

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 24, 1995

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Goohsen: — Thank you, Mr. Speaker. I'm happy today to present petitions on behalf of the people from the Gull Lake and Hazlet area of Saskatchewan. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

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

I'm happy to table these today.

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

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to support Bill 31, An Act to amend The Saskatchewan Human Rights Code (Property Rights), which will benefit all property owners in Saskatchewan and specifically firearms owners, in order to halt the federal Liberal government from infringing upon the rights of Saskatchewan people.

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

These petitions, Mr. Speaker, come from the city of Regina. I so present them.

The Speaker: — Why is the member on his feet?

Mr. Goohsen: — I have a different petition to present for other people. I'll read the prayer:

Wherefore your petitioners . . .

The Speaker: — Order, order, order, order. I haven't quite recognized the member yet. I recognize the member from Maple Creek. His light wasn't on.

Mr. Goohsen: — Thank you, Mr. Speaker. I'll read the prayer for this other petition that we have from our constituents in the south-west part of the province:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding

dedicated towards the double-laning of Highway No. 1 and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program toward double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

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

From the Walsh and Calgary and Gull Lake and Maple Creek area.

READING AND RECEIVING PETITIONS

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

Of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

And petitioning the Assembly to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

INTRODUCTION OF GUESTS

Mr. Penner: — Thank you, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly, three people in your gallery over on the west end there. They are friends of ours, and also my wife is there.

Starting on my right — and on your right, Mr. Speaker — is Frances Hooze, Ruth Lechner, and my wife, Jo. Please welcome to the Assembly.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly, six grade 7 students seated in the Speaker's gallery. They're here this morning from the Cornwall Alternative School and accompanied by teachers, Joanne McLeod and Faye Sparvier. I'll be meeting with them in a little while, after they've had a chance to view the proceedings of the Assembly and a tour, and look forward to their questions.

I'd like to ask all members to join me in welcoming them here this morning.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

PAMI Expansion in Humboldt

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker,

yesterday I was proud to be present at the announcement of an expansion to the Prairie Agricultural Machinery Institute in Humboldt. A new centre will be opened which will deliver a nation-wide testing service for load cells.

A load cell, Mr. Speaker, for those few who do not know, is the weight-sensing component of electronic weigh scales that measures the weight of everything from meat at the butcher shop to grain at the elevator. Load cells used for sale of products must be certified to meet Canadian and international standards.

Mr. Speaker, Saskatchewan currently leads the nation in manufacturing load cells, and exporting these cells is a tremendous opportunity for Saskatchewan. This new centre will give manufacturers quick and easy access to service that will enhance export opportunities.

This is a \$1.7 million project funded jointly by PAMI (Prairie Agricultural Machinery Institute), Saskatchewan, and Industry Canada. It will provide construction jobs, permanent jobs when completed, and additional jobs in the manufacturing sector.

Mr. Speaker, this is an excellent example of developing partnerships for the good of all. I want to congratulate the Saskatchewan Research Council, PAMI, the town of Humboldt, Massload Technologies, Norac Systems, Economic Development, and Industry Canada for working together to secure this initiative.

Mr. Speaker, PAMI started as a provincial government initiative and they survived by securing fee-for-contract services during tough economic times. This load cell facility is in Humboldt because of PAMI. Massload and Norac are in Saskatoon because of the load cell facility and more people are going to be coming.

Mr. Speaker, this is the only facility in Canada — one of six in the world. We should be very proud of that. Thank you very much.

Some Hon. Members: Hear, hear!

Family Reading Contest in Pilot Butte

Ms. Hamilton: — Thank you. Mr. Speaker, last night I was happy to attend an event in a community I plan to become much more familiar with in the next short while. I liked what I saw thus far.

Pilot Butte, just east of Regina, has a large community facility which houses the town offices, the arena, and the public library. Last night the library held an open house and kick-off for a family reading contest. This is the kind of event, Mr. Speaker, that never makes headlines, but it does make for good communities.

The meeting was conducted by the library board, and it was ably assisted by the Pilot Butte Brownie pack, which sponsored

two contests designed to encourage not just kids, but all members of the family, to become more active readers.

As well, to bring the joys and benefits of reading directly to those who read, mystery writer Gail Bowen gave a short talk on reading. It was good, I think, for readers to see that the books they hold in their hands actually had a beginning in hands just like theirs. The author-to-reader connection is indeed a human one.

Mr. Speaker, this was a nice, pleasant event. I enjoyed being there. And someone must have enjoyed me being there too, because I've been invited back to the winter carnival this Sunday.

I would like to congratulate all those involved in planning this warm community event. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Southwest Regional Economic Development Authority Annual Meeting

Mr. Penner: — Thank you, Mr. Speaker. Last night a very important meeting took place in Gull Lake. The Southwest Regional Economic Development Authority and the Horseshoe Regional Tourism Association held a very enthusiastic, very positive meeting, during which they reviewed the progress being made on tourism in our area and discussed ways to make it better in the next year.

Over 150 people from several communities, in four constituencies, met for supper, heard a report from the Associate Minister of Economic Development, and reported on what has been happening in our areas.

Mr. Speaker, there was a tremendous feeling of optimism and excitement. The first year of REDA (regional economic development authority), it was generally agreed, has been very successful. It has been the best year ever for business in the south-west.

Of course, Mr. Speaker, events like T-Rex have done us no harm. But what is interesting is the way other entrepreneurs are adding to the tourism attractions of the area.

Mr. Speaker, those of us who know this incredibly lovely part of our province understand its attractions. Because of the work and enthusiasm of the people who came together last night, it is only a short time before this awareness becomes general across the country and the continent. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Tribute to the Silver Lake Rats

Ms. Stanger: — Thank you, Mr. Speaker. Today I wish to share with the House the achievements of a remarkable group of young people from my constituency, who incidentally I

taught. The Silver Lake Rats are lifeguards from the Maidstone area. They recently competed in the Royal Life Saving Society's provincial lifeguard competition and were overwhelmingly successful.

Several things, Mr. Speaker, make their success so overwhelming. First of all, the Silver Lake Rats are an all-girl lifeguard team, a rarity at this time. Next, the recent competition was their first — and for the Rats to win is unique. The final outstanding feat is that the Rats received all of their training at the waterfront at the Silver Lake Regional Park and not at an indoor pool.

Today, Mr. Speaker, I want to congratulate the sponsors of the Silver Lake Rats: the Maidstone and District Agricultural Society, the Twin Rivers Health District, the Maidstone-Eldon Recreational Board, and Kay and Murray Carson.

But I wish to pay special tribute to the Silver Rats themselves, Mr. Speaker — Leanne Rhinehart, Kara Johnston, Shelley Rhinehart, and Maxine Pike — and ask all members to join with me in saying, well done! Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Investigation of Phoenix Advertising

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions this morning are for the Minister of Justice. Mr. Minister, while we welcome the announcement of an independent prosecutor to investigate the Phoenix kickback affair, we have many questions regarding the scope and mandate of the investigation. Mr. Minister, the dictionary defines independent as free from influence, control, or determination of others. Others in this case means you and your government.

In previous instances you have referred these matters to other provinces with no preconceived mandates or orders as to the nature of the investigation. Mr. Minister, will you follow your own example and refer this matter to another jurisdiction and allow the prosecutor to investigate without any restrictions as to the scope or time frame? Will you assure that true independence of the special prosecutor?

Hon. Mr. Shillington: — Certainly the member's question is almost rhetorical. The special prosecutor will be independent, will be seen to be independent.

With respect to your second question, let me just . . . Mr. Speaker, it's worth for a moment just recalling the way this has developed. For several days they have brought the integrity of the justice system into questioning by saying that if the former member from Quill Lakes was charged, so should have a number of other people.

This morning you see the beginning of the abandonment of that

charge. There never was anything to it, and now they're beginning to abandon it, beginning to say, oh no, no, no — no. Not enough, not enough, got to cast our nets a lot further.

I want to say to members opposite, you have brought the integrity of the justice system into question by alleging that there should have been other people charged by the prosecutors. That will be reviewed, and the special prosecutor will have access to all of the material which the Crown prosecutors had when they made their decision.

But this will not become a licence for the opposition to muckrake and to search around for other equally scandalous and equally baseless allegations. You made your allegation, we will investigate it, and you're going to have to live by the result.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, what we are questioning is Phoenix and alleged kickback schemes. That's what we are questioning, sir. We are not questioning the special prosecutor.

Mr. Minister, the noises that you've been making sound awfully suspicious. You said that you want this done, for example, in the next couple of weeks. It looks like to us that you are sizing up the independent prosecutor for a strait-jacket, to handcuff them.

I advise you to do this right the first time, Mr. Minister. The people are asking for a totally independent prosecutor to investigate the activities of Phoenix, and its relations with the NDP (New Democratic Party) and your government. They will not stand, Mr. Minister, for anything less.

You say that this is a second opinion. Well if a doctor examines a patient and finds other symptoms, the doctor is allowed to look for other diseases. Mr. Minister, will you allow the prosecutor the free rein he or she will need to determine whether or not any further investigations are warranted into any other activities at Phoenix Advertising?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Thank you. Mr. Speaker, as for the time limit, the member opposite may want to make some brief return to the facts in your questions. I at no time specified any time limit on this matter beyond stating that it is in everybody's interest that it be concluded as soon as reasonably possible. If there was any time limit used I believe it was by members opposite in their statements, not by us.

With respect to the issue of the mandate of the prosecutor, members opposite made some allegations, we have provided a review of the decisions which you've called into question. You got what you asked. You're not in a position now to say: ah, ah, perhaps we should have asked other questions. You got the response you . . . You are getting a review of the questions you called into question.

This is not a licence that . . . Now that you appear to be abandoning the allegation you made, this is not an opportunity to look further for something new, for some new scandalmongering.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, what we are asking for is complete openness. Open the books and jail the crooks. That's what we're asking for, Mr. Minister.

The president, Mr. Minister . . . Mr. Minister . . .

The Speaker: — Order. Order. Order.

Mr. Boyd: — Thank you, Mr. Speaker.

The Speaker: — Order. I hadn't even taken my seat and the member already is commenting.

Mr. Boyd: — Thank you, Mr. Speaker. I recognize the sensitivity of the government members opposite.

The president of Phoenix has said that political donations are a common part of doing business with your government. Mr. Minister, your government does millions of dollars of advertising through Phoenix Advertising, the agency of record for the NDP.

Can you tell us what campaigns are currently being handled by Phoenix? What is the value of those contracts? And would you not consider it wise to suspend — to suspend — any further activities with Phoenix until this investigation is completed?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I'm awfully tempted, Mr. Speaker, to get into the origin of the line, open the books and jail the crooks. While I appreciate the . . .

An Hon. Member: — It's coming back to haunt you now, isn't it?

The Speaker: — Order, order. There was not one interruption when the Leader of the Opposition asked his question — not one. And I don't want him to interrupt when the minister is answering his question.

Hon. Mr. Shillington: — The members opposite may not want to be reminded of the origin of that particular line. It wasn't original, to put it mildly.

I say to members opposite, you have raised the issue, I think unwisely. I think the justice system would have been better served had we accepted the decision of the prosecutors for what it was, an honest decision on a difficult issue. But you weren't prepared to do that so you got the review you asked for.

I ask members opposite, as I asked members yesterday, to leave

the justice system now to do its work and to stop trying to politicize the whole of the justice system, which is what you appear to be doing.

Crown Corporation Construction Agreement

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the minister responsible for CIC (Crown Investments Corporation of Saskatchewan). Mr. Minister, your union-preference tendering policy is unfair to construction workers, contractors, and to taxpayers. It's also terribly unfair to the workers in rural Saskatchewan, in fact workers anywhere outside of Saskatoon or Regina.

Mr. Minister, last time I checked there wasn't a union hiring hall anywhere in my constituency; in fact there isn't one anywhere near my constituency. That means that the contractors in my area are going to have to bring in unionized workers from Regina or Saskatoon and that will take away jobs from our local people.

Mr. Minister, things are already tough enough outside of the big cities, thanks to your government and your policies. Why are you implementing a policy which is going to take even more jobs away from our rural people?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — First of all, Mr. Speaker, let me remind the member opposite that he is dead wrong on the state of the economy. In fact the economy is picking up throughout all of Saskatchewan. It did extremely well in 1994, and it's projected to do better in 1995.

The major threat to the economy in Saskatchewan, particularly in rural Saskatchewan, is the uncertainty surrounding the elimination of the Crow rate by the federal Liberal government, the uncertainty about what the transportation policy will be with respect to the delivery of farm products out of Saskatchewan for the export market.

Now I want to also address now the first part of the member's question, and that is the availability of construction workers in rural Saskatchewan. I want to say to the member opposite that the fact is that the majority of unionized workers do not reside in the two cities; they reside out of the two cities of Regina and Saskatoon. That's not a problem.

There's also a provision in the clause wherein if there is not available some workers under the formula who are members of unions within 48 hours, that contractor is quite free to be able to employ anybody that he wants that is not unionized.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Minister, I'm not the only person that are saying these things. This morning I received a letter from the Saskatchewan Construction Association that backs up our point. It says and I quote:

The policy does not promote work for small local contractors and use of local labour, since seventy-five per cent of the workers will be supplied to projects throughout Saskatchewan from the union hiring halls in either Regina or Saskatoon. Small local contractors will be deterred from bidding, from the spectre of having to hire unknown union workers, terminating regular employees to make room for union workers from Regina or Saskatoon and subjecting their firm to easily being unionized and hence becoming non-competitive in their local bidding environment.

Mr. Minister, local contractors say that you are forcing them to become uncompetitive. And that's the last thing we need in this province right now. Why are you forcing local contractors into an unacceptable situation such as the one I've just described?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, I don't intend to be critical of the letter that the member opposite . . . because I respect the views that anyone has who has an opinion on this particular issue. But I want to say that that part of the letter which the member refers to is an inaccurate characterization of what the real situation is.

I want to remind the members of the House and the member opposite that it's widely understood around Saskatchewan that this only applies to Crown corporation construction project, not anything else, and that projects out of the cities which are only in excess of \$150,000. So therefore the agreement actually protects the small contractors, and will not impact the vast majority of them in any way under this agreement.

And the member knows that, but unfortunately feels obligated to have to raise this issue and continue to confuse it even further, although it seems to be confusing only in his mind and a few other people; because as far as the rest of the public is concerned, including the construction industry, they understand and have accepted this arrangement.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Well, Mr. Minister, hardly any of the construction workers in my area or other areas outside of the big cities are in fact unionized, with perhaps the exception of the CP (Canadian Pacific) rail workers that are picketing at the present time.

Now most don't want to be unionized as well, yet you are forcing them to join a union if they want work on a Crown construction site. And even if they do join a union against their will, they're probably going to be shut out of most jobs. That's because your union preference policy states that the unionized employee must be hired from the applicable union out-of-work list. Someone who signs up today is going to start right at the bottom of that list. Not at the top, Minister, at the bottom. And that means current union members from Saskatoon and Regina are going to get the preference over workers from Maple Creek,

even on jobs right in that area or in my riding.

Now how is that possibly fair, Mr. Minister? How is it fair that local workers in my riding are going to have to be at the bottom of the list for jobs that are done in their local area?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Well simply speaking, Mr. Speaker, it is fair because what the member describes is inaccurate and that is not the way it's going to work. He says in his comments and then in his question that construction workers will be forced to be unionized. That is absolutely, completely untrue.

In fact the normal certification process would have to take place, as has always been the case in order for a certification of a union. And it would not just be on the construction site, but within that particular class of workers it would have to be done province wide.

So the process is the same as it always has been. This will not in any way enhance or assist that process. It's a lengthy process and the signing up of cards still has to take place, just like it always has been. That does not change. And I want the member to understand that.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Well, Mr. Minister, once again, I guess you and I are going to agree to disagree. For two years you told us that there wouldn't be a union-preference tendering policy and now we have one.

Quite frankly, I don't think anybody is going to quite trust you any more. Mr. Minister, I want you to picture yourself as a construction worker in rural Saskatchewan. Forget that you are a Regina cabinet minister. Forget that you have a million dollar pension coming that pads your future very nicely. Think of yourself as a construction worker who's just going to work to support your family. I know that'll be hard, but try to put yourself in those shoes.

Now what would you do if you joined the union because you want to work on government projects, you go right to the bottom of the list. So there's no guarantee you're going to get work anyway. Meanwhile, you may be pricing yourself right out of the market for any other job in the locality. If you don't join the union, then it's guaranteed that you won't be eligible for three-quarters of the jobs on Crown sites. This is the choice you're facing people with and they have to make that choice in their lives now because of you and your policy.

So I want to know what would you do, Mr. Minister, if you're that worker in Maple Creek?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Well probably . . . Mr. Speaker,

clearly that worker in Maple Creek will be working probably a lot more than he used to work in the 1980s because this government, because this government, Mr. Speaker, has turned . . . because this government has turned the financial disaster, which the previous government created in Saskatchewan, into a financial success story which is a model for the rest of Canada.

And that's good from the point of view of confidence, and therefore will provide into the future security for that worker which he would not possibly have had under the kind of debt and deficit situation created by the members opposite.

Now, Mr. Speaker, I want to also respond to the other part of the member's question, who keeps talking about union preference contracts in government projects.

First of all, this does not apply to government projects. It only applies to certain Crown corporation projects and not to anything else.

Secondly, Mr. Speaker, it is an open tendering process which is based on lowest qualified bidder, which is the way any construction contract should be, and that's the way it's going to be operating in Saskatchewan from here on in.

Investigation of Phoenix Advertising

Mr. McPherson: — Thank you, Mr. Speaker. Mr. Speaker, I guess I'd have to agree with the Minister of Justice on one point: that everyone in this province questions the credibility of the Conservatives, given the scope of the investigations they face in their own ranks, Mr. Speaker.

Mr. Speaker, the Liberals are pleased that the Justice minister appears willing to consider a more sensible approach to Phoenix Advertising investigation.

I'm concerned that the minister does not understand what the public wants to see. It is critical that the review of the prosecutor's report be the starting point, and I repeat that the review must be conducted by someone outside our borders who cannot be influenced or be seen to be influenced by this administration. To the Justice minister: will the minister assure us that the independent body will indeed be from outside the provincial boundaries?

(1030)

Hon. Mr. Shillington: — The name will be announced shortly. Let me just say in response, general response to the member's question, that I do find myself in agreement with the member to this extent. The person we appoint must be competent and credible and be seen to be both. And those are certainly qualifications which are . . . which must be found in the special prosecutor.

Mr. McPherson: — Thank you, Mr. Speaker. The question, Mr. Minister, was whether he'd be from outside the province, or whether that body would be.

It is equally important that this investigation examine the legality and the ethics of the relationship between Phoenix Group and the NDP elected members. Mr. Speaker, Phoenix Advertising has admitted that kicking back political donations in exchange for advertising paid by NDP MLA (Member of the Legislative Assembly) communication budgets was common practice. Common practice, Mr. Speaker. It has been admitted that a practice which resulted in a fraud conviction of one NDP cabinet minister was a common practice.

The public wants an independent review of how this investigation has . . . was conducted because they want to know if all the MLAs who dealt with Phoenix were thoroughly scrutinized as to the ethics and the legality of their dealings with Phoenix.

To the Justice minister: will this independent review have the mandate to order an investigation into all the transactions between all sitting NDP MLAs and the Phoenix Group?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I want to just comment to the member opposite that if you were to make that statement outside the House, I'm satisfied that you wouldn't survive 24 hours without being involved in libel litigation. The irresponsibility of members opposite really does appal me; it truly is appalling.

Let me repeat what I said about the investigation: appalling or otherwise, responsibly or otherwise, you have called into question the integrity of the public prosecutors who made a decision. I said earlier, I believe justice would have been better served and I think the public would have been better served if we had accepted the public prosecutors' decision for what it was: an honest decision arrived at on a complex issue — but was not the case.

We are therefore going to have that decision reviewed. That's what you asked for; that's what you'll get.

I now see distinct signs that members opposite are a little uncomfortable that perhaps there never was anything to this allegation, and now you seek to expand it to other questions. You're getting the investigation you asked for.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Mr. Speaker, this review must be done quickly and efficiently to ensure the people know the whole story before an election is called. There is also a need for this government to ensure that all dealings with the Phoenix Group be suspended until the review is completed.

My question is to the Minister of Justice: will you agree to suspend all dealings with the Phoenix Group until this investigation is complete?

Hon. Mr. Shillington: — Mr. Speaker, such was the

appreciative response to your comments, I'm afraid I couldn't hear them. Perhaps you'll have to . . . I couldn't hear your last question; perhaps you'll have to repeat it.

Mr. McPherson: — All right, Mr. Speaker. Just for the Justice minister — I guess he didn't hear the question.

Will you agree to suspend all dealings with Phoenix Advertising Group until this investigation is complete?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I repeat my comment: members opposite have made an allegation; we're going to investigate it. You've got to live with that. You cannot, now that you're getting uncomfortable . . . Now that you're uncomfortable with the probable result, you cannot now begin to expand it to include a whole lot of other questions. You're getting the review you asked for; you've got to live with that.

Some Hon. Members: Hear, hear!

Transportation Partnerships Corporation

Mr. Neudorf: — Thank you very much, Mr. Speaker. I would propose to take and ask an original question here now.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — And my question is for the Minister of Highways.

Mr. Minister of Highways, your government is in a great hurry this session to pass Bill 22, Mr. Speaker, an Act creating your new highways Crown. A new Crown corporation to dole out highways contracts, in my opinion, in our opinion, is completely unnecessary. So we have come to the conclusion that there must be some kind of political purpose for being in such a hurry to pass this Bill.

So, Mr. Minister of Highways, once this new Crown is created, will it fall under the union-preference tendering policy? We have just heard the minister of the Crown Investments Corporation say that this legislation is intended for only Crown corporation projects. So then, Mr. Minister, are highway construction projects going to be subject to your union preference policy?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — First of all, Mr. Speaker, let me categorically answer the question. And the answer is no, it will not apply. Because as has been indicated in the explanation of the policy, there are many exemptions, and some of them are made on the basis of making sure that the costs would not increase because of the policy that's there.

In this particular case, road construction, highway construction, municipal construction, school board construction, and

government-proper construction, is not part of this agreement. What I find, Mr. Speaker, that the members find humorous . . . and sometimes I find politics humorous. But what I find so disappointing in the members opposite that they seem to think that everything that happens has to be relegated to political terms.

Well that's the mentality of the Conservative government, Mr. Speaker. I'm sorry, but that has changed since 1991, in November of 1991. We now deal things on the basis of what is good public policy rather than simply on the basis of things that are just simple politics, as the Tories.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Crown Life Rights Offering

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I rise today to make an announcement of great importance to Saskatchewan. In 1991, the previous administration issued a \$355 million loan guarantee to HARO Financial Corporation of Regina. HARO used this guarantee to secure the financing to invest in Crown Life. The loan guarantee and investment was conditional upon Crown Life relocating its head office to Saskatchewan. In 1992, these arrangements were renegotiated. The \$355 million loan guarantee in HARO was replaced with a \$271 million direct loan. The effect was to reduce Saskatchewan's exposure by over \$80 million.

Well, Mr. Speaker, since the original loan guarantees were issued, Crown Life has relocated to Saskatchewan. This created over 1,000 direct jobs and over 900 indirect and induced jobs in Saskatchewan. And this has been good for the province, making significant contributions to the provincial economy. During the past four years, Crown Life has made great progress in improving its operations. The relocation to Saskatchewan has resulted in greater efficiency and \$25 million per year in operational savings. It has accounted for the losses in its real estate investment portfolio and improved the overall quality of its assets.

These improvements are reflected in Crown Life's bottom line. In 1991, Crown Life sustained losses of \$208 million. In 1994, it earned a profit of \$45 million, the second highest in its history. This is impressive progress. But there is one area where Crown Life faces a significant challenge. The company must position itself to be a long-term player in an industry that has recently been affected by financial uncertainty. The one area remaining to be resolved by Crown Life is the strengthening of its capital base.

Mr. Speaker, this morning Crown Life announced that, subject to regulatory approval, they will be issuing a rights offering to existing common stockholders. This rights offering allows shareholders to purchase interest-bearing debentures carrying the interest rate of 90-day bankers' acceptances plus 1.05 per cent. The debentures are convertible into common shares at the

option of the shareholder at any time during the next 10 years for the set price of \$65 per share.

With this offering Crown Life is setting out to raise the additional capital that it requires. The interest and the share conversion provisions ensure that those shareholders who participate will receive the full benefit of any resulting increase in the value of the company.

HARO Financial Corporation is the largest single shareholder in Crown Life. It owns 64.5 per cent of Crown Life's common voting shares. HARO's participation in the rights offering is therefore crucial to its success. Mr. Speaker, I am therefore announcing that a memorandum of understanding has been signed between the Crown Investments Corporation and HARO. With this memorandum, CIC has agreed to lend HARO up to \$150 million to enable it to participate in Crown Life's rights offering. The exact amount of the loan will not be known until the rights offering receives regulatory approval and minority shareholders decide whether they will participate.

The terms of the loan to HARO are such that CIC will receive interest on the loan, paid according to a regular schedule. CIC will also be able to benefit of the longer-term increase in the value of Crown Life.

Mr. Speaker, the decision to advance this additional loan to HARO was made after extremely careful consideration, and therefore I would like to table here today the memorandum of understanding that has been reached by HARO. I would also like to table the results of an independent analysis of the financial implications of the transaction that was conducted by Wood Gundy, an analysis of the economic impact of Crown Life in Saskatchewan, and other documentation on the transaction.

Mr. Speaker, the decision that is being announced here today ensures that Crown Life can continue to prosper and grow in Saskatchewan and create further employment, and I think the structure of this arrangement is also a good deal for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, I rise in response to the minister's statement regarding Crown Life Insurance and its important role in the Saskatchewan economy. Mr. Speaker, the relocation of Crown Life and FCC (Farm Credit Corporation) to our province in 1991 marked a change in the traditional out-migration of business and jobs to other jurisdictions.

Since that time, Crown Life has been a boon to Regina and indeed to the entire province. The company now provides over 1,100 high-paying jobs to Saskatchewan families and contributes nearly one full percentage to the province's entire GDP (gross domestic product).

Mr. Speaker, as Dale Eisler pointed out in his recent editorial:

(the former administration) . . . invested in projects that are now proving to be successful and will have long-term economic and revenue benefits for this province.

Mr. Eisler cites Hitachi Canadian Industries, the Saferco fertilizer plant, and Millar Western Pulp mill and two heavy oil upgraders as examples. There are many more, Mr. Speaker, including Weyerhaeuser, the potash privatization, Prairie Malt, Wascana Energy, and others.

Mr. Eisler's column ends with this quote, "In short, our economic future looks bright, thanks in part to the Devine government."

Mr. Speaker, the Crown Life relocation was just one example in a long line of successful economic development and job creation initiatives and I welcome the minister's comments with respect to Crown Life.

Some Hon. Members: Hear, hear!

The Speaker: — Would the Government House Leader please come to order. If the Government House Leader doesn't know the rules of this House then he better start learning them. Order. Can we have order, please? Order, order.

(1045)

INTRODUCTION OF BILLS

Bill No. 54 — An Act to establish an Aboriginal Courtworkers Commission

Hon. Mr. Shillington: — Thank you very much, Mr. Speaker. I move first reading of The Aboriginal Courtworkers Commission Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 10

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Atkinson that **Bill No. 10 — An Act respecting Private Vocational Schools** be now read a second time.

Mr. D'Autremont: — Thank you, Mr. Speaker. Well it's a pleasure to rise today on this issue. The government has taken quite a while in bringing forward a piece of legislation to deal with the private vocational schools in the province. Over the

last number of years there has been a number of these institutions which have failed and which have left students with their education only half completed, and with funds invested in those courses that they have a great deal of difficulty recovering.

So the government did a study on the things that were happening in the vocational school circumstances across the province, and they spent \$69,000 on this study, Mr. Speaker. And it's nice to see that the government has brought some legislation forward to justify the spending of that money. The only problem with the legislation, Mr. Speaker, is that it doesn't go as far as it could.

There are some good things in the Bill. The minister will be receiving an annual return and financial statement from the vocational schools, and that's all well and good, Mr. Speaker.

I think it's important that we know what is happening with those schools, that they are still in a viable position, that they aren't about to lose their certifications, and that they will be able to provide for the long-term needs of students.

But the problem with that financial statement and return is it's not audited by any means by the provincial government to ensure that the figures are indeed truly reflective of the financial circumstances the school is in. So I think the concern we have on that, Mr. Speaker, and we'll need to explore this more, is the accountability procedures.

One of the other good items, Mr. Speaker, is that the student contracts will now be approved by the department so that there'll be a standard contract that all the students will sign that the vocational schools will have to honour.

And also, Mr. Speaker, it's been clarified in this Bill that the school operators should not engage in false advertising to present themselves as something they are not. And that has been a problem in the last couple of years, Mr. Speaker, in a few circumstances. And so that's all to the well and good.

But the Bill doesn't go far enough, Mr. Speaker, in dealing with all of the problems associated with vocational schools and the students that deal with them. We've received many phone calls, particularly from former students of the Reliance business college and from the Avant-Garde students. There's very little protection in place for students in cases where the institution goes bankrupt, or if they're very slow in dealing with the returns that should be given back to students, particularly in the cases of student loans.

There seems to be a great deal of difficulty where the vocational school . . . a student drops out of their course at some point in time and there needs to be a return given to Canada student loans for that portion which has already been given to the institution, but which is not used. And it seems to be there is a great deal of difficulty in getting that money back from the institution to Canada student loans and having it recorded.

What happens at the end of the day is that the financial institution that provided the loan is constantly badgering the students to provide the money, but the money in reality is supposed to have come from the vocational school and has not been provided.

The other issue that students deal with, Mr. Speaker, is at some point within their sessions the school closes. And so what happens to their course? They've spent a large sum of money to attend a course of a particular nature, they get half of the course, the school closes, their money is gone, and they have no education as a benefit of that expense.

So there needs to be some clarification, Mr. Speaker. And the Bill does mention it — it does mention that it's an important consideration. But the mechanisms to be involved in the transfer of students from a course that is dissolved into the same/similar type of course with another institution, we will have to explore that, Mr. Speaker, much more in depth with the minister.

The training completion fund also needs a little more explanation, Mr. Speaker. It seems that it's up to the schools to develop a training completion program, as I was mentioning earlier, to ensure that there's a minimum disruption for students when their school closes. And how and what does the minister have in mind for this type of thing to operate? A lot of the other schools, Mr. Speaker, are going to have their classrooms full of their own students, so how do you slide in the students from an institution which has closed? It's not clear within this legislation.

Further in the minister's second reading speech, she stressed how much more protection the students were going to receive in this legislation. Yet in the case of school closures we have to ask, who gets paid first? When the school goes bankrupt or closes, there's a bond in place. But who has first call on that? Is it the suppliers? Is it the bank? Is it the students? Or who might it be?

Because the students . . . we're trying to protect students within this legislation, Mr. Speaker, and it's not outlined as to who is going to be designated a secured creditor and who isn't going to be. Are the students going to be classified as secured creditors? Are the employees going to be classified as secured creditors?

We have a situation presently of a private vocational school that has declared bankruptcy and many people are waiting to receive their funds — the instructors, the supply companies, and the students. And the bond that was in place for this particular institution, Mr. Speaker, doesn't come close, not even close at all to being able to repay all of the funds that are owed.

Mr. Speaker, it's unfortunate that the minister didn't seek the input of students such as Ross Joorisity and Petria Racette, who were in this Assembly in the last session, who have gone through the problems associated with the vocational schools where they ceased their studies early and the problems that resulted, and then having their school change hands and close.

It meant a great deal of difficulty and they're still in the process of, shall we say, debating Canada student loans as to who should be paying the money back, Mr. Speaker, and it causes a great deal of stress for those students.

These particular students, Mr. Speaker, met with the minister last year, met with her staff, and they offered a lot of good ideas to the minister on some of the things that should be included in this type of legislation; some of the things that could be included into regulations that would protect the private vocational school students and the institutions also.

But unfortunately, Mr. Speaker, it seems that because the ideas came from the students, the minister and the departments were not prepared to accept them, because very few if any of those ideas have actually showed up in this piece of legislation.

So, Mr. Speaker, we have a good many questions to ask the minister about this particular Bill, about Bill 10, but I believe that we can do that in Committee of the Whole, Mr. Speaker.

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

The Speaker: — Why is the member on his feet?

Mr. Neudorf: — Mr. Speaker, with leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Neudorf: — Thank you very much, members of the legislature, and Mr. Speaker. I would like to introduce to you, and through you to other members of this House, a group of 44 seniors sitting in your gallery, Mr. Speaker. These seniors are from the town of Warman which of course is in my constituency.

And as I look over the group of 44, I see not only a lot of friends, I also see some relatives. But of course in the Rosthern constituency, it's not uncommon when a group of 44 get together, there have to be some of my relatives in that group. So I hope that these people are enjoying what you're seeing.

We're in what we call adjourned debates. It's a Bill dealing with private vocational schools and we're in second reading in that. And perhaps we can discuss some of the details later on when I join you for coffee at 11:30. So, Mr. Speaker, I would like all members to help me welcome the group from Warman.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 21

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Shillington that **Bill No. 21 — An Act to amend The Securities Act, 1988** be now read a second time.

Mr. Martens: — Thank you very much, Mr. Speaker. I have a few comments to make regarding this Bill. I just want to say that it was a good opportunity for myself and one of my staff to meet with the Securities Commission in detailing some of the observation that they're going to propose in the new Bill. And I guess there are . . . The Bill has fairly extensive changes and I'm going to point out a few of them to the Assembly and discuss them here this morning.

In spite of the size of this Bill, the Securities officials we consulted with have assured us that the vast majority of changes are very technical and comma shifting and moving of phrases and inferences in a general sense. And the majority of the technical things consist of providing the majority of the volume of the Bill. As such, we have no substantial objection to the Bill.

There are however, three main areas of consumer concern addressed by this Bill and I think we need to take a look at them. First of all, what is going to happen is there's going to have to be a registration of commodity traders. The Bill enacts a registration, bonding, and training system for commodity traders similar to that required for stock traders.

And, Mr. Speaker, and to the members of the Assembly, this is probably something that should have been done quite some time ago. We have had a significant number of concerns raised by various individuals that have been short-changed you might say — if I was polite in saying that — on how some of the small stocks have traded in the commodities and so it has been of some significance.

One of the things that has concerned us is that many times the involvement of the Winnipeg Stock Exchange has been the only limiting factor in relation to these stock traders. Previously, as long as you were recognized by that commodity exchange, you were a commodity trader. No one could question your qualifications because you did not have to have any qualifications in order to be a trader. And that, Mr. Speaker, was where some of the problems . . . The Winnipeg Commodity Exchange would set the standard, and provincial jurisdictions would then not be in place to police those restrictions, and so it became a problem.

The exchange has been anxious to upgrade the standards of its traders, since it is essentially a co-op of the people who trade on it. They can't impose new rules that might exclude current members, and that was a serious concern by the Winnipeg Commodity Exchange in relation to the stock traders in Saskatchewan.

Therefore the exchange has been asking for jurisdictions to bring new standards for them into the province of Saskatchewan so that these commodity traders would have the same standards as those set out by the Winnipeg Stock

Exchange, or at least that many standards as set out by the exchange.

Alberta has already done this. This Bill largely reflects the Act already passed there. They haven't proclaimed their Act, but their Act sets the limits, and many, many people are adhering to that.

These changes will also help the Winnipeg Commodity Exchange become more like the American, which is a federally regulated commodity system. In the U.S. (United States), the government in Washington dictates the majority of the commodities that are traded in United States, and therefore you have one system dictating, and the rules apply across the system.

In Canada we have a different system, Mr. Speaker. We have a very small regulatory body in the federal government, and you could almost say there is nothing there. And all of the regulations in securities relates to a provincial jurisdiction, and that provincial jurisdiction must in fact then meet the qualifications on the commodity traders' list of requirements, and that Winnipeg Commodity Exchange is just one of those.

(1100)

And we have to have some rules in Saskatchewan that reflect the requirements that they have. We also would have to have those in Ontario reflect the same as what the requirement in Winnipeg would have to be, and therefore it's important for us to be involved.

The legislation will require both firms and traders to be licensed and bonded. Now, Mr. Speaker, and members of the Assembly, the legislation requires that firms for example who have traders . . . (inaudible interjection) . . . Mr. Speaker, the member from Humboldt is encouraging me to conclude because people are leaving. Well I'll tell you this, Mr. Speaker, the member from Humboldt should sit and listen because he would learn something too from how the traders in the Winnipeg Commodity Exchange would deal with the problems that exist. And particularly in his constituency, because he has some very important crushing plants and canola in that area — it would be good for him to learn to understand how the commodities trade in Winnipeg.

Going on with my notes here, Mr. Speaker, the legislation will require both firms and traders to be licensed and bonded. Now, Mr. Speaker, today, today what occurred, for example Pioneer Grain is setting up an office just adjacent to my constituency office in Swift Current. Pioneer Grain will have to have its licence for a commodity trader . . . to be a commodity trader. Pioneer probably already has that, but if this was an independent trader, he could set up that same office in any community in Saskatchewan and trade with commodities, and you and I would not know whether he was licensed or bonded with anyone.

So what this does is, it sets up a licensing function and also a

requirement for being bonded. The traders will have to pass a proficiency course, Mr. Speaker, probably something that is essential for the various kinds of commodities that trade on the Winnipeg Commodity Exchange. And this proficiency course will have to be passed by individuals, similar to something like the real estate association and their requirements to sell real estate, or any of those kinds of agencies. This will be similar.

Another thing that is in this Bill, and it is somewhat onerous, and it's investigative reciprocity. Mr. Speaker, the second major substantive area of the Bill would allow greater reciprocity for investigations from other jurisdictions — for example, if Alberta wanted to investigate a securities fraud partially occurring in Saskatchewan or vice versa.

I guess this is an important part in the fact that commodities and businesses have interprovincial jurisdiction and sometimes aren't regulated by each jurisdiction in the same fashion. And that creates a substantial problem for the Winnipeg Commodity Exchange. And I think that it's important for us to consider that.

For example, if Alberta did have significantly less securities requirements, people would tend to move to that area in Canada which had the least amount of securities requirements in order to deal in a way that might not satisfy the public involvement. And therefore the securities requirement here will be that they be, first of all, licensed and then bonded, and that they will have a reciprocity in dealing with the investigation of fraud in other provinces and also in our own.

The third major substantive area of the Bill increases penalty for fraudulent trading of stock. Right now the main actions that the Securities Commission can take is to revoke the licence of the person selling the stock or halt the trading of the stock. This is often ineffective since the individual involved is often not a licensed trader to begin with and by the time the trading of the stock has halted, the damage has often been done.

The provisions of this Bill would allow for fines, garnishee of income, and criminal investigations. And that is probably a very good thing. The fine limit ceiling is set at a hundred thousand dollars. This will be paid into the General Revenue Fund.

The Bill will also give the Securities Commission the power to remove from corporations directors who have a criminal record related to securities fraud and to prevent them from being involved in the sale of the company stock.

Mr. Speaker, this is a very substantial shift in the direction that the Securities Commission is taking. The person is then under reverse onus, Mr. Speaker, to prove that he is not involved in a securities fraud with a new company. And, Mr. Speaker, this is changing some of the very fundamental beliefs that we have in today's democratic society and that is that the person should be innocent until proven guilty. But this brings Saskatchewan regulations into line with other jurisdictions whose penalties are often much harsher.

In general, the Bill was drafted under the auspices of the general, ongoing consensus on regulatory consistency reached by the Canadian securities administrators association. And in order to bring a Canadian provincial balance to the way securities are traded in the commodities, this is an important part.

There are some aspects of this that raise some concern with me, Mr. Speaker, and that is that many times there is a layer of transactions that occur in the province of Saskatchewan where people ask for investment and they are not required by the Securities Commission to build their prospectus out of the Securities Commission's involvement. And what we have a concern about is why — and I'll raise it from a question perspective — is why do people in this province hesitate, number one, in doing business on the commodity exchange?

Number one is they don't trust . . . or they have a hesitation to involve their own finances in trading in the commodities. And the reason is — it's been a traditional one — people haven't had confidence in those people who have been doing the trading. And they don't understand it so they say no, I'm not going to be involved.

This Bill will help that in providing not only the individual has a licence, but that he has had to qualify for that licence by taking some courses in the commodities and dealing with how he markets them as well.

This Bill is typical of what this government has done. These fines are going to be put in the General Revenue Fund, Mr. Speaker, and this raises a concern on our part. Should the fines go to general revenue, or shouldn't, Mr. Speaker, the fines go to a fund that sets aside this money to provide a buffer for those people who have been defrauded?

The victims of the fraud are often the reasons why these people don't become involved in the commodities in the first place. And the rumour goes around that the individual was defrauded by a person who wasn't bonded, who wasn't licensed, who didn't understand what was going on and couldn't communicate his misunderstanding except to say that he wanted to get rich on somebody else's back.

And this has happened all over the province, and that's why the money should probably flow into a fund that would be directed to the victims of the fraud. From our consultations with the Securities Commission, it is clear that the Securities Commission itself would prefer the latter to the former option.

Given our overall concern for the protection of Saskatchewan investors, we will have to support the reverse onus placed on directors of companies who have criminal records. For example, if a person who is in a commodity-selling occupation and a company comes in and wants to do business, the directors will have to be approved by the Securities Commission, and they will have to have a clean bill of health.

We understand from the Securities Commission that this

approach is very effective in other jurisdictions at scaring off scam artists who usually leave town quickly rather than appeal once this measure has been invoked. None the less we think, as legislators, we have to recognize that reverse onus is an extraordinary measure and certainly not one that any of us would like to see become a common measure. Therefore we should approach this aspect of the Bill rather cautiously.

Other than these very few points, we see this as a positive, progressive Bill, Mr. Speaker. It largely serves to modernize the Saskatchewan securities system and bring it into line with other jurisdictions.

There's one other item that I want to add to the list here, and that is . . . and it deals with the way the administration of the Securities Commission is going to be handled. And this deals with a certain section of the Bill. I won't identify it, but this deals with how cabinet and the Securities Commission are going to relate to each other.

The cabinet will have a certain time line in order for it to say to the Securities Commission, we do not believe that the regulations you're bringing forward are good. And they have the right to override them or to say they won't be passed.

However, if cabinet decides that the regulations that are made by the Securities Commission are going to be good, they're just passed through the system and then the Securities Commission can make its own regulations in determining its own course. In some respects, Mr. Speaker, this is a good thing. It distances cabinet and executive branch of government from the Securities Commission.

On the other hand — I raise this as a question that I'll be raising with the minister — does an entity in the province of Saskatchewan who the province has control of, should they have their own ability to raise or set regulations that will drive their own agenda? And so, Mr. Speaker, we will be raising this question with the Minister of Justice when these things come forward.

So on that note we will have these detailed questions for the minister during committee, and at this point in time I don't see any reason why we would delay moving it through second reading.

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

Bill No. 43

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 43 — An Act to amend The Municipal Revenue Sharing Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. This morning I'm going to make a few comments on this particular piece of legislation. This is a Bill, as most members who've been around

awhile know, that comes forward every year to the House, establishes a level of provincial assistance to be allocated to urban and rural municipalities. It's been a long-standing tradition in this House.

And it's pleasing to see today, Mr. Speaker, as we go through the deliberations on it, that \$2 million is going back to municipalities that was taken away by the NDP government last year over the issue of changes to the SAMA (Saskatchewan Assessment Management Agency) fund. And that \$2 million is now going to be restored to local government, and I think they will appreciate that because they certainly didn't appreciate it being taken away from them.

The minister said in her second reading speech that:

Municipalities have made a considerable contribution to assisting the government with its balanced budget plan.

That's in *Hansard* on March 13, Mr. Speaker, and I would just say, no kidding. My discussions with urban and rural councillors around this province has said that they have made a tremendous contribution to balancing the budget in this province, and not one that I think has been recognized enough by the provincial government in the way that they've treated these folks over the last few years.

You can only download so far, Mr. Speaker, and eventually it will hit some place where it can't go any further. And that is the case with local government. They have legislation that says they must balance their books on a yearly basis. And that they do, Mr. Speaker, sometimes in a very difficult way.

It would be nice, and I think that's why the Leader of the Opposition this session brought in a piece of legislation that would make it just as onerous on provincial government to act responsibly as our municipal governments do. So they have made a tremendous contribution to any surpluses that this government may enjoy in the Consolidated Fund of the province of Saskatchewan.

(1115)

Granting has always been a big issue between local government and provincial government in particular. And I remember many discussions and controversies, Mr. Speaker, when I was in the government benches over the level of granting and what should be granted; an issue of urban transportation is one that always comes up. I think provincial government should not breathe too big a sigh of relief with the reaction of urban and rural local government to this year's announcement.

And the reason I say that is because many of the fixed costs of municipalities in effect will be taking decreases in their funding levels once more because there is still a freeze in effect, Mr. Speaker. There's still a freeze in effect. And when you think that inflation — even though it's low — but fairly significant utility rate hikes, union agreements already signed, and union agreements, Mr. Speaker, that may in future have pretty

significant impacts on urban municipalities particularly, you understand that those costs are going to keep increasing in the many areas of service that urban and rural government deliver.

So even though people out there think that some of the issues have been resolved, they haven't because they're going to have to make do with less. And I think some of the suggestions that local government have come forward on, as far as changing the way that the revenue pool and its distribution are made up, are still valid points that senior government has to be prepared to sit down and listen to the points they make.

And that some of the initiatives that local government is doing in order to keep their costs down . . . they're doing more contracting out; they're owning less infrastructure. They are, in effect, downsizing government . . . are lessons that this provincial government had better look at because the size of government has not decreased at all. There has not, in my view, been enough contracting out. And this provincial government could be doing the taxpayers of this province a huge favour, a huge favour, Mr. Speaker, by downsizing the Crown corporation sector further, not adding two more to it in contracting out more services and shrinking the size. And then local government will not be the one that always has to be shrunk and downsized and unloaded upon, at the whim of provincial politicians.

I think the questions that we need to ask, Mr. Speaker, about those increasing costs to local government are best answered by the minister in committee. So therefore, Mr. Speaker, I would move that this Bill proceed to that stage.

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

Bill No. 44

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 44 — An Act to amend The Local Government Election Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. The Bill deals with some existing provisions in the Act having to do with the deposits posted by candidates in both local and school board elections.

In 1993 the Saskatchewan urban municipalities requested an amendment requiring candidates who were running for seats on a council or school board in the four largest cities to make a financial deposit of \$100. And I think, realistically, all of us in this Assembly understand that principle, Mr. Speaker.

We've all had to post deposits when we sought election to this Assembly, and there's a formula in place that you can get your deposit back if you get a certain percentage of the vote, and it's been well understood at both the provincial and federal levels for a long period of time. It was decided in 1993, before the municipal elections of the following year, that an individual

who put their name up should receive at least 10 per cent of the vote, in other words, be a darn serious candidate, prepared to do what it needs to do in order to talk about public issues and not just be frivolous and that they would then have to garner 10 per cent of the vote in order to get their deposit back.

That amendment, Mr. Speaker, didn't cause any problem for anyone running for one office, i.e., the mayor or a specific councillor. And I understand that the formula was looked at by Justice and everything else and . . . They didn't understand, I guess, that when you run in an at-large election, Mr. Speaker, that — particularly school boards — that it might be very difficult to attain 10 per cent of the vote.

Voting is very low in some jurisdictions for some of these positions. In fact, we have a great deal of difficulty in some of our communities asking people to give themselves to public service as it is. So a lot of people in at-large elections did not receive the 10 per cent of the vote. And, as I understand the Bill, it modifies the legislation to ensure that losing candidates will retain their deposits. It will be retroactive back to 1993, and in the four major cities these particular deposits will be returned. It will cost the cities approximately \$4,000 in order to fulfil that, and most of that will go to school board candidates.

Moose Jaw has never chosen to use the ward system. And I believe in their circumstances they've chosen the right decision; they understand their city very well. And they also will be available to work with this legislation once it goes through the House, to make sure that those deposits are refunded.

The question I guess that I will ask the most questions about, Mr. Speaker, is that when the problem was identified and nothing was done about it, why did we go through this whole process of asking people to run, put up deposits, lose, not get the 10 per cent . . . and now we have to come back to the House here and pass legislation so that people can get their money back retroactively two years after the fact.

And that question I think begs asking, Mr. Speaker. And the best place to do that is when the minister comes in here with officials and can answer some of those questions. So I think it would be appropriate for us at this time to move from this stage of the Bill on to the next.

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

Bill No. 22

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Renaud that **Bill No. 22 — An Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment** be now read a second time.

Mr. Britton: — Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure for me to finally get a chance to speak on Bill 22, An Act to establish the Transportation Partnerships Corporation

and to enact a Consequential Amendment.

Mr. Speaker, I say finally because, as this House recognizes, most of our members have risen and spoken on this legislation. We oppose this Bill, Mr. Speaker. We oppose it on the grounds that it's not needed. We feel that this Bill is not needed because we don't believe we need another Crown corporation, particularly in the province of Saskatchewan. Saskatchewan has, as far as we are concerned, a big enough family.

The NDP's family of Crown corporations, Mr. Speaker, we feel is quite big enough. And we also believe that there are ways to control the size of families. And we also believe that the NDP should take a look at the ways of doing that because there comes a time when a family gets too big. And this is one of them that we feel is not necessary to enlarge the size of the family in this province.

And, Mr. Speaker, being that the NDP don't seem to know, I'm here to remind them that they can hardly afford the Crowns that do exist. The people of Saskatchewan cannot afford the cost of any more Crowns.

I think the members opposite should go out and speak to the people out in the country more often, Mr. Speaker. Or are they conceding rural Saskatchewan back to the PCs (Progressive Conservative) so you don't need to pay any attention to the harm you're doing to those people in the country? If they are conceding that, then this Bill makes some kind of sense. If they're not abandoning rural Saskatchewan, Mr. Speaker, then I think they should take another look at it.

I think what they should do when they go out there and talk to the people out in the country, Mr. Speaker, is ask to them a few simple questions. Ask them, are you quite happy in paying a higher tax load? Are you happy in the utility rates? Ask them, Mr. Speaker, if they agree with the fact that the government can arbitrarily increase utility rates at their whim. Few simple, common sense, down-to-earth questions.

And I think the other thing they should be doing while they're out there is tell them how much money the Crowns made in the last fiscal year. And then tell them that not one red cent was paid back into the General Revenue Fund. Where did that money go? Well, Mr. Speaker, it went into CIC. And I think they should make sure to explain that the money the Crowns made is being held in CIC just in case — just in case there's an election, Mr. Speaker, and they need a whole ton of money to pull out and use to enhance their chances of winning the next election.

And the reason we say that, Mr. Speaker, is because there was not one red cent pulled out of CIC in the last budget. And there was many hundreds of million dollars went in there. So we are of the opinion that there's a ton of monies sitting there waiting just in case.

Then, Mr. Speaker, I believe the members opposite should mention that another Crown is being created, and this Crown is

receiving its money from the General Revenue Fund and not from CIC. The new highways Crown isn't being created with CIC money; it's being created on money taken out of the General Revenue Fund. The new Crown is going to take on duties currently being conducted by employees at the Department of Highways. The question is, why?

The minister claims the new Crown doesn't have the authority to hire staff but will have six persons on the board. That begs another question, Mr. Speaker. It makes me wonder if the board members will actually do anything, or will the six-person board simply have the power to delegate additional work upon departmental staff? These things have to be answered before this Bill can go very much farther, Mr. Speaker.

Or another question you could ask, Mr. Speaker: will the departmental staff be reduced because the board has taken on some civil servant's job? These are again questions that have to be answered before this Bill can pass in this House. And I wonder . . . Another thing is, I wonder if the unions have been consulted on this Bill.

Mr. Speaker, since the NDP came to power, they have been adding to their family of Crown corporations. They have been busy making sure that the public has no ability to scrutinize their actions. And the way that works, Mr. Speaker, is that Crown corporations are not subject to the audit. There is about 40 per cent of the spending of this province today is not subject to an audit, not subject to the scrutiny of the Provincial Auditor. Now if you take the Highways department and put that into a Crown, there is another department that will not have to be subject to an auditor scrutiny.

And I would ask you to look at the health boards. Every time a member of this Assembly asks a question about a district health . . . the Minister of Health sloughs it off to the health board. We can never get a straight answer because the minister is hiding behind the health board, which also indicates that if this Bill passed, they can hide behind the Crowns and will not have to show the people of Saskatchewan where and how the money was spent.

Soon, Mr. Speaker, the government will be evading questions on highway construction tendering practices. Mr. Speaker, we feel on this side of the House that the writing is on the wall, but the writing is not in the Act. That is why we must get some answers to some questions that are bothering us on this side of the House. And the more and more time goes by and more and more contractors look at this Bill, more and more of them are phoning us and saying, we don't like this.

Right now the Department of Highways must follow a low bid tendering process, and it's right in the highway legislation, Mr. Speaker. And we agree with that, we agree with that. But the NDP has a union preference policy for Crown construction. Is it a coincidence that now, because they have the union preference trade Act in any contract let out to a Crown, the best way to control that is to make another Crown and to bring all of the spending under Crown corporations?

(1130)

Mr. Speaker, the Highway department has a large capital construction budget, and they must follow low tendering. So what did the NDP do? They put through a legislation creating a Crown, a highways Crown, Mr. Speaker. Why? We feel the NDP want to make sure that the highways construction work goes to unionized companies. And we say, Mr. Speaker, that is outrageous. That is outrageous in a democratic society.

I am of the view, from information that has been given to me, that the ratio between unionized labour and non-unionized labour is about 80 per cent un-unionized, 20 per cent unionized. Where is the fairness? Where is the fairness where 80 per cent of any group have to bow to the wills and the whims of 20 per cent? Mr. Speaker, it is not fair, and I don't believe it should happen in a province like Saskatchewan.

We need only to look at the Sask Water fiasco at Melfort, Mr. Speaker, to see how much more expensive a unionized contract or a unionized company can be. They cost more, Mr. Speaker, primarily because of the high wages demanded by the workers. Now no one in this Assembly is suggesting that union labour is less efficient than non-union labour is, but I'm saying that it's a far sight more expensive. And we believe on this side of the House, on the lowest qualified tender system which would make all workers be productive, do their best, and do it at the least cost, particularly when we're talking about government money.

And that's a phrase we shouldn't use, Mr. Speaker. When we talk about taxpayers' money, we say government money; it is not government money, it is taxpayers' money. And we are supposed to be guiding the spending of that money to the best we can get out of it.

And I tell you, Mr. Speaker, unions are more expensive because they seem to need more workers and they seem to need more time to do it. Mr. Speaker, that is not necessarily a criticism as much as it is facing reality. And we could go into a very . . . a lot of incidents where under a unionized contract some simple little job that has to be done to keep the project going, has to stand still until the person that is supposed to do that job can be brought forward to do a 10- or 15-minute job, which holds up the whole contract for sometimes many hours. That is a reality, Mr. Speaker, and it is part of the reason that costs go up when projects are unionized.

Mr. Speaker, I mentioned that the government has already implemented a union preference policy for the Crown sector in the province. Why can't they leave the highway jobs alone? Or, Mr. Speaker, are their intentions to force the highway people to join the union, or the contractors to join the union? And I think that goes against the charter of rights, Mr. Speaker.

Where are our non-union friends going to work once the NDP takes away all job opportunities? That's a question: where do they go? Well I'll tell you where they will be working if we carry on with this kind of legislation; they'll be in Alberta.

Either Alberta or B.C. (British Columbia) or Manitoba — wherever they can find work. Because as one of our members mentioned prior today, if you do join the union you get down to the bottom of the pile. You have to sit there and wait until your name comes up so you can have a job. Mr. Speaker, our non-union friends will be fleeing this province, we feel, in droves.

Mr. Speaker, I can't and we can't, on this side of the House, understand why this government cannot work for the people, all of the people, rather than just work for the benefit of unions.

Mr. Speaker, I do not support this legislation. And there are many questions to be asked — many, many more questions that need to be asked in this legislation. And as I said, I do not support this, but at this time I would like to adjourn debate.

The division bells rang from 11:37 a.m. until 11:47 a.m.

Motion negated on the following recorded division.

Yeas

Boyd	Martens	Goohsen
D'Autremont	Britton	Bergman
McPherson		

— 7

Nays

Van Mulligen	Thompson	Shillington
Simard	Penner	Upshall
Hagel	Koenker	Lorje
Teichrob	Crofford	Trew
Draper	Serby	Whitmore
Sonntag	Flavel	Scott
Knezacek	Harper	

— 20

The division bells rang from 11:50 a.m. until 12:20 p.m.

Motion agreed to on the following recorded division.

Yeas

Van Mulligen	Thompson	Tchorzewski
Shillington	Penner	Upshall
Hagel	Koenker	Lorje
Teichrob	Crofford	Trew
Draper	Serby	Whitmore
Sonntag	Flavel	Scott
Knezacek	Harper	

— 20

Nays

Boyd	Neudorf	Martens
Goohsen	D'Autremont	Britton
Bergman	McPherson	

— 8

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

COMMITTEE OF FINANCE

**General Revenue Fund
Saskatchewan Property Management Corporation
Vote 53**

The Chair: — Before we proceed to item 1, could we ask the minister to please reintroduce the officials who have joined us here today.

Hon. Ms. Crofford: — Thank you. Today I have with me Brian Woodcock, president of SPMC (Saskatchewan Property Management Corporation); John Law, senior vice-president, finance and accommodation; Al Moffatt, vice-president of commercial services; and Rob Isbister, director of financial planning.

Item 1

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Madam Minister, it's good to get back at this Saskatchewan Property Management estimate process, so that we can find out what's going on with all the property that the government owns and controls in this province.

As you may recall, Madam Minister, we had asked you for several pieces of information in our last deliberation, and unless they got lost in the confusion, I haven't really seen that. So I was wondering if you have that with you today, or if we lost it.

Hon. Ms. Crofford: — I would be happy to hand across information that has been compiled to date. We don't have all of it yet, but there's a good portion of it here.

Mr. Goohsen: — Thank you, Minister. We will put our study on that as quickly as possible. It would have made our questions a little easier if we'd have had that sooner but better late than never, as usual.

I understood the other day that you had made some commitment to us that you would let us know when the Saskatchewan Property Management would be auctioning off things that they do auction off. I just had someone whisper in my ear here a few minutes ago that there is supposedly an auction going on in this city today of Saskatchewan Property Management property that's being sold and I have no idea what's going on and I'd like you to tell us about this auction and how people become aware of it and what's being sold.

Hon. Ms. Crofford: — We had made that commitment last week and this particular auction was advertised last week, but any new ones, certainly, you will be on the list.

Mrs. Bergman: — Madam Minister, welcome to your officials. When government departments began the process of budget preparation last fall, you must have had some direction from the

Department of Finance on how to go about planning your budgets for the year. Could you tell me, please, what those directions from Finance were, including what the spending areas were that you were instructed to look for spending cuts or efficiencies.

Hon. Ms. Crofford: — I apologize for taking a few minutes there. The directive to SPMC was the same as to all departments. It was an overall budgetary directive. And the two-year target was put in place so that the budget targets had to be met over a two-year period.

Based on this year's current estimates, our budget has remained unchanged at 10.3 million in this year. And we did discuss and contemplate some increase for capital improvements but we've stayed within the 10.3 million total figure.

There were efficiencies achieved in the corporation. Over the past three years, the operating expenses have been reduced by 33 million, which is 20 per cent of the operating expense budget. And positions have been reduced by 230 over that time period.

(1230)

This year we've instituted a voluntary early retirement which will save 1.1 million, and there's 35 staff that have that option. And in energy savings there's been \$110,000 in power savings due to changes in energy management.

Excuse me, there was just an error in printing here . . . 500,000 in savings in accommodation cost and more than 60,000 square feet returned to date since the start of the fiscal year. And SPMC's own move cut another lease by 600,000 annually. We gave employees the mandate to cut their budgets by 2 per cent this year. And I think that would about cover the kinds of efficiencies that are occurring.

Mrs. Bergman: — You say your budget is unchanged for this year, but the efficiencies resulted as a result of what you did?

Hon. Ms. Crofford: — The particular cost, for example for space and what not, would actually be in departmental budgets. So although we're responsible for instituting the efficiencies, the actual people who benefit are the departments themselves. And that would be why we don't actually experience ourselves the huge dollar change when that occurs; it's the departments themselves that get the benefit of that efficiency.

Mrs. Bergman: — Thank you, Madam Minister. Did you conduct any internal spending audits to determine where specific areas of saving might be achieved.

Hon. Ms. Crofford: — We'll provide you with a list. But we did do quite a few and I'll just give you some examples for today. There was . . . mail was done; records handling; photo services; payroll and process audits. So there were a number of audits that were done and we'll give you a complete list of those.

Mrs. Bergman: — We appreciate that list.

Madam Minister, documents your predecessor provided this Assembly last year showed that \$34 million would be spent for salaries and the total number of full-time equivalents for last year were 1,047. Can you please advise me what the total salary amount is this year, and the number of employees, and explain any changes that there are?

Hon. Ms. Crofford: — We were discussing the figure of full-time that you had provided of 1,047, and our figures would indicate that that includes more than just full-time, that that's a full body count of the number of people.

Now I will give you comparative figures from last year and this year. This year's salaries are at 33.875 million, which is a reduction of 450,000 from last year. And the positions have gone from 957 last year to 931 full-time equivalents. And the savings are not as great as it might be reflected, due to, again, changes in increments and what not. But there was about 1 million in early retirement savings that was achieved through that process.

Mrs. Bergman: — Thank you. One of the common complaints that we hear from people who work with and in SPMC is that there is a disproportionate amount of vice-presidents and executives at SPMC. Could you tell me what your proportion of management to staff is and how that might compare with government departments?

Hon. Ms. Crofford: — I wouldn't be able to give you an answer how it compares to other government departments because I don't know their figures, but in the out of scope, we have 166 out of the total of 931 full time that I mentioned. Out of those, four are vice-presidents. And it's about 17 per cent. We just did some quick calculations here.

In 1992, when there was a significant reduction of staff, the bulk of those reductions were in the out-of-scope, in the management categories.

Mrs. Bergman: — Thank you. I realize I made you do some quick calculations. And if you could do a careful calculation, I'd appreciate that.

Before we leave the matter of salaries, could you tell me if any of the people on the list that we'll send over to you are employed by your department; and if yes, provide me with complete details on when you hired them, their salary, and their job description. And I'll send that over.

Hon. Ms. Crofford: — We'll have to compare this with the employee list, but there's only one name we recognize on here as potentially working with SPMC. The rest aren't.

Mrs. Bergman: — Thank you. And I'd appreciate your confirming that.

Madam Minister, how many people are involved in the

communications function in your department; what are their salaries and position titles and descriptions?

Hon. Ms. Crofford: — There's only one person who works in that position. It was filled through a publicly advertised, open competition. Margaret Duffy was the successful person who obtained that position, and I actually believe that one of your members asked this question last week and we gave a detailed answer to it then.

Mrs. Bergman: — Okay. Has your department done any work with Phoenix Advertising in the 1994-95 fiscal year, say to the end of December?

Hon. Ms. Crofford: — Okay, the short answer to that is no. That's not an advertiser that we've been using but we will check the detailed pay list to make sure. We're just about at year end and then we'll do up, you know, for the year-end report the list of all payees, but at this point the answer would be no.

Mrs. Bergman: — What are all of the fees for licences, inspections, and other things that form sources of revenue for your department?

Hon. Ms. Crofford: — We'll get this copied and send it across to you, but we only have one copy here, so I'll just get that provided.

Mrs. Bergman: — In the papers you're sending over, does that . . . what I would like to know about is the changes, either increases or decreases that have taken place in those fees over the past year or are planned for this year.

Hon. Ms. Crofford: — There were no increases, and they are unchanged from last year.

Mrs. Bergman: — Can you provide me with a breakdown of each change in any of the fees since 1992?

(1245)

Hon. Ms. Crofford: — None of that is relevant to this year's estimates, but there's no reason why we can't go back and provide that to you.

Mrs. Bergman: — Thank you. Madam Minister, could you please explain in detail the change in billing that has taken place in Executive Air recently?

Hon. Ms. Crofford: — The new pricing policy was based on a couple of principles, that I'll outline here, to simplify the administration and end confusing billing practices, but also to encourage more efficient use of the Executive Air fleet by bringing variable charges in line with true costs. The billable cost of using air is lower if the flight has several passengers.

Now the specific changes are grants from the Consolidated Fund which provide base-level funding. The grant of 250,000 in 1994-95 was 35 percent lower than 1993-94, reflecting

improvements in operational efficiency.

The annual assessment of 23,000 recovers stand-by operating costs associated with the service, and these are assessed to cabinet members. And mileage changes of \$1.20 per mile recover variable operating expenses, and these are assessed equally among all passengers on each flight.

So the main principle being to assign the costs where the costs are incurred and to have an accurate picture reflective of the real costs of providing the service.

Mrs. Bergman: — Thank you, Mr. Chair. Thank you, Minister. What was the old rate for billing passengers for use of Executive Air? And what is the new rate?

Hon. Ms. Crofford: — The essential difference that took place . . . let's see, I'll just check here. The current charge is \$1.20 per mile. And there used to be a two-price system where ministers actually were charged less than other passengers. And now it's been evened out so that all passengers pay the same amount of \$1.20 per mile. No matter who you are, you pay the same amount to travel.

Mrs. Bergman: — Could you tell me what the old rates were for ministers and ordinary people?

Hon. Ms. Crofford: — We don't have the other figures with us, and we'd want to — if it's on the record — would want to be accurate, so we'll have to check on that. It was \$1.11 per mile for ministers before, so the new rate is slightly higher for ministers, but lower for total passengers.

Mrs. Bergman: — What is the change in volume from last year to this year? Specifically, how much usage is being made of Executive Air by for example SaskPower employees this year as compared to last?

Hon. Ms. Crofford: — The total miles are up 16 per cent; but if there are specific details that you would want, we would likely have to provide those.

Mrs. Bergman: — Would you then commit to providing the details on the changes in volume specifically?

Hon. Ms. Crofford: — Yes, we can do that.

Mrs. Bergman: — Thank you. Does SPMC receive a grant from the general . . . Actually you just answered this question, but you said it was 35 per cent lower, the grant from the Consolidated Fund. What was the amount before and what is the amount now?

Hon. Ms. Crofford: — In the Consolidated Fund, 1994-95 grant of 248,000 is down from 330,000 in 1993-94.

Mrs. Bergman: — Thank you. Minister, would you please provide me with a copy of the March 23, 1994 memo from Brian Woodcock to permanent heads regarding usage of

Executive Air?

Hon. Ms. Crofford: — Yes, we can do that.

Mrs. Bergman: — Thank you. Minister, is the government purchasing a new airplane?

Hon. Ms. Crofford: — In terms of Exec Air, no. We have no intention right now of changing the Executive Air planes that we have. But we do have a request that we're working on and we have no decision on it and no idea what the decision would be. But the current non-pressurized Piper Navajo does not meet the standards set by Saskatchewan Health for transporting acutely ill patients. So SPMC has proposed buying a second-hand pressurized aircraft to handle this, but there hasn't been a decision on it.

Mrs. Bergman: — Have tenders been put out? And what are the specifications of that tender?

Hon. Ms. Crofford: — We wouldn't put tenders out until we had approval for that kind of expenditure, so there is no approval so we wouldn't do that.

Mrs. Bergman: — Thank you, Mr. Chair. Minister, what is the government's intention with regard to its policy regarding government-owned airplanes? Do they realize that they are in direct competition with private airlines who are suffering because of this competition?

Hon. Ms. Crofford: — We do also charter and we have a significant volume that goes to the private sector. And in any analysis that we've looked at, at the whole thing in terms of the staff costs involved, the time costs involved, it just at this point has been assessed as being more taxpayer friendly to do the flights in this way and to use the charters as well. So we've got a mixed system right now that we're using.

The committee reported progress.

The Assembly adjourned at 12:58 p.m.