

Standing Committee on Crown Corporations

Hansard Verbatim Report

No. 54 – October 15, 1998



Legislative Assembly of Saskatchewan

Twenty-third Legislature

STANDING COMMITTEE ON CROWN CORPORATIONS 1998

Pat Lorje, Chair Saskatoon Southeast

Kim Trew, Vice-Chair Regina Coronation Park

> Bob Bjornerud Saltcoats

Doreen Hamilton Regina Wascana Plains

> Ben Heppner Rosthern

Jack Hillson North Battleford

Lloyd Johnson Shellbrook-Spiritwood

> Lindy Kasperski Regina Sherwood

Myron Kowalsky Prince Albert Carlton

Andy Renaud Carrot River Valley

STANDING COMMITTEE ON CROWN CORPORATIONS October 15, 1998

Channel Lake Petroleum Ltd.

The Chair: — Call the committee to order. With any luck, this will be our last meeting to deal with the Channel Lake circumstances.

My proposal for today is that what we will do is go through the draft report which our Clerk, Margaret Woods, has been labouring over long, hard, and diligently since yesterday evening, and a copy of which has been provided to all committee members.

I want to emphasize this is a draft report at this point. I think though it represents the sum and substance of the content that will be finally deemed to being tabled in the House as per our June motion, when we complete it and when it comes back from the printers.

The body of work that I see that we have before us today is to go through this report fairly specifically and make sure that there are no technical problems, and that there are no placement problems that cause any of the three parties any problems so that it does fairly and accurately represent the sum total of our deliberations.

Since this is going to be just a technical meeting today . . . I'm sorry. Since this is just going to be a technical meeting today — at least that's my intention right now — I would ask members if they have any opening statements to make, that basically summarize your position with respect to Channel Lake. And I would ask if you could do that and then we will simply move into the technical consideration and have adjournment. And my aim is for us to adjourn well before 5 o'clock.

If that's acceptable to members? Okay.

Mr. Shillington: — I don't have an opening statement. I would doubt that there's anything new to be said. Except I think committee members owe a vote of thanks to our Clerk. I have an opportunity to do this quickly. This is Herculean task. I think she's done a very good job of it, and I would want my personal appreciation and my personal congratulations for good work on the record.

The Chair: — And everyone's.

All Members: — Hear, hear!

The Chair: — All right. Are there any other statements that people wish to make for the record? Thank you very much.

Then what we will do is move into a consideration of this report on a technical basis. And if you'll bear with me, I have two and a half pages of notes of things that we have to make some decisions on.

First of all, there will be a transmittal letter. That's the second page in. I have yet to prepare it, but it will be a standard transmittal letter and will reflect the independence, and as much as possible for me, the non-bias of the Chair. Is that agreed? Do committee members want me to circulate the transmittal letter beforehand, or will you just accept it?

Mr. Shillington: — Seeing it's in a . . . (inaudible) . . . form, I don't think it's necessary.

The Chair: — Thank you.

If you could turn to the cover of the report, you'll note that it says on it eighth report, and then underneath it, Channel Lake Inquiry. Technically speaking, this should simply be called the eighth report of the Crown Corporations Committee. But since this will be — committee members are aware this is only the second time in the legislature's history that we've had such an inquiry — I think that it would be better to identify it as the Channel Lake Inquiry. Is that agreed?

Mr. Shillington: — Is it necessary to put on the cover the eighth report? It's going to be confusing for the public in the sense that they're going to wonder where they get one to seven.

The Chair: — Draft will be removed.

Mr. Shillington: — But even eighth report. They're going to assume there's a one to seven.

Mr. Hillson: — I think he's right. It is the report, it is not the eighth report.

Mr. Shillington: — Why don't we just style it Channel Lake ... Report on Channel Lake Inquiry, and leave it at that?

The Chair: — All right. Or alternately, below October 15, 1998, we could put, being the eighth report of the Crown Corporations Committee.

Mr. Shillington: — I think it will be a little less confusing. But I think what we aim for here is something that's clear to the public who read it. It seems to me a simple, Report on Channel Lake Inquiry, is the clearest.

 $\textbf{The Chair}{:} \ -- \ O kay. \ That \ 's \ agreed \ to \ then? \ All \ right.$

And again, Ms. Woods, I would ask you, when committee members are making decisions that might cause problems in terms of the archive records or anything like that, or interfere with the standardized process that the Clerk's office has, please just tell us. Thank you.

The table of contents and page numbers will be inserted once we have a draft finalized. And the appendices will be numbered separately in Roman numerals. Is that agreed? Thank you.

Under the acknowledgements section, could you take a moment and scan through it. I've had an opportunity to read it. I think it fairly reflects the acknowledgements that the committee would wish to make.

Mr. Shillington: — It looks okay I think, doesn't it?

A Member: — Agreed.

The Chair: — Is it agreed? Thank you.

If you'll check then next under composition of the committee,

we're going to have to add a few members. For instance there are some new members today. What we have tried to do is identify the members who were here for the majority of the time first, and then the other members below. We will also have to add . . . I would suggest that we put the independent members and those who regularly attended meetings as well.

So if that's acceptable to committee members?

A Member: — Agreed.

The Chair: — Okay. Thank you.

And we do still have to update the number of committee meetings that we've had and so forth. Those are technical housekeeping details that need to be in.

Under the body of the . . . again we have the order of reference and the method of operation. I'm going to suggest that that should be a separate tab so that people can clearly find the order of reference when they're referring to it in the future. So there will be a slight change there.

Mr. Shillington: — Agreed. I think that makes sense.

The Chair: — Thank you.

Under the body of the report, there is no cover page for this section. It just starts rather abruptly without a preamble. But I think if we move the terms of reference to being a separate section, that it will flow more smoothly. Is that agreed?

A Member: — Agreed.

The Chair: — I'll note that the report hasn't been formatted to shift lines on the pages where it seems appropriate. And we'll have all the headings put together properly so there'll be no dangling headings, or dangling paragraphs as the case may be.

So the body of the report is pretty well as it was agreed to yesterday. On page 86 of the report, the former paragraph no. (38) has been removed. I'm assuming that that does reflect the wishes of the committee.

Mr. Shillington: — Agreed.

The Chair: — That had to do with the overlap between recommend . . . of findings (35) and (38) when we decided that they were substantially the same. So we've removed that.

We've taken out the numbering of paragraphs. It flows more as a narrative now rather than specific . . . rather than having all the paragraphs numbered. Is that acceptable?

A Member: — Agreed.

The Chair: — Now where changes have been made to the recommendations, committee members, these have been underlined so that you know where we've made changes. We instructed the Clerk, as you will recall yesterday, to make changes so that they hung together grammatically, and so that they made sense, because we were removing them from the body of the report.

Again I would encourage everyone over the weekend to spend some time looking at the report. If you have any technical questions or concerns, to contact Ms. Woods directly. And she has certainly shown a great deal of very intelligent discrimination throughout this whole process. So I'm sure that if somebody comes up with a comma missing or whatever, she'll just go ahead and insert it on its own. But if it's something that would require a committee decision, I will ensure that the committee is consulted, probably by a conference call.

Mr. Shillington: — Yes, I was going to say, notwithstanding our admonition to the Crown Corporations, it's nice to try to be able to do this by conference call.

The Chair: — There's not as many millions of dollars at stake on ours.

The underlining that indicates where changes have been made to the recommendations will be removed in the final report. So there will be no underlining.

For instance, if you look at page 88 you'll see recommendation 8, "To assist the President and CEO of CIC," and then underlined are the words, "it is recommended that." Those are words that were added to make the recommendations make more sense. That underlining will be removed. Also under the word furthermore, that will be removed.

Is that agreed to then? Okay.

Again under the list of recommendations, all the underlining will be removed.

Mr. Shillington: — Now just before we get there, had it been our intention to leave in the parenthetical comment from Sask Party's recommendations?

The Chair: — I'm just getting to that one. If you turn for instance to page 90, committee members, you will see that recommendation 9 says, from Sask Party's Recommendations. Recommendation 10 says, from Liberal Recommendations. I think in the Liberal Recommendations, there's an overlap on recommendation 20 and recommendation 10.

So what do committee members wish to do?

Mr. Shillington: — This is a very quick reaction, so no emotional capital tied up in it. But I'll give you my knee-jerk reaction. To label it as having come from one caucus or the other detracts from its weight. I thought that the recommendation 9 which came from the Saskatchewan Party was particularly aptly worded. But somehow or other when you say it comes from the Saskatchewan Party, in the minds of some who, unlike the members present, who aren't able to treat this politics in a non-partisan fashion, it might detract from its weight. I think it should come out.

I think wherever it came from, it was the decision of the committee, made presumably after proper thought and consultation, and I think it should come out.

Mr. Hillson: — I agree. I think once it was voted on, it

becomes the recommendation of the committee. It's the recommendation of all of us at that point.

The Chair: — Okay. Thank you very much.

And another thing that committee members might want to look at is the placement of the recommendations. Recommendation 10, for instance, was an additional recommendation. and it was inserted after 9 because it seems to logically flow.

Mr. Shillington: — The placement isn't quite what I thought it was going to be. I thought we were . . . and when I get finished, I'm going to make a comment. As I say, I like what we've done, but just by way of background, it wasn't what I was expecting. Because what I thought we'd talked about was all the government recommendations coming first, then the Sask Party ones, then the ones from the third party.

It's not what's been done. However I think it has a more . . . this way, it has a more rational development from end to end, than having the Saskatchewan Party ones right after ours and the Liberal ones right after it. This is kind of a logical flow.

I've read this very quickly and I'm going to make a comment at the end about any second thoughts we may have. I think we should have a right to second thoughts after the weekend. But my knee-jerk reaction is this has a more logical flow doing it this way. And I think once you take out, from the Saskatchewan Party's recommendations, from the Liberal Party recommendations, I don't think anybody's going to care, but I think . . . So I'd leave it as it is.

The Chair: — I would ask other committee members. Mr. Hillson, do you have any comments on that?

Mr. Shillington: — I concur.

The Chair: — Okay. So we will leave the recommendations then in the main body of the report flowing logically from the sections where they logically belong.

Mr. Hillson: — But should they not also . . . in some place be pulled out so someone can just pull out . . .

The Chair: — We're going to add . . . we agreed yesterday that we would have a separate section — that was your suggestion, Mr. Hillson — there will be a separate section tabbed that has the list of the approved recommendations.

Mr. Hillson: — So they'll be in the body and there'll also be an appendix.

The Chair: — Correct.

Mr. Hillson: — Yes, I agree.

The Chair: — So just for committee members' information in terms of this draft, because this is not going to be the same when it's finally printed up, Mr. Gantefoer, the recommendation that the whole committee concurred in that originated from the Saskatchewan Party is recommendation 9 on page 90. And, Mr. Hillson, there was all-party agreement on two of the Liberal Party recommendations, recommendation 10

on page 90 and recommendation 20 on page 92.

We have a list of the tabled documents, but there will still be some documents that need to be added. Is that acceptable? Committee members approve of that? Okay.

Now a committee decision is required with respect to the placement of the reservation reports. As committee members know, we do not . . . this legislature does not allow for minority reports, but it does allow for reservations to be tabled in reports to the legislature.

As a matter of custom and tradition, reservations go at the end of a report. And that's where we've placed ... the Saskatchewan Party one being first, because they are the official opposition, and then the Liberal Party one at the very end.

Is that acceptable to committee members or did you want it right after the main body of the report?

Mr. Hillson: — I take no objection.

The Chair: — All right. Thank you very much.

One thing that I'm noting here. When we were dealing with this, and again I'm just talking out loud on this, but as we were going through it yesterday we did deal with recommendations and we numbered them 22, 23, etc. And committee members will note under the Saskatchewan Party and the Liberal Party's reports, that there are numbers attached to them. Do you want those numbers in the report or should we simply say recommendation?

Mr. Shillington: — Can you ask that question again?

The Chair: — If you turn to page 2 of the Saskatchewan Party report, almost at the end, you'll see that there's recommendation 22, "Eldon Lautermilch should immediately accept responsibility..."

Mr. Hillson: — Actually that doesn't make sense. It should just read, recommendation.

The Chair: — That's my suggestion, that we take the numbers out. Because the numbers made sense to us yesterday but . . .

Mr. Hillson: — Somebody actually picks up the report and says, why is it recommendation 34, and they won't be able to figure it out.

The Chair: — All right, so we will remove those numbers.

Okay, just for the record then, it's agreed by committee members there will be no numbers for recommendations for either the Saskatchewan Party or the Liberal Party reservations. Okay, thank you.

If committee members will just give me a second then, I think that's likely all that we have to do.

We've got a little bit of overlap. Again as committee members are aware, there were three recommendations from the opposition parties that are in the main body of the report. Right

now we've identified them with numbers. It's been agreed to that we'll take the numbers out. But do we wish to also identify them as recommendation no. 9 in the main report, recommendation 10, and recommendation 20?

Mr. Gantefoer: — I think it separates them as being recommendations from the reservations — to recommendations that were actually accepted by the whole committee. So in the three recommendations that were actually accepted by the committee from the reservation material, that those three should be identified with their accepted recommendation number.

The Chair: — Yes, that's very clear. So we will identify them as such.

Mr. Hillson: — Madam Chair . . .

The Chair: — Yes, Mr. Hillson, I think we've gone over all the technical questions now.

Mr. Hillson: — Page 7 of my report, recommendation 39, I thought we had voted concurrence on that one.

The Chair: — I believe we did. You're exactly right. Because I gave you a little bit of a tongue-lashing about how current the Crown Corporations Committee always is. So yes we did vote concurrence on that one. So it will be noted as well and it will be included in the main body of the report as a recommendation, and clearly identified in the Liberal report as coming from there.

Mr. Shillington: — Which brings me to my comment ... we are approving this without actually reading it end to end. We of all people should exercise an amount of caution in doing that. Yet it is not practical to read a document of this volume before we approve it.

I would suggest that any member of the committee should have the right to ask Madam Chair to reconvene a meeting if they see a serious error in the report of which they were not cognizant when we approved it. So I think we should perhaps ... it's a little unusual but I think we should agree that if any member feels there's something in this report which they were not cognizant of and would not have approved of if they were, we should have the right to ask the Chair to reconvene the committee at least by telephone conference.

The Chair: — So the committee is instructing me then, if there are any egregious errors, that I will call another meeting. If there are simply small, minor technical errors, we will make the corrections and where I feel that committee members should be informed, I will contact you by telephone or fax.

We will then spend a few days carefully going over this. I would expect that all committee members will read it and direct their comments directly to Ms. Woods in the Clerk's office. She will also go over it carefully and we will then . . . what we'll need then is a motion to authorize the tendering and the printing of the report. And once that happens, as per our motion in June, it will be deemed to have been tabled in the legislature.

And that will finalize the work of this committee with respect to the Channel Lake circumstances. **Mr. Shillington**: — Except that the minutes should show that a good time was had by all.

The Chair: — The minutes should not show that. The minutes should show that people were diligent . . .

Mr. Shillington: — Laboured under the worst of conditions . . .

The Chair: — All right. If there are no further questions . . .

I think that we've concluded our work. Again I'm going to thank all committee members. I think that you did work very hard and this was a bit of a precedent-setting exercise that we engaged in. And I think that while there certainly was a steep learning curve particularly for the Chair, that it was an important experience for all of us. And I think that the people of Saskatchewan have been well served by the deliberations of all three political parties.

Mr. Tchorzewski: — In wrapping up, Madam Chair, and I think we alluded to it yesterday, but a lot of people played an important role here, including all the members. But you yourself as a Chair played a particularly important role and I would like to express, and I'm sure I do it on behalf of everyone, our appreciation for your work as the Chair of this committee which has brought us to a final conclusion and a final report.

All Members: — Hear, hear!

The Chair: — Okay. I will take it that Mr. Tchorzewski moved adjournment.

Mr. Tchorzewski: — I have indeed.

The Chair: — Thank you very much.

The committee adjourned at 3:50 p.m.