stability and are therefore self-sustaining. Strong when they are together, these systems, if fragmented, can lose that strength. Once country is developed, it can never return to wilderness. The Clarence-Steepbank Lakes area is a wilderness now, but if developed it will never be again.

Many local citizens, conservation enthusiasts, and recreationalists have now had access and have become aware of this wilderness area. Each values this area, many for the reasons suggested. These people share the opinion that economic values should not always be the overriding principle that controls land use decisions.

They support an ethic that views land as a common property; that it is wrong to use land in a way that disrupts its present state when other alternatives are available. The Clarence-Steepbank Lake area is a wild space that should be left in place.

I think that this description of the Clarence-Steepbank area tells the story of what we are preserving. I would just like to comment ever so briefly, having shared something of the natural history story of the area, as described by Hal; something of the human story of how this area came to be protected.

Picnic tables were set up in the area back in 1966, 1977. The active movement to protect this area began with people who are often denigrated in society, namely, government bureaucrats — nameless, faceless government bureaucrats. But these are the people who are in a large measure responsible for protecting this area today. People who are often the butt of criticism need to be applauded today for the steps that they took to preserve this area.

I want to also say that there were politicians who at various junctures took steps to see that this area was preserved and protected. I want to pay tribute to the cabin owners of the area who worked very, very hard to see this area protected.

But I also want to compliment Weyerhaeuser corporation for their efforts to protect this area and to work with government officials to see that it's protected.

So what we have here, in brief, is a very magnificent area of Saskatchewan being protected for future generations.

(1630)

It is now our fourth wilderness park, following the Athabasca Sand Dunes Park, Clearwater River, and Wildcat Hill. And now we have a new wilderness park in Saskatchewan, thanks to this Act and thanks to the efforts of Hal Miller.

So with those words, I would like to take my place and applaud the fact that Saskatchewan people for many generations will be able to enjoy this magnificent piece of our landscape.

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

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. Mr. Minister, as I've stated before in second readings and so on, in total we do not really

have any objections to this Bill; and it's not going to take us very long to pass the Bill, because I think we agree with you that parks are important.

And actually what I would like to do, Minister, is commend you on some of the stuff and the work that you've done in the implementation of this amendment to The Parks Act. And it's simply because we are very privileged citizens to be living in Saskatchewan. We are very privileged to be able to have the vast outdoors and the wide spectrum of ecosystems that we have in our province and that they are there for us to enjoy.

And I think it is only a prudent government and a prudent citizenry that is going to ensure that these kind of ecosystems and the beautiful spaces that we have are going to be there for the future generations to involve as well.

And that poses the problem, I believe, because there is a great deal of pressure on you as minister, and me as a politician as well — and all politicians — because there's a great demand. There's a great demand, first of all, for keeping the pristine outdoors and at the same time recognizing the fact that the demographics of our population is beginning to apply a lot of pressure to our valued spaces. And so there's that delicate balance that you and I must strive to achieve, whereby we can accomplish both of those objectives.

And according to the information that I have, a lot of those objectives have been met by the amendments that you are proposing here. Because the communities apparently that are involved and are close to these areas have to a large degree lent you their support and are basically saying, right on. And so if they have no objections and you're following and pursuing that greater objective that we all have of maintaining these pristine ecosystems for future generations, then I certainly have no problem as well.

However, and there's always a however when we do these kinds of things, but I'm going to surprise you because today I'm not going to pick on the topic that you may be anticipating; we'll save that for your estimates.

So what I would want to do, Mr. Minister, is give you the opportunity . . . the member from Saskatoon was talking about the Clarence-Steepbank Lake recreation reserve which is, as I understand it, about 90 miles north of Prince Albert, north-east of Prince Albert, actually. And it's a fairly substantial wilderness park that you've created there . . . I'm trying to find it while I'm talking. There it is — 17,549 hectares. That's a fairly large addition.

Now we have on a previous occasion already discussed your effort to arrive and achieve the 12 per cent and the numbers of different ecosystems on the endangered spaces worldwide that we talked about before. That is . . . a worldwide objective, let's put it that way. And apparently we were only around 6 per cent at the time. So we have a ways to go, Mr. Minister.

So really and essentially, instead of breaking down the Cannington Manor Provincial Park and the Fort Pitt Provincial Park and talking about each one in turn, and the minute aspects thereof, I think I'm going to resist the temptation to do that, but however give you an opportunity to rise to your feet, respond to your own member across the road, some of the comments that I've been making. And if I'm satisfied with your remarks, then that is essentially all that I'm proposing to do.

**Hon. Mr. Wiens:** — Thank you very much, Mr. Chairman. I want to commend the member opposite and the member from Saskatoon Sutherland for their remarks about the responsibilities we share in looking after the earth, and their supportive words to the work of myself and our department in this regard. I can only say in conclusion that with that kind of spirit, it does show an encouraging path to the kind of cooperative future we all need to generate with each other in order that we do have a planet that is safe and a happy, exciting place for our children, as it's been for us.

So I thank the member for his commendations, and I want to put my remarks fully in support of the comments of my colleague from Saskatoon Sutherland with respect to the work of our public servants who serve us very well and very often go without recognition; and especially the words in memory of Hal Miller and the work he's done in this regard. So with that, I'd like to thank the member opposite and take my seat.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

**Hon. Mr. Wiens:** — I want to thank the officials who have joined us for this discussion and welcome the new ones who will here in a minute.

**Mr. Neudorf:** — Mr. Chairman, I would be remiss if I did not join with the minister in acknowledging the officials. They were silent today; they didn't do too much toward our discussion. But if the minister will permit me to say, it is because of their background work and groundwork that made him look good here today. So I appreciate the work of the officials.

#### **Bill No. 8 — An Act respecting Fisheries**

**Hon. Mr. Wiens:** — Mr. Chairman, I'll just introduce the new officials who have joined us. Behind my deputy minister is Dave Phillips, the manager of the fisheries branch; behind me is Joe Muldoon, manager of policy and partnerships branch; behind the associate deputy, Mr. Blackwell, is Dave Harvey, the provincial enforcement coordinator.

**The Chair:** — Welcome to the officials.

#### **Clause 1**

**Mr. Neudorf:** — No, not quite, Mr. Chairman, not

quite agreed yet. This will take a little longer than the others have done so far. Specifically because I notice that the minister just graced me with House amendments that he's going to be pursuing, and there's at least four of those; and I have eight amendments of my own that I would trust the minister has in his possession now. And that while I'm talking perhaps his officials could peruse them and hopefully see the light of day in terms of what we are proposing to make this Act a little bit better.

We've done a fair amount of consultation on this Act, Mr. Chairman, and have had a fair response as well, although it'd be fair to say the greatest amount of response was from the Saskatchewan Outfitters Association.

And I agree with them that the ultimate goal of bringing home, as it were, jurisdiction of the fisheries from Ottawa into Saskatchewan, is an admiral goal, because it simply means that we will have less bureaucracy to work with. Right now if we wanted to make amendments that were good to Saskatchewan, that fitted what our needs were, we first of all had to go through the Saskatchewan bureaucracy, then the federal bureaucracy, and then back into Saskatchewan. And anything to reduce that type of a situation is something that we would certainly support.

However, concern has been expressed by certain individuals on particular sections. And sections 20, 22, 24, and 26 are considered by many people to be contrary to the Charter of Rights and Freedoms simply because of their invasive nature. And we'll be taking a look at those.

And then we have sections 33 and section 5 which ... the concern there is that we are now going to be responsible for the actions of others over whom we really have no control and that is a concern. And then section 36 specifically exempts the Crown and its employees from the same responsibility. In other words, Mr. Minister, the concern here is that the governed do not get the same protection that the government has. And that's a concern that we want to take a little bit of a look at.

Then there is the reverse onus of sections 34 and section 35 that could well be considered to violate one's right to be considered innocent until proven guilty. And so we could continue on, Mr. Chairman, on those, and we intend to do that.

And generally speaking I guess there's a support for the Bill in general, even though the individuals I have talked to feel that the Bill does more to ... the negative tone of the Bill is pervasive throughout the Bill rather than the positives.

And the summation of this Donna Lawson as chairman of the outfitters association, sums it up by saying: I guess it is up to the people to do good things and up to the government to stop them from doing bad things; however we do not all agree on what the bad things are and what means we should take to alleviate

or to stop those bad things.

So, Mr. Minister, what I'm going to do now is give you the opportunity to react to some of my comments, and then essentially I have eight amendments that I want to bring forward, and then we can take it on a clause-by-clause perusal of the Bill as we go through, of course depending on what your remarks are.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the concerns expressed by the member opposite. We've been discussing actively this Bill with the people concerned, and as a result have brought in a few technical amendments and a more substantive but clarifying amendment rather than change in the intent of the Act with respect to first nations' rights.

I can say with respect to our interaction with the outfitters whose input you had discussed, that we have just recently signed a partnership agreement, a memorandum of understanding, with them to work together on all matters with respect to the management of the resources that affect them. And generally in those discussions, we have had positive responses.

At the end of the day there may be differences of opinion on detail as you've identified, and I support the member opposite in asking for explanations of areas of concern where he's mentioned them, in particular with specific sections of the Bill.

But I won't comment on those now until they are raised by the member as we go clause by clause, but I thank the member for his attention to this Bill and to the interest of Saskatchewan people in good management in the fisheries. Thank you.

Clause 1 agreed to.

(1645)

## Clause 2

**The Chair:** — The minister has indicated an intention to move an amendment to clause 2.

**Hon. Mr. Wiens:** — Mr. Chairman, need I read the amendment as outlined here? Then I would:

Amend section 2 of the printed Bill:

(a) by striking out clauses (1)(n) and (o) and substituting the following:

“(n) ‘Saskatchewan waters’ means any body of water or portion of any body of water, including any stream, river, lake, pond, or reservoir:

(i) where the bed is owned by the Crown; or

(ii) for which there is an agreement between the owner and the minister for the maintenance and enhancement of

fish populations and for the licensing of fishing;

“(o) ‘sport fishing’ means fishing for non-commercial purposes by angling or underwater spear fishing”;

(b) by striking out clause (1)(q) and substituting the following:

“(q) ‘wild fish’ means any fish that is wild by nature in Saskatchewan waters or any fish that has been introduced into Saskatchewan waters”;

(c) by striking out “(1)(o)(ii)” in clause (4)(c) and substituting “(1)(n)(ii)”; and

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

“(5) Nothing in this Act abrogates, derogates or adds to existing Indian Treaty rights”.

That is the amendment as proposed, Mr. Chairman.

**Mr. Neudorf:** — I would appreciate, Mr. Minister, having just been given what appears to be a fairly complicated set of amendments, if you could highlight any significant changes that might be included in what you have just said. And one of the questions that you could answer as you rise to your feet is the wild fish, which means any fish that is wild by nature in Saskatchewan waters. Perhaps to elucidate that situation for me, name some fish that are in Saskatchewan waters right now that would not be considered wild. I think that would be a faster way of going about it than the other way. So could you do that, please?

**Hon. Mr. Wiens:** — Mr. Chairman, the issues in the first case, the first amendment on that long list of things I read has simply to do with something that was numbered out of alphabetical order, and that was corrected in the first amendment.

The second one has to do with the issue of Saskatchewan waters. And that is only to ensure that we are only are talking about fish in Saskatchewan waters as opposed to other waters — for example, Indian reserves, private waters, or national parks. So we're only referring to Saskatchewan waters in the definition where Saskatchewan waters is used.

Now the item which the member didn't ask me to comment on but which is the more substantive issue in here that I referred to earlier, was the concern that was raised by the Federation of Saskatchewan Indian Nations, that even though the Act was not intended to have any impact on treaty rights, and there was nothing in the drafting that was believed by our officials to have any impact on treaty rights, because of their experience they have learned to be cautious, and wish to have that assurance placed into this Act, that in fact nothing in this Act abrogates, derogates, or adds to existing treaty rights.

So that was the reason that was added.

**Mr. Neudorf:** — Okay, I understand that last part about nothing abrogates, derogates, or adds to existing . . . But I hope the FSIN (Federation of Saskatchewan Indian Nations) does not necessarily put too much stock in even the inclusion of this, because you have been known to change Acts from time to time, and rules, and so on, without too much concern at times it seems.

You didn't answer my other question which was the wild fish. And what I would want you to do now is give me examples of fish that are in Saskatchewan waters now that are not considered wild. And the goldfish in the fish-bowl, is that right? Yes, answer that first. I have one more question on that.

**Hon. Mr. Wiens:** — The member opposite may be surprised at the answer. If he'd only thought of it for a moment, I wouldn't have had to search for the answer.

But the definition is predictable if one thinks of agriculture, that that which is wild is not farmed or domesticated, and that which is wild in fisheries is that which is swimming in Saskatchewan waters; but that which is in fish farming, for example, is not wild. So this is not an attempt to control, there's no attempt to control, fish that are being farmed in Saskatchewan.

Amendment agreed to.

Clause 2 as amended agreed to.

Clauses 3 and 4 agreed to.

#### Clause 5

**Mr. Neudorf:** — Right, Mr. Chairman. Mr. Minister, I'm glad to see that I tax you and some of your officials there with some of the questions that we're asking here that sometimes defy the simple answer that really does exist.

Mr. Chairman, on clause 5, I'm going to be moving the amendment that reads like this:

Amend clause 5 of the printed Bill by deleting clause (a) and substituting the following therefor:

“(a) a person has possession of any thing:

- (i) when it is in that person's personal possession or custody; or
- (ii) when, with that person's knowledge and consent, it is:

- (A) in the actual possession or custody of another person; or
- (B) in any place, whether or not that place belongs to or is occupied by that person,

for the use or benefit of that person; and”.

That's the end of the amendment.

Mr. Chairman, and to the minister, this addresses concerns by outfitters that they may be held liable for fisheries infractions committed by their clients or their employees. The original intent of the clause was that a person can be charged with an offence no matter who else happens to be holding the evidence and no matter where it happens to be stored. And, for instance, if someone catches too many fish and leaves them in possession of another person or in a different place, this is fair and has been preserved.

However, the amendment places a new onus on the Crown to prove that the offending object is for the use and benefit of the person charged. Example: you actually intended to keep those fish for yourself.

And that is the reason for the amendment as I am proposing, Mr. Minister.

Amendment negated.

Clause 5 agreed to.

#### Clause 6

**Hon. Mr. Wiens:** — Mr. Chairman, I move that we:

Strike out section 6 of the printed Bill and substitute the following:

“Application of the Act

6(1) Subject to subsection (2), this Act applies to all fish, fishing and fisheries in Saskatchewan.

(2) The provisions of this Act respecting fishing apply to fishing in Saskatchewan waters only”.

**Mr. Neudorf:** — Thank you, Mr. Chairman. I suppose what I am going to be saying here is that the section previous to this that has just been passed, I did make an amendment to it, and I did give reasons for the amendment, courtesy mostly of the outfitters association, and the government chose to reject that amendment with no explanation.

Now I think, Mr. Minister, that to help matters along, that I'm going to be having seven more amendments, and I will be having seven more rational reasons for making that amendment. And certainly it is within your prerogative to choose to reject them, but I think out of courtesy we should be able to hear your reasons why you are not in support of those amendments.

And I think that would just be more of a class act on your part, sir, if you could do that and supply some of the reasons why not, so that your rationale can be further understood. And that is my response to clause 5. I really have no response or question on this particular clause.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the remarks of the member opposite and I may have done

... I didn't believe there was a direct response required because I think the amendment was based on the false assumption that someone could be held responsible for the actions of others over whom they exercise no control.

In fact for someone to be charged under the Act, they must be connected with the commitment of the offence. And this section is intended to prevent someone who has illegally obtained fish from avoiding prosecution by storing the fish with another person. So the section of the Act as stated there, simply requires that responsibility be exercised in the taking and management of the wildlife resource.

Amendment agreed to.

Clause 6 as amended agreed to.

Clauses 7 and 8 agreed to.

#### Clause 9

**Hon. Mr. Wiens:** — Thank you, Mr. Chairman. I would move an amendment to section 9:

Strike out clause 9(d) of the printed Bill and substitute the following:

“(d) allocate the fish resources in any or all of Saskatchewan waters to any persons or class of persons if the number, types or classes of licences are limited.”

**Mr. Neudorf:** — Mr. Minister, can you indicate the reason for that? Are we talking commercial fishing, sport fishing, both? — what?

**Hon. Mr. Wiens:** — Mr. Chairman, the only significant point of this amendment is the Saskatchewan waters clarification again, that we've been making earlier in a number of sections of the Act.

**Mr. Neudorf:** — If I might be so bold as to suggest, Mr. Chairman, we might include all sections from section 10 to section 19 as one.

Amendment agreed to.

Clause 9 as amended agreed to.

Clauses 10 to 19 inclusive agreed to.

#### Clause 20

**Mr. Neudorf:** — Mr. Chairman, I would propose an amendment to clause 20:

Amend clause 20 to read:

(a) by deleting clause (2)(f) as being enacted therein and by re-lettering clause (2)(g) as clause (2)(f); and

(b) by deleting clause (3)(b) as being enacted therein and substituting the following therefor:

“(b) the officer has reasonable grounds to believe that the delay necessary to obtain a warrant would result in danger to human life or safety.”

Mr. Chairman, Mr. Minister, the rationale for that amendment is that this responds to a concern, again by outfitters and by ordinary fishermen, that the Act gives too much broad powers to Fisheries officers operating with search and seizure warrants.

The original clause gave the officer the power to seize anything that could be remotely construed as being involved in an offence, no matter how minor. In essence, an outfitter's entire operation could be seized at the whim of an officer if he were caught with one fish over limit.

The clause also allows the officer to act in this way without a warrant if he believes that delay would result in destruction of evidence. Since this is a fairly easy contention for an officer to hold, because who's to question him, the clause essentially makes a warrant unnecessary.

Under the amendment the officer's warrant powers would no longer include the ability to seize related equipment, and the officers could only act without a warrant in instances where he justifiably believed — justifiably believed that human life or safety were indeed in jeopardy.

**Hon. Mr. Wiens:** — Mr. Chairman, I want to respond to the question. I appreciate the member opposite requesting that earlier — that it's not possible to seize any and all equipment of an outfitter unless that were to be ... unless it were all to have been involved in the committing of the offence; that only equipment which is used directly in the committing of an offence can be seized.

And with respect to the warrant issue the member opposite raises, simply limiting to issues of life and safety would preclude any ability of officers to actually do wildlife management because, as is listed in other Acts with respect to the management of our natural resources in this regard, because of the disposability of the evidence, by the time one were to get a warrant the case would often have disappeared from the scene.

So it's important that those kinds of arrests are possible, but all of the conditions applicable to obtaining a warrant must be proven before such arrests without warrant and warrantless searches can be used in court proceedings. So that the protection for people accused or arrested under those circumstances is that all of the conditions that would have been required in order to receive a warrant must be in place before ... must have been in place. Those tests must be met before that evidence can be used or before that arrest is valid.

So what it is, is it provides the opportunity for officers to respond to a situation where they find an offence



being committed, so they can act immediately, but the test is later required that it's fair.

**Mr. Neudorf:** — Thank you, Minister. I think this dialogue is useful, because in rejection of our amendments you are being forced to put your thoughts and your rationale on record, which can then be used against you when you become a defendant later on down the road.

**An Hon. Member:** — That's reserved for Justice ministers.

**Mr. Neudorf:** — No, that's not just reserved for Justice ministers, no.

Just give me a what-for quickly here. A man goes out . . . or a person goes out, fishes in a motor boat, comes back, has got 20 fish in his possession. What is the evidence now that is going to be confiscated?

**Hon. Mr. Wiens:** — Mr. Chairman, in that example, only the fish would be taken because it's sufficient evidence of fishing over limit.

**Mr. Neudorf:** — Does this then apply, Mr. Minister, to a hunting situation where an illegal game has been shot? The game would be the only thing confiscated and not the rifle and the vehicle and all those things, according to what you just said.

**Hon. Mr. Wiens:** — Mr. Chairman, while it's possible to take the gun as evidence, it would only be done in a case where it was necessary to link the gun to the shooting. Often simply the illegally shot wildlife would be sufficient evidence. Vehicles would rarely be seized.

**Mr. Neudorf:** — Well link the gun as evidence to the shooting of the animal, does this mean that you then take a ballistics . . . go through the whole ballistics situation? If that's the case, what about when that illegal fish that was caught? Do you then link the spoon that caught it with it? I'm trying not to be facetious, but I'm trying to link the two to understand the whole procedure here.

**Hon. Mr. Wiens:** — Mr. Chairman, they've not yet invented a ballistics test for the hook, for the fish-hook; until such time, it won't be required to be taking that as evidence.

Amendment negated.

Clause 20 agreed to.

Clause 21 agreed to.

## Clause 22

**Mr. Neudorf:** — Mr. Chairman, we're making progress here where the minister has to change his mind; first he agrees and then he disagrees. So one of these times . . .

On clause 22, Mr. Minister, I'm proposing that we:

Amend clause 22 by deleting subsection (2) as being enacted therein and substituting the following therefor:

“(2) Every person required to keep any books, records, papers or documents pursuant to this Act shall, within a reasonable time, produce them on the written request of the officer specifying the documents sought.”

That is the amendment. And the original clause, Mr. Minister, required outfitters to hand over immediately any records requested by an officer at any time. The amendment changes “immediately” to read “within a reasonable time”.

**Hon. Mr. Wiens:** — Mr. Chairman, just to answer the concern raised by the proposed amendment. The advice that's given by our officials in Justice is that actually putting in place a condition like reasonable time may then include having that reasonable time prescribed, which could be more limiting than the practice which would be required within the Act, that a reasonable time be a condition of fair application of justice. So that the condition of reasonable time is implicit in the Act and to state it could actually be more restrictive because it could then be actually determined in a specific time frame with the legislation and regulation.

Amendment negated.

Clause 22 agreed to.

Clauses 23 to 25 inclusive agreed to.

## Clause 26

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, clause 26 of the printed Bill should, I believe, be amended:

(a) By adding immediately after the words “in a manner prescribed in the regulations” where they occur in subclause (1)(b)(ii) as being enacted therein the following:

“; provided that its fair market value does not exceed \$100,000 and is a just and suitable penalty relative to the offence in question.”

and

(b) By deleting subsection (4) as being enacted therein.

The rationale, Mr. Minister, for those proposed amendments is that it responds to a concern by the outfitters that if an outfitter's equipment was seized as part of an investigation of an offence and if the outfitter were subsequently found guilty of an offence, any equipment seized could be kept by the Crown as penalty, and the Crown and its agents could not be held liable for any damages done to equipment that

was returned.

The latter is obviously patently unfair. The former is unfair in that there are no apparent restrictions placed on this action, in spite of the fact that the maximum fine is \$100,000. The amendment makes clear that the Crown can only keep equipment that reflects the suitable penalty for the offence and only up to the maximum fine amount of \$100,000. In other words, the Crown could not decide to keep an outfitter's airplane, for example, if it was worth more than the \$100,000 — and a lot of them are.

The amendment also removes the section that exempts the Crown from liability for equipment damaged while it was being held or is being held as evidence.

**Hon. Mr. Wiens:** — Mr. Chairman, I want to take the opportunity to answer the concern raised in the proposed amendment before we vote on it.

The member opposite will be aware that the condition he describes and wants to amend is one that is the alternative to another condition stated in the Act, which is that within 60 days of the final conclusion of the proceedings be returned to the person from whom it is seized or be declared forfeited to the Crown. So that there is an alternative there that provides protection.

With respect to the question of whether or not it is then forfeited, it becomes the question of the judge's ruling in the case. And I think it's safe to say that the judge would take into consideration all of the concerns the member opposite raises with respect to the fairness of that kind of forfeiture. So I think it's necessary to have that jurisdiction left within the judicial system.

(1715)

The other issue the member raises is with respect to the question of the depreciation of the value of materials or equipment seized. The department remains liable for that deterioration if it's caused by negligent handling or storage of the seized items. But the department can't be liable for the diminution of value of equipment seized that is necessary to be maintained as evidence during a legal proceeding just because it takes a long time to conclude. So that if the proceeding happens to take a long time and in the period of time that the necessary evidence is seized, it diminishes in value, this cannot be a liability of the department. Only those things for which they are responsible by negligent handling or storage can they be held liable.

Amendment negated.

Clause 26 agreed to.

Clauses 27 to 32 inclusive agreed to.

### Clause 33

**Mr. Neudorf:** — Mr. Chairman, Mr. Minister, I would

move that we:

Delete clause 33 of the printed Bill and substitute this:

“33 In any prosecution of a defendant employer for an offence, it must be proven that, where it was committed by an employer, helper or agent of the defendant employer, whether or not the employer, helper or agent is identified or has been prosecuted or convicted for the offence, that the offence was committed with the knowledge of the defendant employer.”

Mr. Minister, the reason for that particular amendment is that the original clause placed a reverse onus on the outfitter to prove that he had no knowledge of an offence committed by an employee. This amendment shifts the onus to the Crown to prove that the owner had knowledge.

**Hon. Mr. Wiens:** — Mr. Chairman, again I appreciate the concerns raised by the member opposite. The reality however, and what makes this clause necessary, is that we can correct situations where a licensed commercial fisherman can avoid conviction for offences committed by their employees under their direction. Without this kind of a responsibility on the part of the employer, any offence could be slipped away from by simply attributing it to an employee in that situation.

**Mr. Neudorf:** — So in other words, Mr. Speaker, innocent until proven guilty does not apply.

**Hon. Mr. Wiens:** — I would only say that the employer is responsible for the legal operation of his business or her business.

Amendment negated.

Clause 33 agreed to.

### Clause 34

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, clause 34 should be amended like this:

Delete clause 34 of the printed Bill and then substitute this clause instead:

“34 The fact that a licence or notice has or has not been issued or given pursuant to this Act shall be proven in evidence by the party so alleging, and the contents of the licence or notice shall also be proven in evidence by the party relying on such contents.”

Mr. Minister, I'm going to make a brief remark that relates to clause 34 and clause 35, because again these amendments fix the problems of reverse onus that we were just referring to in the previous one.

In clause 34, an officer bearing a certificate maintaining that a licence was invalid was not

required to prove the validity of such a certificate. On the other hand, under clause 35, if an officer questioned the validity of a licence held by an outfitter, the onus was on the outfitter to prove that the licence was valid.

The amendments place the onus on the officer both to prove the validity of certificates of the director and to also disprove an apparently valid licence. So the onus is where it belongs, in my opinion, and these amendments will take care of that.

**Hon. Mr. Wiens:** — Mr. Chairman, I want to make sure I understand the question. If I don't answer it in the light in which it's raised, please correct me.

The issue, as I believe you've raised it, is that the question of the person who holds a licence demonstrating that they have one, it seems like a simple and reasonable request when the alternative is that we would have to search through the records of 300,000 licences in the province in probably 500 different vendors' locations in the province as the alternative.

As I understand the member's question, it's why should a person have to demonstrate that they have a licence. It's simply a matter of practicality. The question at the end of the day then can be resolved on those grounds. It's a way of reasonably regulating a system.

**Mr. Neudorf:** — No, that's not really the case, Mr. Minister. Not only the individual prove that he has a licence — I agree with you that he should be able to put his hand in his pocket and pull out a licence — we're talking about not just doing that, but the officer saying, hey, I don't think that licence is valid, I don't think you're that guy, or whatever the reason may happen to be.

Right now the way your Act is standing, it's up to that individual to prove that his licence is valid. It's a reverse onus that I've been talking about all along. And what we're saying is, we don't believe that that is constitutional. We believe that it is up to the officer to say: hey this licence is not valid. And there's a big distinction here. And that's what I'm trying to get at, is that the onus is on the officer to prove the invalidity of that licence as opposed to the man carrying the licence proving that the licence is valid.

And, Mr. Minister, while you're on your feet answering that, here's another question that I would like you to respond to. Do you and does your legal advice actually indicate that judges are going to accept that type of premiss where you're guilty until you prove yourself innocent? Is the judge not just simply going to throw that out of the court if this is the procedure that has been used?

**Hon. Mr. Wiens:** — Mr. Chairman, thank you for that clarification. The issue of demonstrating that the licence is valid, which may extend to identifying that you are the person that also is the holder of the licence, is not an unusual circumstance either in the

hunting area, or fishing, or driver's licences, or other areas. That simply gets the matter to court.

I think, as I understand it, then when you are in court the officials still need to prove their case that the accused person did not have a valid licence if they want to have it stand up and achieve a conviction.

**Mr. Neudorf:** — Your answer, Mr. Minister, and Mr. Chairman, reminds me of another comment that you made to a previous answer; that because we have thousands of licences, it's difficult for us to check whether they're valid or not. And I would submit to you, Mr. Minister, that laws do not exist for the ease of administration. That's what I used to say in school when everything was done to make it easier for the principal to run the school.

Laws do not exist for the ease of administration. So are you suggesting that you're willing to trample upon something that is sacrosanct in our society, that you're innocent till you're proven guilty, simply because you have so many licences that you would have to check? I don't think that's quite valid, Mr. Minister.

**Hon. Mr. Wiens:** — Mr. Chairman, I don't think this is a trampling on at all. The reason for which we have agreed upon some rules according to how we function in society is so that society can function in our total, collective mutual benefit. And if we want to spend the money paying resource officers to be checking on the proper practices of people out fishing, then the resource officers need to have a way of achieving the purpose. And if you're out there with a licence and can't identify yourself as the person that holds the licence, they are incapable of doing their job and therefore they have to be able to lay a charge in that circumstance. But then they have to follow up by another set of rules by being able to demonstrate in court that you in fact didn't have a valid licence and that the charge is legitimate.

So it is a question of those things we commonly agree on in order that we can manage our resources and our lives generally to our mutual benefit.

Amendment negated.

Clause 34 agreed to.

### Clause 35

**Mr. Neudorf:** — Mr. Chairman, and Mr. Minister, this clause should be changed to read:

"35 In any prosecution pursuant to this Act in which the validity or existence of a licence is in question, the onus is on the party as alleging the validity or existence, or the invalidity or non-existence, as the case may be, to prove that such is the case."

Same rationale, same arguments. I believe I'm right; I believe you are wrong.

(1730)

**Hon. Mr. Wiens:** — Mr. Chairman, it is the same issue, and they are the same arguments, and the reasons I gave why a society benefits from having the rules constructed in the fashion in which they're proposed apply in this case as well. And we'll be voting against the amendment.

Amendment negatived.

Clause 35 agreed to.

### Clause 36

**Mr. Neudorf:** — One last kick at the cat, Mr. Chairman. My batting average is not very good this afternoon. But clause 36, we believe, and a lot of people in the province believe that we should:

Amend clause 36 of the printed Bill by adding immediately after the words "No action lies against" where they occur therein the words: "any person,".

Now, Mr. Chairman, and Mr. Minister, the original clause exempted the Crown and its agents from any action brought against them if it could be shown that they were acting in good faith according to their duties. Now this amendment extends this same good faith protection to the outfitters or anyone else involved in a proceeding covered by this Act. And it's a simple case, Mr. Minister, of democratic fairness, and I think you would agree with that.

**Hon. Mr. Wiens:** — Mr. Chairman, I don't . . . I think I'm aware of the purpose for which the amendment is being moved, but I think it is outside of the purpose of the clause which is attached.

The clause which is here is a standard clause that says that the Crown cannot be sued for acts made in good faith. It is the purpose of the law with respect to inclusion of the less related matter the member introduces in the amendment, it is the purpose of courts to determine the degree of good faith that a person had in allegedly breaking the law.

So if I've understood the point correctly, one would be taking away the purposes of the courts if one were to include that amendment as stated. It is the purpose of this clause, as a standard clause in legislation, to protect the Crown when it is acting in good faith.

Amendment negatived.

Clause 36 agreed to.

### Clause 37

**Hon. Mr. Wiens:** — Yes, Mr. Chairman, I would like to:

Amend Clause 37 (gg) of the printed Bill by adding "in Saskatchewan waters" after the word "resources".

**Mr. Neudorf:** — Mr. Minister, does this mean that any waters that had their bed in Saskatchewan?

**Hon. Mr. Wiens:** — The Saskatchewan waters refers to any waters within the bounds of Saskatchewan that aren't in one of the other categories I described earlier, i.e., federal lands, Indian reserves, or national parks, are kind of examples.

**Mr. Neudorf:** — Does that include private waters or does that include waters whose bed is Crown land?

**Hon. Mr. Wiens:** — Mr. Chairman, this does not include waters that are totally enclosed on private lands.

Amendment agreed to.

Clause 37 as amended agreed to.

Clauses 38 to 40 inclusive agreed to.

The committee agreed to report the Bill as amended.

**Hon. Mr. Wiens:** — Mr. Chairman, I'd like to acknowledge the work of the officials but I'd like to also acknowledge the work the opposition has done in raising the questions they've raised. There's no need to keep score on these issues. They are issues of significance to people and the answers are deserved and this is the appropriate place to raise them. I thank the member opposite for the spirit in which he's raised the issues here.

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, it's easy for you to say not to keep score when you're on that side. But at any rate, we have done our best and we've raised the concerns and we just hope that the Bill is going to actually promote and be better. In a large part it's going to be, simply because . . . And I think I indicated to you at the beginning, that we were, in large measure, supporting the Bill, but we had these concerns that we brought to your attention today. And I'm glad that your officials were there to help assist you and to assist us and we thank them for that as well.

## THIRD READINGS

### Bill No. 65 — An Act to amend The Natural Resources Act and to enact a Consequential Amendment to The Forest Act

**Hon. Mr. Shillington:** — I move that this Bill be now read a third time and passed under its title.

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

### Bill No. 3 — An Act to create, Encourage and Facilitate Business Opportunities in Saskatchewan through the Establishment of the Saskatchewan Opportunities Corporation

**Hon. Mr. Shillington:** — I move this Bill be now read a third time and passed under its title.

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

**Bill No. 38 — An Act to amend The Parks Act**

**Hon. Mr. Wiens:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 8 — An Act respecting Fisheries**

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

Motion agreed to.

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

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

The Assembly adjourned at 5:42 p.m.