

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Private Members' Bills

Clerk: -- Mr. Thompson, as Chair of the Standing Committee on Private Members' Bills, presents the fifth report of the said committee, which is as follows:

Your committee has duly examined the undermentioned petitions for private Bills, and finds that the provisions of rules 59, 60, and 61 have been fully complied with.

Of the Saskatoon Foundation, of the city of Saskatoon, in the province of Saskatchewan, praying for an Act respecting the Saskatoon Foundation; and

Of the Full Gospel Bible Institute, of the town of Eston, in the province of Saskatchewan, praying for an Act to amend the Act of incorporation.

Mr. Thompson: -- Thank you, Mr. Speaker. I move, seconded by the member from Saskatoon Wildwood:

That the fifth report of the Standing Committee on Private Members' Bills be now concurred in.

I so move.

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Trew: -- Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all of my colleagues in the legislature some 15 grade 12 students seated in the Speaker's gallery, in your gallery. These 15 grade 12 Thom students are of course . . . currently belong in the constituency of Regina Churchill Downs. It's my honour to stand in for my colleague, that member. And I look forward to a photo with them immediately following question period. And then a meeting for which I must thank you, Mr. Speaker, for the use of your boardroom following the pictures.

I ask all colleagues to join me in welcoming this grade 12 group from Thom Collegiate.

Hon. Members: Hear, hear!

Ms. Crofford: -- Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the legislature, 30 grade 12 students from Sheldon-Williams in your gallery. Sheldon is only one block from my home so any time anybody wants to drop over for lunch or anything, it's fine.

They're accompanied by Helen Toth-Douglas and Jan Collins. And I'll meet you later on the stairs for pictures and then a visit where you can ask questions and share information. Thanks very much.

Hon. Members: Hear, hear!

Mr. Hagel: -- Thank you, Mr. Speaker. I looked up into the Speaker's gallery and to my utter amazement, Mr. Speaker, saw two people I'd like to introduce to the Assembly. These are two people who have the onerous responsibility of, in the city of Moose Jaw, making the member for Moose Jaw Palliser and the member for Moose Jaw Wakamow look good and responsible -- our constituency assistants, Donna Corthey and Ruth Greer. And I'd ask all members to welcome them here, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Ms. Atkinson: -- Thank you very much, Mr. Speaker. I'm sort of stepping in for my colleague from the constituency of Biggar today. In your gallery I note that Ken Gidluck has joined us this afternoon. Ken Gidluck hails from Biggar. He is presently trying to make a living farming, like lots of other people in this province. And he also represents his community as a delegate to the Saskatchewan Wheat Pool. So I want to welcome Ken to the legislature this afternoon. I hope he has a safe journey home and that he enjoys our proceedings.

Hon. Members: Hear, hear!

Mr. Goohsen: -- Thank you, Mr. Speaker. I'd like to also welcome Ken to the Assembly. I know he's the biggest farmer out at Biggar and we used to go to school together. And I'm sure that he won't mind if we have a little fun. And I hope he does truly enjoy his stay in Regina.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Crop Insurance Conference

Mr. Neudorf: -- Thank you very much, Mr. Speaker. My question is to the minister responsible for Crop Insurance.

Mr. Minister, yesterday we learned that Crop Insurance was going to have a conference in Regina involving virtually every crop insurance agent, adjuster, and employee in the province and, as the letter of invitation indicated, part-time, full-time, temporary, even if you're not working.

Mr. Minister, the information we have received is that the cost of this conference could be \$80,000. Mr. Minister, can you confirm this figure? And if it is not accurate, can you tell us what the cost of this conference will be to the Saskatchewan taxpayer and the farmers who pay into Crop Insurance?

Hon. Mr. Cunningham: -- Mr. Speaker, the member opposite well knows that the administration of Crop Insurance is not paid by farmers' premiums.

In regards to this conference, Mr. Speaker, this conference was called because we are trying to improve the Crop Insurance Corporation. When we took over this Crop Insurance Corporation we had 13,000 non-corrected errors and we have been working to improve this corporation from day one. When I go out to the field and talk to farmers, one of the things they told us is they wanted things like spot loss hail and new crops and some options. We provided those in the budget this time.

The other thing that they tell me is that they need more coordination within your . . . that we need more coordination within this corporation, that when they talk to a CSO (customer service office), they get a different answer than when they talk to an agent; and they get a different answer when they talk to the people in Melville.

I have told the corporation that that is not acceptable, that we have got to get better service to farmers and we've got to provide service, and that's what this conference is about -- to try to pull this corporation together and provide service to farmers.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you, Mr. Speaker. Mr. Minister, let's stay on track. Could you tell us how many people will be attending this conference, and how many Regina hotel rooms the government is paying for. The information that we have received is that there will be approximately 600 employees there and that you have booked over 500 hotel rooms in Regina. Can you confirm these, Mr. Minister, and can you tell us what the actual hotel bill will be?

Some Hon. Members: Hear, hear!

Hon. Mr. Cunningham: -- Mr. Speaker, we are, as the member opposite has pointed out, bringing in all the employees and the agents. They will be double-booking wherever possible. We are paying for the motel rooms for our employees for one night. Mr. Speaker, many of these employees come from places like Meadow Lake and like Shaunavon. And it is impossible to have a conference in Saskatchewan that can be accomplished in one day, and therefore an overnight stay is an absolute necessity. And those motel rooms will be paid for by Crop Insurance.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you, Mr. Speaker. Mr. Minister, 600 employees, 505 hotel rooms booked. Double-booking?

I can tell you, Mr. Minister, that we first learned of this through a Crop Insurance employee. This person believed that the conference was a waste of money, even though they work for Crop Insurance. In all good

conscience, this employee could not justify going to the Ramada Renaissance, bringing their spouse, having their hotel rooms paid for, attending two lunches, a banquet, a casino night, and a hockey game all on the taxpayers' tab. And I applaud that taxpayer for having the courage to speak out.

Mr. Minister, in recent years crop insurance premiums have gone up, coverage has been reduced. More than ever, Saskatchewan farmers and all taxpayers need to know that they're getting their money's worth out of Crop Insurance. Mr. Minister, do you honestly believe that the monies being spent on this weekend's conference is money well spent?

Some Hon. Members: Hear, hear!

Hon. Mr. Cunningham: -- Mr. Speaker, there are something like eight hours of session time. I know the members opposite don't like to ever see anybody have any fun, in a gloom and doom scenario, but these people are working very hard. This is a voluntary operation. If employees felt that it wasn't worthwhile, I'm sure they would not be attending.

Some Hon. Members: Hear, hear!

Saskatchewan Transportation Company Conference

Mr. Goohsen: -- Thank you, Mr. Speaker. My question, Mr. Speaker, this morning is to the minister responsible for the Saskatchewan Transportation Company. Mr. Minister, this morning we received another call. This time from an STC (Saskatchewan Transportation Company) employee who saw last night's story about the Crop Insurance conference. This individual told us that STC has been holding a similar three-day conference at Fort San.

Mr. Minister, what is the purpose of this conference; how many people will be attending; and how much will it cost?

Hon. Mr. Renaud: -- Thank you to the member, Mr. Speaker. STC is holding a conference at Fort San. The conference is to deal and to talk to management over strategic planning. I'm sure the members are aware that STC have made large gains in their losses -- over \$3 million over the last two years. We have to continue to do that to have a corporation that is strong for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Federal Budget Effects on Farmers

Mr. Martens: -- Mr. Speaker, yesterday we asked the ministers of Agriculture and Finance to instruct their officials to examine federal changes to the Income Tax Act which would deem debt write-offs as taxable income. The Agriculture minister seemed genuinely concerned, but after a cursory glance at the changes, the Minister of Finance went to the defence of the federal government saying the new measures will have little impact on farms and small business.

I know it's odd that the government members opposite would even think of defending the Liberal government, but the farm financial management consultant we talked to -- who I might add was a former chief agronomist with the Bank of Nova Scotia -- indicated that the Minister of Finance was seriously underestimating the effect on small business and farmers.

Madam Minister, have you had an opportunity to come up with a definitive conclusion on this matter? Can you report to this Assembly what the effect will be on Saskatchewan farmers and on Saskatchewan businesses?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Thank you, Mr. Speaker. Mr. Speaker, there are two points that have to be made here. First of all, this is not a tax change which is in effect. In fact the only place that it is included in the budget is what's called notice of ways and means motion, which is at the end of the budget.

It says that legislation has to be drafted yet and the explanatory notes for the legislation have to be approved. So this is something in a very preliminary stage, and as I said yesterday, Ottawa will flag with us any change that affects farmers. We have contacted the Department of Finance in Ottawa and I know the Minister of Agriculture has also written to his counterpart.

The other point I want to make is that the members did not make it clear that there are two sections of the income tax that affect bankruptcies. One is section 80 which affects commercial transactions. One is section 79 which is the one which covers farm bankruptcies. It's section 80 that is being changed.

Now I wish the members opposite would give the federal government a chance to give us the proper information. From what we've seen so far we're not about to run around alarming farmers. But we will continue to monitor the situation on a regular basis and not play silly politics with it.

Some Hon. Members: Hear, hear!

Mr. Martens: -- Mr. Speaker, we were not referring . . . Madam Minister, we were not referring to bankruptcies; we were referring to debt write-downs. That's exactly what we were talking about.

In your defence of the Liberal budget you said that this tax grab was not aimed at farmers and businesses. Well, Madam Minister, people in small business and farmers will be impacted on this as was stated in the paper. This bomb may not be aimed at farmers and businesses, but they may receive a significant amount of collateral damage when it goes off. And as you said, the regulations are being formulated.

And what of the target, Madam Minister, that being small business in Saskatchewan. Have you determined what the effect to business and industry

these changes will have?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Once again, Mr. Speaker, the legislation has not been drafted. We do not even know for certain that they are going to proceed with this legislation. As with any changes to the Income Tax Act we monitor it on a regular basis.

But what I would like to say to the members opposite: here they're running around trying to create alarms about something that may never even occur, but what they haven't pointed out about the federal budget in agriculture is that the Liberals are proceeding to implement the Tory cuts to the Crow; that the Liberals have said they're not sure they're going to keep the capital gains exemption for farmers. Why don't they start defending the real threats to the farmers in this province instead of raising alarms about things that may never occur?

Some Hon. Members: Hear, hear!

Mr. Martens: -- Mr. Speaker, and Madam Minister, every time there is a tax increase in federal taxes there is an equal and equivalent tax increase in the provincial taxes, even more so now that you have increased the percentage that you take.

Madam Minister, can you tell us how much extra taxes will go to the provincial treasury as a result of these tax increases -- in federal tax increases -- including the removal of the capital gains taxes exemption? How much will your government profit from these measures on those taxes that you have changed because of the federal budget?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, as I've said before, the members opposite should remember that numbers are not their strong suit. This is not a change which is necessarily going to even occur. If it does . . . I should say something else about section 79, bankruptcies. Traditionally, the federal government exempts all of that as income.

But what I want to go back to is this: when they talk about the federal budget all the time, why don't they talk about the cuts to the Crow which means millions and millions of dollars taken out of rural Saskatchewan? Why don't they? Because their former colleagues, the Tories, are like the Liberals. They both believe in cutting the Crow. Why don't they talk about those issues?

Some Hon. Members: Hear, hear!

Compensation for Hemophiliacs

Ms. Haverstock: -- Thank you, Mr. Speaker. My question is to the Minister of Health.

Madam Minister, Saskatchewan hemophiliacs became infected with HIV (human

immunodeficiency virus) because of a contaminated blood supply. The Krever Commission has just begun its examination into how this tragedy occurred. Is it reasonable to expect that the victims of this contaminated blood be forced to settle their compensation claims by your March 15 deadline, before the commission's report has been completed?

Hon. Ms. Simard: -- Thank you, Mr. Speaker. With respect to the money that's available for hemophiliacs, there have been insurers that have agreed to put money into the package. As far as I am aware, there will be no extension with respect to the package, and part of the reason for that, of course, is that the additional money will not be available. In order to come together with a national strategy across Canada with respect to hemophiliacs and the package of compensation that was offered, it was necessary to have a uniform policy, and the uniform policy that came forward put a deadline on when the offer would be . . . a deadline for the offer to be accepted.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, those who are suffering from HIV infection in Saskatchewan because of contaminated blood products have the right to be fully informed about what happened before they are expected to sign away their rights to further claims. I ask you today, will you show fairness to these people, and provide them with an interim settlement and extend the March 15 deadline?

Hon. Ms. Simard: -- The answer to that is, Mr. Speaker, there is a national plan that provinces have all bought into across the country and Saskatchewan is not about to deviate from that.

Ms. Haverstock: -- Mr. Speaker, Madam Minister, time is a precious commodity for HIV-infected hemophiliacs, and nobody hears the clock ticking louder than they do. In fact 6 of the original 27 Saskatchewan claimants have died waiting for the truth.

The March 15 deadline is forcing these victims to obtain a certificate of legal advice which claims that the client, and I quote:

. . . entered into the said Release willingly and not under any duress exercised by and without pressure or influence on the part of any one . . .

Do you not consider that deadline constitutes duress, pressure, and undue influence on the part of your government?

Hon. Ms. Simard: -- Mr. Speaker, with respect to the compensation package, people do not have to accept it if they don't choose to. That option is there. But if they choose to, in the offer that is being made across Canada in every province, there has been a deadline set and that is what has been agreed to.

It took us a considerable amount of time, right across

Canada, to obtain that agreement amongst the provinces. And I want to also point out that there is a very comprehensive response to this particular problem in terms of the care that's being provided in the health care system and also with respect to the fact that welfare benefits are available to people who find themselves in this position, in addition to the possibility of accepting the offer of compensation.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Mr. Speaker, Madam Minister, many of the people in our province who are affected by this are considering that they don't have many options. The Law Society has cautioned its lawyers against the certificate of legal advice, saying that there is extreme duress evident in all of these cases. The Law Society has suggested that lawyers who sign the certificate themselves, leave themselves open to legal action if their HIV clients who change their minds about accepting the package could come back and sue their own lawyers for negligence. Will you reconsider the deadline? Will you reconsider this certificate and offer these people an option of an interim settlement until they can actually find out why it is they were the people who became victims of contaminated blood?

Hon. Ms. Simard: -- Mr. Speaker, it's not open to Saskatchewan to change what has been agreed to on a national basis by all the provinces. The member opposite also has to recognize that by asking us to do this she is putting in jeopardy a considerable amount of money that has been agreed to be paid into the process by the outside insurers.

Saskatchewan Government Insurance Monopoly Policy

Hon. Mr. Goulet: -- Yes, Mr. Speaker, I would like to respond to a question by the member from Souris-Cannington.

In response to his question, Mr. Speaker, first of all, it is not the policy of the government to infringe on the rights of an individual to do business in the province of Saskatchewan. In fact, job creation and economic renewal is a high priority with this government.

It is my understanding, Mr. Speaker, in Mr. Klein's case, who operates an auto body business, that this is not the real issue here. However, Mr. Klein's wife is now operating a Co-operators Insurance brokerage from the auto body shop. It is SGI's (Saskatchewan Government Insurance) policy not to adjust claims in the premises of a major insurance competitor.

It is well known, Mr. Speaker, that Co-operators would not be willing to adjust claims on the premises of an SGI broker. But in order to have convenience, Mr. Speaker, it is my understanding that SGI officials have found another convenient location where claimants whose vehicles can still be driven can go to other claims adjusters. In cases where the vehicle can't be driven, SGI adjusters will continue to visit Mr. Klein's shop for on-the-spot adjusting.

Court-House Closures

Mr. Toth: -- Thank you, Mr. Speaker. My question, Mr. Speaker, is to the Minister of Justice. I'm glad he's sitting up and taking notice. Mr. Speaker, the other day we received notice that the court-house in Moosomin was going to be closed down. And I had a chat with the minister and I appreciate the responses the minister has given.

The disturbing part about all this, Mr. Speaker, though, and for communities right across rural Saskatchewan, is the fact that it affects jobs. It affects jobs in our small communities. I'm wondering, Mr. Minister, how many other communities are affected by this announcement, and I'd like to know where they are and how many jobs are affected.

Hon. Mr. Mitchell: -- There are no other court-houses that are going to be closed this year. Last year we closed two -- one in Shaunavon and one in Assiniboia. And we did it because they had practically fallen out of use and it just didn't make sense to continue them as judicial centres.

This year, as I regretted to inform the hon. member, Moosomin obviously fell into that category as well. But we have no plans to close any other court-houses at this time.

Mr. Toth: -- Thank you, Mr. Speaker, and to the minister. Mr. Minister, as you are aware through our discussion -- and certainly the media was beginning to wonder if indeed I was beginning to speak on behalf of the government versus take an opposition role of speaking out on behalf of the community -- when we look at communities across rural Saskatchewan and the community of Moosomin that they're directly affected by the loss of a part-time position. We look at the loss of jobs that have taken place in hospital closures, reduction in school divisions, rural service centre closures, job losses in agricultural sector, Gateway very disappointed with the co-gen announcement.

Mr. Minister, what I'm wondering, what other options your government . . . or is your government looking at options that would provide job opportunities for the many residents and communities across this province? I wonder if there's a response, Mr. Minister.

Hon. Mr. Lingenfelter: -- Mr. Speaker, I'm pleased to answer the hon. member's question. It just happens today we were in Rosetown launching the regional economic development authority in that area. And . . . (inaudible interjection) . . . well the member from Morse can be critical of that. But I can tell you, had he been at that meeting in Rosetown this morning, he would know that there is a great deal of excitement about economic development in rural Saskatchewan.

All one needs to do is go to communities like Rosetown, like Nipawin, like Humboldt, like Prince Albert, and watch what the regional economic development authorities are doing to create business

and create jobs and you would know that there's a great deal of work being done by the partnership between business, local communities and the provincial government to create jobs and a great deal of work is being done in a very, very successful way.

Some Hon. Members: Hear, hear!

Co-generation Projects

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Energy and Mines.

Mr. Minister, a Biggar, Saskatchewan company, owned by Stewart Busse, Environic Energy, was one of the several companies to submit co-generation proposals to your government.

Mr. Busse said he lost more than \$100,000 on that project and he said that for him, that is almost catastrophic. He said, we put a lot of time, money, and energy into it and then the government pulls the rug out from under our feet; that he didn't think a Crown corporation should treat people so shabbily and that SaskPower will eventually use some of the technology they gleaned through our proposals.

Mr. Minister, after treating these corporations so unfairly, you should at least give a commitment not to hold the proprietorship on the technology that you have gained at the expense of the businesses. Will you give that commitment today, Mr. Minister?

Hon. Mr. Lingenfelter: -- Well, Mr. Speaker, to the hon. member, obviously SaskPower is not intending to build any co-generation plants, so there's obviously no intent of using the technology that might have been gained.

Mr. Boyd: -- Mr. Speaker, Mr. Minister, before the Minister of Energy was a member of cabinet, he was on the steering committee reviewing projects like these -- the committee that recommended the government go ahead with these types of projects. He encouraged companies to use their time and money and energy towards developing co-generation projects, then kiboshed it when he became the minister.

Mr. Minister, when a groom leaves a bride standing at the altar, she can sue for breach of promise. You not only left the bride standing at the altar, but you ripped her veil off as well. When asked by the official opposition if you were going to at least refund the fees, you basically said, nobody asked. Mr. Minister, Mr. Busse has asked for his money back. Are you or are you not going to give him the money and the rest of the companies their money back as well?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Well, Mr. Speaker, I want to make the comment to the member opposite that it's obvious they have new people writing their speeches; there's a little bit of humour involved. But I say to the members opposite again, that SaskPower and the

Government of Saskatchewan are committed to co-generation. There's never been any lack of commitment.

The member from Shaunavon, who also sat on that committee . . . and if you grab the report you'll see his name on the report as well. The commitment is there to co-generation. The fact is, the power is not needed at this time. And to spend the 20 or \$25 million on a co-generation plant or to buy the power from a co-generation plant, that is not needed, would mean higher power rates.

Now at the same time the members of the Conservative caucus and Liberal caucus are saying, power rates are too high. They then say, but please build more power plants that will jack the rates even higher, even though we don't need the power. Where is the logic in your comments, sir?

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister, the information generated by the project Mr. Busse had in mind says that the project would have meant a savings of \$14,000 to the community of Kindersley and the taxpayers of the community of Kindersley. In addition it would have created many, many . . . \$14,000 per month incidentally. In addition it would have created many jobs, construction jobs and many trades jobs, tradespeople jobs. And I thought that was one of your priorities, Mr. Minister.

Mr. Minister, the question was very simple that I asked you. Will you or will you not refund the money that they paid, the proponents paid -- the deposit -- as your minister suggested he would after a company asked for it, as Mr. Busse has done?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Mr. Speaker, obviously the Minister of Energy and Mines will deal with the proponents as to the issue that you refer to. But let me say to you very clearly: in Saskatchewan at the present time we have capacity of 2,900 megawatts of power. And if the member from Kindersley would listen instead of acting like a buffoon in the back benches, he might learn something.

The Speaker: -- Order, order. Order, order. I think I'm going to ask the minister to withdraw that statement in referring to a member as a buffoon.

Hon. Mr. Lingenfelter: -- Mr. Speaker, my reference to the member from Kindersley as a buffoon was out of order and I would . . .

The Speaker: -- Order. I asked the minister to categorically, unequivocally withdraw the statement without any reference and apologize to the House.

Hon. Mr. Lingenfelter: -- Mr. Speaker, I apologize. And in doing so, I want to respond to the member.

The Speaker: -- Order. I asked the minister also to withdraw this statement unequivocally.

Hon. Mr. Lingenfelter: -- I withdraw this statement unequivocally. But I want to say if the member would listen up, I will tell him this about the power supply and needs in the province.

We presently have a power supply of 2,900 megawatts -- 2,900. On the coldest day of the year, the highest peak usage was 2,400 megawatts or 2,500 megawatts; that leaves us a margin of 400 megawatts of extra power. You're arguing that we add to that system, which will add directly to power rates. I say to you, you can't have it both ways.

You can't argue -- and the Liberals cannot argue -- that power rates are too high, but that we should build more power capacity we don't need; it's illogical.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 23 -- An Act to amend The Land Titles Act

Hon. Mr. Mitchell: -- Mr. Speaker, I move that a Bill to amend The Land Titles Act be now introduced and read a first time.

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

Bill No. 24 -- An Act respecting the Convention on the Law Applicable to Trusts

Hon. Mr. Mitchell: -- Mr. Speaker, I move that a Bill respecting the Convention on the Law Applicable to Trusts be now introduced and read for a first time.

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

Bill No. 25 -- An Act to amend The Trustee Act

Hon. Mr. Mitchell: -- Mr. Speaker, I move that a Bill to amend The Trustee Act be now introduced and read for a first time.

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

Bill No. 26 -- An Act respecting Frustrated Contracts

Hon. Mr. Mitchell: -- Mr. Speaker, I move that a Bill respecting Frustrated Contracts be now introduced and read for a first time.

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

Hon. Mr. Lingenfelter: -- Mr. Speaker, I missed ministerial statements. I wonder, by leave, if I could make a short ministerial statement.

Leave granted.

MINISTERIAL STATEMENTS

Regional Economic Development Authority

Hon. Mr. Lingenfelter: -- Mr. Speaker, it's my pleasure to announce today the establishment of the second regional economic development authority, which we announced today in Rosetown. Attending the meeting was the mayor, Subhas Maharaj, and the member for Rosetown who attended the official opening of the regional economic development authority.

Mr. Speaker, as you may recall, the government's **Partnership for Renewal** economic strategy recommended regional economic development authorities, or REDAs, as a tool for economic development.

Mr. Speaker, REDAs are made up of representatives of municipal government, business, and other organizations. REDAs provide structures to coordinate and pool organizational, professional, and financial resources to encourage new jobs and new investment. In fact, Mr. Speaker, the 1994-1995 provincial budget sets aside \$750,000 for REDA development.

I'm pleased to report that I was in Rosetown this morning and had the privilege of joining Roy Haddock, the chair of the Entrepreneur's Regional Economic Development Authority, in announcing the establishment of Saskatchewan's second REDA. This region of the province has long been in the forefront of regional cooperation and aggressive pursuit of economic development opportunities.

In Rosetown the local economic development authority has an agreement with the Indian Chamber of Commerce and Industry for the city of Coimbatore of India for business development and cultural exchanges.

Mr. Speaker, Rosetown is also the home of Precision Metal Fabricating, part of one of the province's first community bond ventures, financed by local investors for \$800,000. Prairie Malt of Biggar is also the second largest malt producer in Canada and has markets around the world.

What Mr. Haddock and I basically announced today, Mr. Speaker, is nothing less than harnessing all of that expertise, creativity, and competitive drive into a team called the Entrepreneur's Regional Economic Development Authority.

Mr. Speaker, economic development isn't only about economics; it's about people, communities, and cooperation, and it's about creating opportunities now for future jobs.

So, Mr. Speaker, it's my pleasure today to announce the official opening of the Rosetown and the regional economic development authority in that area.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Speaker, I too would like to congratulate the people of Rosetown on doing what they have shown in the past they do very well. And I'm very familiar with Mr. Haddock and the community bond development in Rosetown, and very familiar with the malt project in Biggar because those were all initiatives undertaken under the previous administration.

I find it strange, Mr. Speaker, that the basis for all of this, the RDCs (rural development corporation) that were formed under the previous administration, simply don't enter into anything that the minister says because a lot of those are the very foundation of the thing that he talks about today. And the people of Rosetown and area had a lot of this figured out well before the minister ever showed up with his enlarged concept of RDCs.

Simple fact is, Mr. Speaker, that today there are 12,000 less jobs in this province than when the minister and his government took over. There's 21,000 more people on welfare today than when the minister and his government took over. And all of the pronouncements about job creation that we've seen in this province over the last two and a half years have rung absolutely hollow. The Minister of Finance doesn't even have the courage to put a job number in the budget any more because they simply don't come up with the numbers.

Now the simple fact is, Mr. Speaker, if this thing is turned around it will be because people like Mr. Haddock and his friends in Rosetown and area will drive it. It has absolutely nothing to do with the policies, the tax grabs, of this government. So, Mr. Speaker, we join in congratulating the folks of Rosetown today but we have no congratulations for the minister and his economic development schemes that this NDP government has failed to deliver to the people of this province.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Hon. Mr. Lingenfelter: -- Mr. Speaker, as it relates to question no. 35, I request that it be converted to motions for returns (debatable), and as it relates to questions 36 and 37, I hereby table the answers. And as it relates to questions 38 and 39 I would request they be converted to motions for returns (debatable).

The Speaker: -- Question 35, 38, and 39, motions for return debate. And questions 36 and 37 have been tabled.

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 22 -- An Act to establish Crown Foundations for Saskatchewan Universities

Hon. Ms. MacKinnon: -- Mr. Speaker, I'm pleased to

rise and move second reading of a Bill to establish Crown Foundations for Saskatchewan Universities. The Bill permits the establishment of a separate Crown foundation for the benefit of each of the University of Saskatchewan and the University of Regina. Under the federal Income Tax Act, a person may make donations to charitable organizations and receive a tax credit only to the extent that the donations do not exceed 20 per cent of the donor's net income. However, tax credits for donations made to the Crown are not limited by the net income of the donor. This income tax treatment of charitable donations discourages larger contributions by provincial residents to publicly funded institutions.

In an attempt to encourage large donations to universities, many provinces have created Crown foundations to act as a conduit between the donor and the institution. By making a donation to the Crown foundation, the donation will still be directed to the university, but the donor will receive a Crown donation receipt rather than a charitable donation receipt. This will help the universities' fund-raising campaigns to attract larger donations. The government was approached by the two Saskatchewan universities and asked to establish Crown foundations in Saskatchewan, as has been done in British Columbia, Alberta, Manitoba, Ontario, and other provinces.

I'm pleased to introduce this legislation in response to the universities' requests. This Bill is very similar to the enabling legislation used for Crown foundations in other provinces. The University of Saskatchewan and the University of Regina have been consulted and they support this legislation. As well, the federal Department of Finance and Revenue Canada have approved the proposal.

I would be pleased to answer questions concerning Crown foundations when discussing this Bill at Committee of the Whole. It therefore gives me great pleasure to move second reading of An Act to establish Crown Foundations for Saskatchewan Universities.

Mr. Toth: -- Thank you, Mr. Speaker. Mr. Speaker, I'd like to make a few comments before I move to adjourn the debate on this Bill this afternoon.

I guess the major concern, Mr. Speaker, is not that the opposition would be opposed to the formation of Crown foundations, which would allow individuals who would want to make contributions to universities to receive a charitable donation receipt to use for income tax purposes over and above the 20 per cent. The concern we would have, Mr. Speaker, is that, why universities? Why not other charitable organizations?

(1445)

Universities receive the majority of their funding from governments already. And now what we're doing is basically allowing the two universities in this province, and it's obvious that a number of universities across Canada have the same option, the

ability to derive extra revenue; whereas there are many organizations across this country that are doing humanitarian work, doing services for the public, and are having great difficulty trying to get extra funding or funding through charitable donations because of the fact that individuals are limited as to how high they can go if they're going to get an income tax credit for it.

And so, Mr. Speaker, although we don't oppose the formation of a Crown foundation for funds that are donated to universities, it would seem to me it would be only fair that we would look at other organizations, charitable organizations or church organizations, whose total funding comes through donations and through donations made by individuals who believe in supporting . . .

And let me throw out, for an example, organizations like World Vision that reach out to help and to meet the needs of young people, boys and girls, not just in Canada but around the world. There's just a list of organizations that get all their funding strictly from individuals such as myself and many people in this Assembly here today. And so, as I've indicated, that is probably the major concern we would have. We would just suggest why would an agency that receives significant government funding now be given another avenue whereby they can continue to draw on added support, and yet other organizations that receive no government funding -- they strictly receive their support from individual donations -- are left to work with and receive from people who are limited through their ability as far as charitable donations go.

And so, Mr. Speaker, this is probably one of the areas that we'd certainly like to get into discussion with as we get further on in the Bill. Therefore at this time I move adjournment of debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund Public Service Commission Vote 33

The Chair: -- I will first of all ask the minister to introduce his officials to the committee.

Hon. Mr. Mitchell: -- Mr. Chair, the officials who are assisting me today are the same ones that were assisting me yesterday afternoon when we began consideration of these estimates. Ms. Shiela Bailey, who is the chair of the Public Service Commission; Rick McKillop, who is the executive director of the employee relations division; and Ms. Elizabeth Smith, who is the director of administrative and information services with the commission.

Item 1

The Chair: -- I welcome the officials back to the committee.

Mrs. Bergman: -- Thank you, Mr. Chair. I'm pleased to be here to assume the questioning for the Public Service Commission that was begun by the Leader of the Third Party yesterday. May I begin by welcoming the officials to this Chamber today.

Before I begin asking you new questions, I would like some clarification of answers you provided this House yesterday. When you were asked about the number of new appointments made, you replied that with respect to in-scope appointments there were 688 competitions. You also replied that with respect to out-of-scope appointments, there were 190 appointments made.

Do I understand then that these 190 out-of-scope appointments did not all go through a competition process? What I want you to tell me today is, of those 190 out-of-scope appointments, how many were made following an open competition? And if your answer is anything less than 190, would you please tell me what the hiring process was for those individuals and why an open competition was not used?

Hon. Mr. Mitchell: -- I thank the member for her question, Mr. Chair. Of the 190 out-of-scope appointments made in the first 10 months of this fiscal year, 184 were appointed by the commission pursuant to competition. That leaves six, which is the subject of your question.

Four of those six were individuals who were affected by the transfer of the functions of the Agriculture Development Fund to the Department of Agriculture and Food. There were four of them, and they moved from management positions or out-of-scope positions with the Agriculture Development Fund to similar positions, out-of-scope positions, in the Department of Agriculture. And I have their names here. In those circumstances they are entitled to be appointed without competition.

That leaves two. Those two were order in council appointments made by order of the Lieutenant Governor in Council. And both of those were made pursuant to a competition that was run. But the appointment is made by the Lieutenant Governor in Council rather than by the Public Service Commission. But the process was the same in each of those two cases.

Mr. McPherson: -- Thank you, Mr. Chair. I want to begin by welcoming the officials also. And sorry I was little late. My colleague had to fill in for me.

Just so I'm clear, I missed a portion of that answer, Mr. Minister. Of the four individuals, you have the names that you can provide? Is that with the salaries of what they received in ADF (Agriculture Development Fund) -- salaries and benefits?

Hon. Mr. Mitchell: -- We don't have the salary information in the Public Service Commission. That would have to be obtained from Agriculture. But I can give you their names, and I'll do that right now if you

want that.

An Hon. Member: -- Oh, just provide it.

Hon. Mr. Mitchell: -- Yes. Okay. Well I'll send them across to you, but I have their names. They're all program coordinators with the present Department of Agriculture and Food.

Mr. McPherson: -- Thank you, Mr. Chairman. Of the other two, they were appointed by order in council, did I hear that correctly? And were you going to provide their names, salaries? And also I'd be interested in knowing why those positions weren't open competition.

Hon. Mr. Mitchell: -- They were open competition. There were competitions run in exactly the same way as regular competitions, but the appointing mechanism is different. In the case of the 184 people that I first mentioned, those appointments are made by the Public Service Commission.

The two positions that you're talking about were positions that were required to be appointed by order in council, but they were appointed after competitions had been run and the people appointed were the people who had won the competitions.

Mr. McPherson: -- Thank you, Mr. Minister. Just a few new questions. Mr. Minister, could you please advise me what capital purchases were made for the minister's office during the past year? And I'd like to know what capital asset items your department purchased for your office, including but not limited to things such as VCRs (video cassette recorder), or computers, or cell phones, and the like.

Hon. Mr. Mitchell: -- The answer is nothing -- zero. No money spent on no capital assets.

Mr. McPherson: -- Thank you, Mr. Minister. Mr. Chair, in last year's budget your government cut 291 government positions. Could you please advise this House what was the financial cost in severing those employees?

(1500)

Hon. Mr. Mitchell: -- Mr. Chair, in response to the member's question, the total costs of severance in respect of the downsizing that he referred to involved almost 2.8 million, just a few dollars short of 2.8 million.

Mr. McPherson: -- Mr. Chair, there is just a little more information I would like on these positions, and if you could provide it, Mr. Minister, at a later date. First, the positions abolished, including the position number and their working title; also the name of the employee employed in the position at the time of the abolishment; seniority or years of service of each terminated employee; the amount of severance paid to each employee; whether the employee has since been re-employed within government and where; and what was the effect in the departments where staff

were eliminated? For example, how many jobs were reclassified and at what cost, in order to absorb the duties of the terminated employees?

Hon. Mr. Mitchell: -- Mr. Chair, can I clarify with the member that this was the downsizing in the '92-93 year, or is he talking about downsizing in the '93-94 year which doesn't end until the end of March this year. What job abolishment period is the member interested in?

Mr. McPherson: -- Well I guess we'll have to take it for the previous year.

Hon. Mr. Mitchell: -- Mr. Chair, we can provide that information. It may be very difficult to answer the very last part of the member's question which is the impact on individual departments. It is likely that the Public Service Commission does not have that information, but on the other hand, it may have. We'll do the best we can with the question anyway. But I just warn the member that we may not be able to be very precise on that part of the question. The rest of it will present no problem.

Mr. McPherson: -- Well I guess, Mr. Chair, Mr. Minister, for the last question perhaps it would be difficult to establish the cost, is what you're saying, but as far as the reclassification part of the question, it should be no problem.

Mr. Minister, yesterday you agreed to respond in writing to a number of written questions submitted by the official opposition. I'm asking today if you'd please ensure that we too could get copies of those.

Hon. Mr. Mitchell: -- Yes, we'll do that, Mr. Chair.

Mr. Goohsen: -- Thank you, Mr. Chairman. Mr. Minister, yesterday we started to get our feet wet on this subject. And it was good that we were able to have the evening to go through, to reflect on what had happened, and to allow those people in the public to get a chance to respond to what was going on. I was surprised to find out that there are as many people out in the rural -- and a lot more, maybe, than I had thought -- that didn't understand exactly what's going on here, besides myself.

So the exercise seems to be fruitful, that we should go through in some detail to find out what in fact this department of government is all about -- the reality being, as I study through this, that we do spend an awful lot of money here and we do have, more importantly, an awful lot of people's lives at stake in a very real way. We take care of the hiring and firing and processing of a lot of job opportunities and a lot of people to fill those opportunities, and as a result it becomes very important in the employment process.

The first question I want to ask today, Minister, is if Sally Doe decides that she wants to put her name into the computer bank to apply for a government job, how does she go about doing that?

Hon. Mr. Mitchell: -- Mr. Speaker, we don't have a

computer bank such as the one that the member suggested. We do however advertise positions that are vacant. And we advertise them, as I indicated yesterday, in two ways: for those that will be filled internally, the opening is advertised in the internal bulletin; for those that involve outside competition, they are advertised in the newspapers. And in order for people to become considered for government employment, they have to answer those advertisements. There is no automatic mechanism by which people who haven't advertised are considered as applicants for any position.

Mr. Martens: -- Thank you, Mr. Chairman. Mr. Minister, the Public Service Commission offers opportunities in areas of development for departments and training for departments. Would the minister give me an overview of the different departments or different branches of the departments of government that the Public Service Commission has been involved in in the past year, for staff development, and for providing departments with a mission statement, and those kinds of functions? Would you be able to provide that to us, please?

Hon. Mr. Mitchell: -- We don't have a listing with us today, but the information that the member asks for is easily put together. So I propose that we put it together and send it to you.

Mr. Martens: -- In the process of doing that, do you take those programs that you provide for staff development within Crown corporations . . . or the Crown corporations and departments and whoever asks. Do you charge them for that as a part of a cost to the department, or do you take that out of an allocation of funds directly from the vote that you've been given here?

Hon. Mr. Mitchell: -- Mr. Chair, and to the member, the commission has throughout its history provided the kind of training that the member speaks about, but at the present time we're not able to do that because of budget cuts that the commission has made as its part in the cost-reduction efforts of the government.

So that at the moment the commission is not providing any training from the commission -- in other words, the kind of training where people could come without cost and be trained. We do provide training now in response to a need within government but we do that on the basis of cost recovery, so that the people who enrol in the training programs have to pay a fee to the commission and we recover our costs in that way.

Mr. Martens: -- Do you cover that cost by having them present a budget for the volume of work that you're going to do and then do you price that out in a competitive sense so that the departments know and understand what they have to pay for?

Crown corporations, I know, for example . . . I know this because a friend of mine did some work with ACS (Agricultural Credit Corporation of Saskatchewan) in staff relations and she provided that to them through a counselling service in Swift Current. And I was

wondering whether you provided or asked the department to come forward with a budget to give you an overview of the expectations they had of you in providing that service to them? Do they do it that way?

Hon. Mr. Mitchell: -- Mr. Chair, and to the members, I am advised that how it works is as follows. There is a council, there are staff development people involved in the various departments. And they come together and they work out their needs for training of their staff in the coming year. And some of this training I suppose is done in-house but some of it can better be done centrally because people from different departments then come and attend the same course.

We work very closely with that council and determine what training development programs are going to be offered for the year. We then cost those out, figure out how much it's going to cost to get somebody to do the course and any materials that are necessary for the course and incidental expenses and then set a fee then for each participant. And we do the calculation for that and the departments pay the fee so it's on a cost-recovery basis, by that method.

Mr. Martens: -- When the department provides that for you, do you have staff on hand that can provide some of those functions back for strategic planning? How many of those kinds of professional people do you have on staff that can do that? And for what areas are they qualified to handle it, and then going from that, then I'd probably be able to assume some of the other things about who you have to get for certain other areas of development.

Hon. Mr. Mitchell: -- Mr. Chair, we have six people involved in the staff development function and they coordinate and work with the council and plan and do all the things that you have to do in order to deliver the training, but they don't actually deliver the training themselves. We don't have anybody on staff who actually teaches anybody anything. We arrange for the courses and contract with people to come in and do the training, but we don't actually deliver any ourselves.

(1515)

Mr. Martens: -- Who gives the go-ahead for the departments and Crown corporations to do this? Is it the individual minister? Is it the deputy minister? Does that individual do it? Does the president of the corporation do it? Does the board of directors do it? Could you give me an idea of who initiates that consultation process?

Hon. Mr. Mitchell: -- The Crown corporations no longer receive any service from us. They used to in the past, but they no longer do. As to who approves the training requirements of the departments, that would most likely be the deputy ministers of the department. It would be included in their budget under one or the other of their lines, and in that sense would receive ministerial approval and indeed approval of this legislature. But the specific approvals would come from the deputy minister involved.

Mr. Martens: -- When you do this, an evaluation of the staff development, do you have a process or a measurement of how to evaluate whether there is in fact an enhancement of the performance of the employees as they deal with their jobs in the public service?

And the reason I ask that question, I personally was involved in some of the changes early on in the '80s, in middle '80s, when some of them told me that the most difficult part of working for government was that there was no recognition of their services. And that was a detriment to them as individuals and there was nothing to build them up and lift them up. And that's not to speak poorly of public employees, but that's what they kept telling me. And the job performance in those kinds of conditions has a tendency to curve downwards.

And so I was interested in whether there was any measurement that might be subjective or whatever. But there might be a measurement that you use to see if there was in fact more performance after you have had these with the various departments compared to what they were before.

Hon. Mr. Mitchell: -- Mr. Chair, that is a very interesting question; leads to a very interesting area. I'm going to answer it on a number of levels.

First of all, at the end of these development sessions there is an evaluation that every participant fills out, and they're quite extensive and really quite revealing. And you get immediate feedback then from the employees involved as to what they thought of the day or the three days or whatever the session happens to be, so that you get that immediate response from the participants, and that's very important.

On a second level, the clients for the sessions that we organize are the various departments and agencies of government. And they have training and development and educational needs which they identify in the way that I described in my previous answer. And in the longer haul, they would be making evaluations as to whether this training was worthwhile. We don't know what their evaluations are because they don't necessarily feed it back to us. They may do it just accidentally or sort of by chance, but there's no organized way of feeding back.

But I think what the real measure of the response is, is that they continue to require training. They haven't stopped asking for it, so it must be working. And we know they pay attention to it also because the performance evaluation process in the public service, with which the member as a former cabinet minister will be aware, has sections that deal with the education or the development and training needs of the individual employee. And there's a section in there where you would set out your learning objectives for the next year. And so they are thinking about it.

They're specifically addressing the question of what

were the shortcomings or what training was thought to be necessary; has that training taken place. And the form directs their attention to that question so they are able to evaluate whether the employee has in fact learned anything from the course that they took and whether it had the desired result. That's a process that goes on as we speak. You know, just every day, all the time.

And I just assume from that that the training is thought to be valuable or we would be hearing from it, but in fact we're . . . we would be hearing from the departments that the training wasn't meeting their needs. We are not hearing that so we are assuming that it does. And their continuing demand, as I said earlier, indicates that they view the service as valuable and want us to continue.

Mr. Martens: -- There's a question that comes from that then, and in the business function you would evaluate it in light of a number of economic areas. In government you can't quite do it that way.

For example, is the customer satisfied that the service has been provided adequately in dealing with the clientele. And is there a way to evaluate it from not only the scope of the individual employee but for the person who gets to receive the benefit? Have you received . . . or is anything being done in order to enhance that opportunity with reflection on providing seminars so that they can better qualify themselves to help people out.

Just as an example, today I had . . . and it doesn't deal with your department. Today I had an individual call me who was referred to a facility for alcohol and drug abuse. And I called five places before I got someone who could at least tell me what the qualifiers were for this individual to go to that facility.

If he would have called that himself, he would have quit. And so then at some point in time you have to say, is there some direction that needs to be applied by the Public Service Commission in saying there is a customer service that has to be filled here so that the end result is that this individual has a direct response to the inquiry or a direct response as a customer to that individual agency that is being dealt with.

And that's what I'm going for here and trying to have the Public Service Commission assist these people in somehow developing that style so that it can help the people who are the taxpayers, who are the customers, who in lots of cases will pay more for quality service if they know they are going to get it.

For example, they'll buy one car over another car because even though it costs more, but it might have some of the incidental things that they may want to have. And so what you have to do is make sure that the customer is well served. And I want you to respond to that if you would, please.

Hon. Mr. Mitchell: -- Mr. Chair, I'm glad the member asked that question because, as it happens, the Public Service Commission itself had done quite an

extensive audit just in the immediate past -- this past summer, May and June of last year -- an audit of the services that it provided to its clients. Now that's a little easier than some other departments because our clients in the commission are the departments of government.

But in any event, we went through a careful audit to determine how effective the services that the commission offers to the departments is being delivered. And that's exactly the kind of audit that the member has in mind, albeit an easier one than is the case with most of the departments.

To the credit of the previous government, the commission had, I think in 1990, conducted a long series of seminars with the theme: serving people first, to emphasize the service aspect of what government does so far as the public is concerned. And as I say, the former government should be commended for that, and I do. And we have tried to carry that theme forward and strengthen it wherever we can.

And that's particularly a challenge at a time when we're downsizing the public service in the way that we are because it inevitably results in fewer people trying to do the same amount of work, sometimes even trying to do more work, and it's a real challenge. Hopefully, and I think it to be the case, that the department managers and the ministers are paying attention to that question of service and trying to run their audits and get some organized feedback to determine whether the service that they're mandated to supply and organize to deliver is in fact being delivered effectively and to the satisfaction of the customer.

But I can't speak to that because we have no mechanism to monitor that and we simply don't have the resources to do it, but our understanding is that the individual departments should be doing that themselves.

(1530)

Mr. Martens: -- The Provincial Auditor went through one department -- it was the Department of Highways -- in putting a value-for-money audit together for one department. And I was wondering whether the Public Service Commission had input into that value-for-money audit through the employees, whether they got any feedback from the employees as to the value that it had been in dealing with it in the department, whether they got any benefit from it from the very fact that there was a value-for-money audit, that they looked at certain things and said we can do this better, or we don't have to do that. Was the Public Service Commission involved in any of that discussion?

Hon. Mr. Mitchell: -- Mr. Chair, I can tell the member we were not involved in any aspect of that audit.

Mr. Goohsen: -- Thank you, Mr. Chairman. Minister, yesterday we talked a little bit about some of the employees and how they managed to get their

positions. Members from the other party alluded to that in their questioning as well.

But I'm a little confused as to how this process works. It seems that people who want to work for the government, in different government offices, come to the Public Service Commission with their résumé and they submit that and they get put into the file. And somehow the computer sorts out what their good points and bad points are and they get sort of sent to a direction of one department of government or the other. And then when there's a job opening, their résumé would be considered for that job if they were most likely to be there.

Now if I've summarized that correctly I'm sure you'll say so or not. But that leads me then to the question of . . . as I started to talk about yesterday and then unfortunately we ran out of time for you to finish -- but in the case of people like Virginia Wilkinson who have worked as partisan members within a political party, how is it that they are able to go from working for the press, which obviously is not a government job, immediately to working into info services?

How is that possible to walk through the whole system and get priority over all of the other people that are in those files where there are supposedly -- as you mention -- 10,000 names? Seems to me there must be somebody in those 10,000 names that would want to have the job in info services that would have applied before Virginia Wilkinson decided to become a political hack and quit her job with the press corp and apply to work for you folks.

Hon. Mr. Mitchell: -- I want first of all to address that part of the member's questions that related to the process by which somebody gets to work for the government. And the member had asked that question earlier but I think had to leave the House, so I'll just go over it again.

We have no process such as the member described. We don't have any computer bank of names nor do we accept résumés just in a general way. In order to get employed by the Government of Saskatchewan, you have to apply for a particular job. That job will be advertised. With respect to all of the positions that the Public Service Commission appoints to, it will be advertised in either the internal posting where the job will be filled internally by competition among those who are now working for government; or we may go external, in which case the advertisement will be in the newspapers as well as in the internal circular.

And people have to apply then in response to those advertisements for the particular position, and that's how they get to be considered for public service employment. Then they go through the processes that are followed by the Public Service Commission, and at the end of the day someone is selected and hired. There is just no such thing as collecting a lot of résumés and then sorting through the résumés to see if there's anybody qualified. They have to apply for the particular job.

Now there are a number of positions that are order in council appointments and those are not within the reach of the Public Service Commission. Those are not within the jurisdiction of the Public Service Commission. So I can't answer for those.

But the member will know that that is not a new phenomenon. The idea that the Lieutenant Governor in Council will appoint to certain positions is long established in this province. I think that in the current year there are 200 such positions in government. That's what I am advised. But a scant five years ago there were 360 such positions. So that's not a new one, you know.

Now those are outside the processes of the Public Service Commission, and those are the people who work for the Premier and in the ministers' offices and in Executive Council and that sort of thing.

Now turning specifically to Virginia Wilkinson, I'm really astonished that the member should select Ms. Wilkinson as the example. Because I would have thought that every member of this House would have been familiar with her work as a long-time journalist with the CKCK television station, and the really high reputation that she had in that job. And if she was politically active, I'm not aware of it -- if she was politically active, I am not aware of it.

I am aware that she is highly qualified for the position that she served while she worked in the cabinet press office. And I think it natural that in the disbanding of that office, which was by order in council appointment, she would have been considered qualified for another position in what is, in effect, the same field. I'm sure the member is not trying to allege that Virginia Wilkinson is not highly qualified for the position that she is occupying and I'm really sorry that he used her as the example to make whatever point it is that he was making.

But I just remind the member that the number of such positions in government has practically been cut in half since the heydays of 1988 and that it is certainly a small number when you consider that there are over 10,000 positions in executive government in this province.

Mr. Goohsen: -- Thank you, Mr. Chairman. Minister, I'm not the one that's going to be sorry before the day is over. The general public is going to judge you, not me. I'm asking the questions and they're judging your answers.

We are talking about a job, Mr. Minister, that pays well over \$40,000 a year, that was not, in your words, advertised externally. There were no indications to the general public that this job then would be available, so obviously no one could apply for it. So it is obviously a rigged advertisement, if that's what you could call it at all, is an advertisement of any kind.

So further, Mr. Minister, we have an Anne Davis, the wife of the 1991 NDP candidate for Melfort, was given a position in info services as well. Again, the

position was not advertised externally or internally as far as we can find out, and others who may have qualified were not allowed to apply for this position, so far as we are able to determine.

Now I think, Mr. Minister, that a job of \$4,584 a month, there would be plenty of people who would have been interested in working in information services for that kind of money. Now as the head of the Public Service Commission, Minister, are you going to put a stop to this kind of thing? Are you going to start being fair to people who might want to apply for these kinds of positions, people who are qualified, as well qualified as these other people and perhaps even better?

They can't be judged because you give them no opportunity to apply, Mr. Minister. What is the point of having a Public Service Commission, if fairness isn't being practised in these kinds of instances? Now info services, I will remind you, sir, is not the press secretary to the Premier and it's not an internal cabinet job. It's not a highly governmental NDP (New Democratic Party) sensitive type of job or a partisanly sensitive job. This is information services where all parties have to have confidence in the employees to be impartial. There is quite a difference here and I would like your answer to reflect that difference.

Hon. Mr. Mitchell: -- Well I can say, Mr. Chair, to the member -- as I've said before -- that order in council appointments, of which there are relatively few in this government, are not within the reach of the Public Service Commission so I can't answer the member's questions.

He mentions the name Anne Davis. I think I know who that is. I know her name over the telephone because I've talked to her on the telephone when she telephones my wife, but I don't know her personally. And it's not my responsibility, Mr. Chair, it's not my responsibility to answer for appointments to that particular office.

But let's not be cute about this. The member knows perfectly well that there are a number -- quite a number -- of positions in government, 200 order in council positions out of well over 10,000 in this government, who are appointed by order in council. And the particular appointments that he's talking about to media services have been filled by order in council for decades, as long as anybody can remember.

The previous government under the premiership of the member from Estevan appointed people to that unit, all during the 10 years in which he was the premier, by order in council. We appoint people to that position by order in council. When did the hon. member get religion? What is this all about?

I mean we all must recognize that there are positions that have been appointed for decades by the route of order in council, and there are a number of criteria by which those decisions have been made as to which will be, and which won't be, and then there's nothing

new here. The member is approaching it as though we had suddenly devised this brand-new method of appointing people to jobs in order for some political and nefarious purpose. And I just simply say to the member, that's how the previous Tory government did it, that's how the previous NDP (New Democratic Party) government did it under Premier Blakeney. That's how the Liberal government from 1964 to 1971 did it under Premier Thatcher. That's how Premier Douglas did it prior to 1964. So what's new?

Mr. Goohsen: -- Thank you, Mr. Chairman. Minister, info services is new in the way that it's being handled. The process has been changed. That's what's new. As for digging around in the past and looking for excuses to justify the present because of what happened in the past, I'll remind you that the past governments that practised this kind of process have been defeated by the people of the province. That included Allan Blakeney's government of the 1970s. So you go back all the way to them, saying that this is great because that's what they did. Well they got defeated. Obviously something was wrong. People didn't like what they were doing.

So what I'm saying to you is that there's something wrong with this whole process. While in opposition the now Premier promised to appoint an independent commission to review all appointments to ensure that they were made based on merit, not on politics. Those are his words, not mine; your Premier, not mine. Now where's that commission today, Mr. Minister? Where is the open and honest government without patronage in that?

Hon. Mr. Mitchell: -- Well I don't know what the member expects of me. I mean is he asking me to answer for another department? And he's certainly been trying to do that by raising these examples about a unit within the Executive Council. He must know that I can't do that.

I've tried to answer the member's question in general terms about the two kinds of appointment that are done by this government and by every other government in this country -- some by order in council, some by Public Service Commission.

And in this province we have, I think, probably among the best ratios in Canada as between positions appointed by the Public Service Commission and positions appointed by order in council. So I think we have nothing whatever to be ashamed of.

And I just will simply have to leave it to the president of the Executive Council to answer specific questions about people in his particular department.

Mr. Toth: -- Thank you, Mr. Chairman. Mr. Minister, before we move on to another area of discussion, another estimate, I'd just like to ask one question regarding the Public Service Commission. Does the Public Service Commission hire all employees that work for government? In particular, the reason I'm asking is because on another day I'd like to review it. But I want to make sure that we're not overlapping. If

we're in the wrong office then I'll get into the particular department. But the Executive Air, who hires the pilots that fly Executive Air, government air? Is that handled under the Public Service Commission or would that be under Property Management Corporation?

Hon. Mr. Mitchell: -- I'm advised, Mr. Chair, that the pilots at Executive Air are hired by the Saskatchewan Property Management Corporation, and the Public Service Commission does not handle their human relations.

Hon. Ms. Carson: -- Mr. Chairman, the committee reports progress.

**General Revenue Fund
Indian and Metis Affairs Secretariat
Vote 25**

The Chair: -- At this time I would ask the minister to introduce his officials.

Hon. Mr. Mitchell: -- Thank you, Mr. Chair. I am pleased to introduce to you and through you to members of the committee, Mr. Marv Hendrickson, the deputy minister. Behind Mr. Hendrickson is Ms. Margaret Eagle, who is the assistant deputy minister for Metis Affairs. And behind me is Mr. John Reid, the executive director of strategic planning.

Item 1

The Chair: -- Item 1, is that agreed?

Mr. Toth: -- Not just yet, Mr. Chairman, thank you. Welcome to the minister and his officials, and we look forward to a very productive discussion as we discuss the portfolio of Indian and Metis Affairs Secretariat.

Mr. Minister, over the last little while there's . . . certainly the previous government and now your government, we've had a lot of discussions at the federal level. And when we look back to the Charlottetown accord and the Meech Lake accord, there's been a fair bit of discussion as to how we settle treaty land entitlements.

Discussion has taken place in regard to native self-government, and I think I have a few understandings of what I perceive maybe native self-government means. Maybe there's, who knows, maybe there's 3 or 400 different ideas of what people across this country -- or maybe even larger than that -- of what they perceive native self-government being or meaning in the realm of self-government.

And I'd be interested as we get into the discussion and in hearing you lay out what you perceive the term native self-government meaning, in light of the fact that there's a discussion taking place regarding the transferral of some \$550 million to the native community, that we'll certainly get into a discussion a little later on as we continue on with our questions.

Before you possibly get up and give us a

response as to what the responsibility the Indian and Native Affairs Secretariat is, the parameters under which it operates, and then give us an idea of what you perceive native self-government meaning, I just want to also indicate that you may have received in your office today a list of questions, just standardized questions that were sent up to your office.

We're doing that, Mr. Minister, to try and help the process here, so we don't take a lot of time just getting numbers and names and figures and facts thrown out at us. And I'd just appreciate your assurances that as soon as possible, we'll be able to get the responses back to those questions in case as we get into the debate, there may be questions arising from the responses as well.

So those are three or four areas I've given you to start with, Mr. Minister, and I'd like to hear your response.

Hon. Mr. Mitchell: -- Mr. Chair, and I want to thank the member for opening these discussions in the way that he has. One thing that has so deeply impressed me in the discussion of these issues is the amount of consensus that exists in Canada, certainly at the political level, but I think at all levels, the amount of consensus that there is around these issues.

When I say these issues, I mean the issues of self-government and the related issues that the member referred to in his opening remarks. The level of consensus is heartening, and the absence of political controversy around these issues is also very heartening -- one of the few areas of government activity that is not characterized by party fights, at least by political bickering and partisan debate. And I think that is very heartening, and I know that the aboriginal communities appreciate it, and appreciate it deeply.

Let me cite in support of what I just said, the work of the previous government on the treaty land entitlement process. I think that was a remarkable piece of work. It involved the federal and provincial governments coming together with the Federation of Saskatchewan Indian Nations in an effort to settle an unpaid debt of more than 100 years. This was land that had been promised to the Indian peoples under treaty and which had never been delivered. So that Canada and more recently Saskatchewan owed them that land and simply did not acknowledge the debt and didn't make any effort to repay it until the 1980s.

And as I say, the previous government picked up what could have been a hot potato and decided to do something about it and to settle it once and for all and made great progress in that before the election in 1991. And when this government assumed office, we picked up that file and carried it through to conclusion. And we're proud of the work that we did on it, as we know you must be proud of the work that you did on it in order to bring that very important matter to a conclusion.

And finally we can write . . . we can stamp paid to a debt that we owed to those entitlement bands who

had simply never received the land which the Queen had promised to them through the treaties that were entered into over 100 years ago. And I think that's a proud moment in the history of this province and a proud moment in the history of both of our political parties and the governments that we formed in the '80s and now in the '90s.

When the constitutional discussions began in the Canada Round under the chair of the Rt. Hon. Joe Clark, we found a similar situation existed. We found that governments of all political stripes representing all the provinces and territories of Canada, together with the federal government, came together and on our first day of meetings each jurisdiction confirmed their recognition of the inherent right of aboriginal people to govern themselves.

And that recognition held all the way through the Charlottetown discussions and was never wavered from and was never put into any question. All those discussions proceeded on the basis of the recognition of the inherent right.

And again it made me, and I know the other ministers who participated in that conference, those long series of meetings, very proud, proud that we in Canada were able to take a unified position on this important question without partisan differences and without trying to gain any political points on what is a potentially controversial issue.

So I just wanted to mention that by way of backdrop, because I know since we've been in the government the official opposition has been very supportive of the things that we've been trying to do with respect to the Indian and Metis peoples of Saskatchewan, and supported, for example, the treaty land entitlement Bill in this House by a unanimous vote.

We hope we can continue with that level of political agreement and we'll strive on our part to achieve it. And in that regard we will share with you all the information that we have and all of our plans and be quite open and above board with respect to what we're trying to do.

(1600)

I want to now finally come, after all that preface, to the member's concerns, and that is what does self-government mean. My answer is that I don't know exactly what it means. No one knows exactly what it means. People have theories and some glimmering of understanding perhaps of what it means, but we will not know what it means until we have found the process by which we will sit down, all levels of government in Canada, that is federal, provincial, and aboriginal, and work it out.

And the reason why we have to approach it that way is that it is going to be different in different parts of the country, and it is going to be so because aboriginal peoples will require it to be so. The appetite for

self-government that you will find among the Inuit on Baffin Island is much different than the appetite for self-government of Metis living in Saskatoon or Indians living in the Yukon or Indians living in Nova Scotia or the . . . and I could go on and on with examples.

The Indians in British Columbia have never had a treaty. So they approach the whole question much differently than do the plains Indians who are covered by treaty and who have a history of the kind of governing arrangements that pertain to treaties under the Indian Act and under the administration of the Department of Indian Affairs.

So you just can't find a generic definition of aboriginal government that will cover all these circumstances. In a city like Toronto, self-government for aboriginal people living in Toronto is probably going to involve the administration of certain services, maybe social services, health services, justice services, and the like. Some of those programs they may want to control and manage by themselves, and I think that's a doable thing. In fact, I think that would be a good thing.

But that level of self-government is not at all what the Inuit in the western Arctic, the Inuvialuit, see as self-government because they're already doing that and they have in mind a more complicated form of government for their region than is the case in Toronto.

And so that in effect is my answer to the member. There is no generic all-encompassing definition. It is something that is going to have to be worked out and worked out over, I think, a relatively long period of time because it'll require some careful, careful negotiation and careful consideration.

Probably we wind up with something that is fluid and flexible; a little bit now, a little bit later, all depending upon the circumstances of the aboriginal people and what's happening in the country and province at the time, but marching steadily, marching steadily towards the goal of aboriginal self-government in order to recognize fully their inherent right to govern themselves.

Just before I sit down, and I know I'm in danger of taking too much of the time of the committee, let me just talk about the idea of inherency. When the first European settlers landed on the shores they found a civilization, they found people were living here. They were called Indians because the people who landed thought they had reached India, and they have been called Indians ever since that time.

But there was a functioning society here. It was different than the society that we know today and different than society that the Europeans who landed had known in their home countries. But none the less it was a self-contained and unique and self-governing society.

And the simple point is that they have never given up that right to govern themselves. That right has in fact been recognized throughout the sweep of the history of settlement on this continent, and this country in

particular, as being a continuing right.

And as I say, I think all of us can be very proud of the position of all of our governments right across this country in recognizing that that right has never been extinguished, has never been given up, but continues as an inherent right. And it is now our responsibility here in the 1990s to move towards putting some flesh upon the framework of that idea and actually giving aboriginal . . . not giving but allowing aboriginal people to develop their own form of governance with respect to the issues that are close to them and their way of life.

Now I'm just about to sit down. The member I don't think wants me to get into the details of the 550 or the details of treaty land entitlement. I'll wait for specific questions on those. But I did want to respond to the member on the very important concept of self-governance.

And I'll conclude on this note. What I learned during the Charlottetown process, what every government learned during that process is that we had to give up on our idea that we should define what is self-government. And there was a great appetite, Mr. Chair, and to the member -- there was a great appetite around that bargaining table to define what it was; what would aboriginal governments do.

And then after we weren't able to make any progress along that line, we tried defining what aboriginal governments would not do, with the implication that they could do all the rest. And that didn't take us anywhere either. We weren't even able to agree between ourselves on those points, leave alone with the aboriginal governments, aboriginal groups represented.

What we learned was that we didn't have to know with precise certainty how it was going to come out. We learned that our desire that we know, is a value that we hold in our society. Our society and our governments like to know with as much certainty as possible how something is going to turn out before they commit themselves to it.

Aboriginal groups, on the other hand, pay attention to process. And if they could agree upon a process for working these issues out and for arriving at agreements, that was enough. We didn't have to know exactly where we were going. We didn't have to know exactly how it would look before we'd begin discussing. As long as we could set up a process of discussion that had integrity, that was sufficient.

And it took us a long time -- and I'll conclude on this note, Mr. Chair -- it took us a long time to accept that that was a legitimate way of doing things. In that exercise it was the white governments, if I can use that term, of the provinces, territories, and the federal government that learned from the aboriginal people that their way was a more practical solution to this. And we all recognized that in the end, to the credit to all of us, I think.

Pardon me for being so long-winded, but I think the member knew when he asked the question that I would have to give the full nine yards of answer.

Mr. Toth: -- Thank you, Mr. Minister, and you're quite right, I was quite well aware that we might get a fairly lengthy dissertation.

But, Mr. Minister, when it comes to self-government -- and I think that was one of the, I guess the key words in even the whole Charlottetown accord -- and on the street, you talked to people and people wanted to know what I thought self-government meant. I asked them what they perceived self-government to mean. I'm sure even amongst the native community, as you indicated, the native community may have different reserves or different areas of the country would have a different concept of what self-government would mean.

What I find, most non-natives would perceive self-government as meaning a type of government whereby they would begin to not only provide government for themselves, whether it's through their own band councils, maybe providing policing, maybe providing some medical help, maybe even take care of social needs on the specific reserves or in a jurisdiction, like the province.

I think the other area that the non-native community would look at self-government and their interpretation of what self-government would mean is, is the native community then taking control of their lives totally, where they start to generate some of their . . . basically through business, generate some of their own taxable revenue or revenue. And I think that's one of the major concerns that is ongoing in our society and certainly in our province as you travel around the province, rural municipalities are running into a problem as to some of the treaty land entitlements that we have arrived at.

But I guess what I'm trying to determine is, when we talk self-government are we looking . . . does the process include some form of native involvement in really providing for their own livelihood down the road? And I think there are a number of bands across Canada already have shown that if given the opportunity, they can provide a very solid form of governance, where basically they don't really need the taxpayer of Canada to provide a lot of money because they have generated a fair bit of revenue through their own initiative.

And so I'm wondering if that's possibly some of the discussion that has taken place. And what I'm also wondering, I guess the major question, Mr. Minister, is where are we today? What is the process today? Are there ongoing discussions? Is there debate between the native community and all levels of government, or is it kind of on the back burner for the time being and we're going to get into it down the road, or just exactly where do we sit regarding self-government today?

Hon. Mr. Mitchell: -- One of the fundamental objectives of Indian, Inuit and Metis peoples in these

discussions about self-government is to attain economic self-sufficiency so that they can take their place, along with all the rest of Canada, as productive members of society and stand tall, as it were, with everyone else and end some of these terrible myths and negative perceptions that exist in our society.

And it is clear that they intend to look to their own resources first in running the governments that they're able to develop. What that means will remain to be seen also, but they certainly look to economic development and to jobs, gainful employment of every kind, and provide themselves with a revenue base before they look to either the provincial or federal government for any help.

Now I believe that it will take a long time to do that. How long depends upon the development of the Canadian economy. But I think we ought to know that it will take some time and that some level of support from both the federal and provincial governments will continue.

The way I look at it is this. The federal government is already expending really huge sums of money in order to provide services to the aboriginal people. One of the difficulties that I have with it is that so much of that money never gets down to the level of the Indian or Inuit person; that it's lost in the delivery of the programs, in the expenses involved in delivering those programs.

I think that the same situation pertains in many provinces. A lot of money is spent. In Saskatchewan we've grossed it up as being about \$550 million. It's hard to be accurate about that figure, but I think that's a best estimate.

(1615)

Here's my point. If you took all the money that all the governments in Canada are now spending on aboriginal peoples, and just simply handed that money over, you would have people with a high income. You'd have aboriginal people with an average income that would probably be above the national average. So there's enough money in the system to run the system. But so much of it, I think now, is being wasted, and wasted on other than aboriginal people themselves.

So I don't look at self-government arrangements as being terribly expensive as far as our government is concerned or the federal government. I think we're now spending all that we're ever going to have to spend.

The rural municipalities. I want to just touch on them for a moment. With respect to the treaty land entitlement bands, I think everyone agrees that there is no problem. There is a fund available there which was negotiated with the SARM (Saskatchewan Association of Rural Municipalities) and which is sufficient to satisfy the transactions that will take place within that framework agreement. Where we have the problem is outside of treaty land entitlement where you have

what we call specific claims, and that is where the land wasn't turned over under the treaties but has been lost, usually by the fraud of some Indian agent or some other person, that the land was sold out from under them or they lost their land, and now we have to go through the process of correcting that fraud and getting the land back to them. On those claims, Mr. Chair, and Mr. Member, on those claims the federal government has not been willing up to this point to provide the same tax consideration as under the Treaty Land Entitlement Framework Agreement.

It is the position at SARM and the rural municipalities concerned that the same arrangement should be made for those specific claims as under treaty land entitlement. That's our position too, and we agree very strongly with the RMs on that because our negotiators were in the room when this matter was being discussed at the treaty land entitlement negotiations. And the federal government agreed that these specific claims should be handled in this way, the same formula as treaty land entitlement. So we regard it as a closed issue.

Now there was a lot of backing and sliding by the Department of Indian Affairs after the TLE (treaty land entitlements) signing. In the last days of the Conservative government, just before the last federal election, the federal minister recognized their responsibility here and said that she would deliver on the tax aspects of specific claim, wrote a letter to that effect to everybody concerned, and we got a copy of that letter. It is not clear what is the position of the new federal government. It remains an open issue.

Now finally to the member's final question which was, where are we today in the self-government process? We are here. The federal minister has recognized on behalf of the federal government, their commitment to or their recognition of the inherent right of aboriginal people to govern themselves. He then says he needs six months to consult with aboriginal groups and with the provinces in order to determine the process that should be followed in putting some flesh on this idea, in working out what self-government means. He's in that process now.

We agree that he needs some time in order to do that, and we have given him the benefit of our advice and our experience in this area. I expect that at the expiration of his six-month period -- which I think is in June, June or July -- he will have some ideas about a process, and we'll come together and work out what that process should be. In the meantime we're not quite marking time, but we really can't do very much. We can talk, we can explore ideas, but we can't really make any significant progress. The federal government is the main actor because they have the constitutional responsibility that they have under section 91(24) of the constitution.

So until they determine what process they're prepared to follow, we're sort of stuck in place; we're stymied. But we will continue to work on it to the extent that we can.

Mr. Toth: -- Well thank you, Mr. Minister. Mr. Minister, I quite heartily agree with you that certainly, even amongst the native community, there are some major concerns regarding funding and how the funding will be allocated. And just to, say, turn over a lump sum of funds whether or not the funding will reach down to the average, ordinary, everyday native person from the children up -- and certainly there are a lot of questions out there. And I think there are some . . . many, if not all, of our native leaders are well aware of that.

And as you continue into the discussion of self-government and funding and their funding, I think those are some of the things that you as minister, and your Justice officials, your government, even we as opposition members, and all governments must continue to bring to the forefront so that we've got some agreements and understandings. Because as a society, they're part of our society, part of our province and country, and at the end someone's going to be responsible to meet some of those needs if they aren't looked after today.

Mr. Minister, you had talked about certain claims and the taxation process. And I'm sorry, I missed exactly what you meant by that. I'm just wondering what . . . claims that were arriving outside of the treaty land entitlement. And I'm wondering if you could be a little more specific regarding some of these claims, what we really mean, what we're really talking of, as I missed exactly where you were going. And I wonder if you could bring that to our attention, Mr. Minister.

Hon. Mr. Mitchell: -- I want to just draw again the difference, define the difference between the specific claims, as everyone refers to them, and the treaty land entitlement claims.

Under the Treaty Land Entitlement Framework Agreement, the federal and provincial government pay into a fund. They pay 27.5 times the assessed value of land that is claimed within a municipality. That goes into a fund and it is drawn upon by RMs (rural municipality) each year in lieu of land taxes.

The payment into that fund is 70 per cent federal and 30 per cent provincial, and the estimated size of that fund is \$50 million. That applies to all of the treaty land entitlement bands, which were bands that were short-changed, never did receive their entitlement under the treaties. So that's the unpaid debt that I referred to earlier, and we're now in a position to mark that as paid, although the payments will go over a period of 12 years.

With respect to specific claims, you have there a land claim which is based upon a fraud usually. These are bands that received their entitlement after the treaties were signed, but have lost their land since then or lost part of their land since then, usually because of somebody's fraud -- the Indian agent sold the land, the land was somehow sold out from under them. The band lost their land, and they come forward now and make a claim to be compensated for that land.

These claims are no part of the provincial government. We're not involved in these negotiations directly, because it's entirely up to the federal government to make up that shortfall. Their people caused it or allowed it to happen, and they have to pay it.

But the tax issue arises there because the RMs are in the same position as under the TLE. They've got an Indian band that claims land in their area or . . . I don't say claim land; they buy land. All of this is on a willing seller, willing buyer basis. Nobody is forced to sell their land to an Indian band. But if a band acquires land within a municipality, the tax problem for the RM is the same, because the band is by treaty not required to pay taxes with respect to land. The offer from the federal government is only five times the assessed value, and that doesn't give the RM any comfort at all, and they're very, very concerned about it.

I know the member heard me earlier when I said that we take the side of the RM on that question because our negotiators were in the room when this was discussed, and we heard the agreement that was made. And the Department of Indian Affairs backtracked on that agreement.

That's our position, and that's with the knowledge of what went on in the room. They have backtracked on that agreement. And the federal minister of the day, Pauline Browes, reinstated that agreement and said that the same arrangements as under treaty land entitlement would apply to the specific claims.

Then the election happened, and the federal government now, the Liberal government, are wrestling with this question, I suppose, of what they do with specific claims. I know they're wrestling with it. And I don't know what the result of that will be. But we're on the side of the RM because that was the deal that should have been made, and that's the deal that was made. It's the only deal that makes any sense. If that deal isn't in place, then the specific claim process in this province will become very, very controversial, and frankly, perhaps unworkable. So we continue to press that position very strongly.

Mr. Toth: -- Well, Mr. Speaker, how many specific claims would there be in the province that would fall under this specific claims issue, and where are they and who are they?

Hon. Mr. Mitchell: -- Mr. Chair, and to the member, I'll give you the global numbers. The federal department advises that there are currently 40 specific claims that have been made. And they advise that settlement of these claims may result in approximately 420,000 acres of land being purchased and attaining reserve status -- 420,000 acres.

Now we have in the department but not here in the Chamber today, the specific claims in question, what bands, where, and how much, but we can provide that to you and we will. There have been some recent settlements and I just might mention those in passing so you get some idea of what the current situation is.

There have been six settlements since 1986 and they include the White Bear settlement where the Ocean Man and Pheasant Rump Nakota bands received over \$16 million to purchase up to 34,485 acres. So you see the size of that.

I'll send this over too, rather than read it all into the record. I'll send this information to the member as well. But you've got some idea of what the situation is with respect to settlements that have been made up until now. But there are 40 more that remain in the pipeline.

(1630)

Mr. Toth: -- So what you're telling us, Mr. Minister, then is at present there were 40 specific claims ongoing; there have been 6 settled. Is that 6 of the 40? And that's 420,000 acres approximately that . . . and I suppose that may change a bit if land values change because I'm not exactly sure. The entitlements that are coming out or the claims are settled, the bands I believe settle for a certain dollar amount and then how much land . . . they have the ability then to go and purchase the land.

And if they purchase at six or seven or nine times the assessment, if they pay a higher premium for the land, then it's going to mean fewer acres that they're going to be able to purchase.

So I guess what I'm wondering is -- we're roughly talking of 420,000 acres -- that's a lot of acres of land that is going to fall out of the taxation base for rural governments as far as providing services around the province of Saskatchewan.

So, Mr. Minister, I wonder if you could respond on that. We understand that this is a federal issue, federal responsibility; the province really isn't involved in it. And these 40 claims, as I indicated earlier, and certainly in my area one RM is basically facing a real problem already as to the amount of land that they are able to tax and the tax revenue that they're losing because of one of the settlements that's taking place. And that's creating a major problem for the specific RM of Hazelwood and, I'm not sure, all the other RMs.

Another thing, Mr. Minister, while you're speaking on that. How many of these claims are involved in large urban centres? Like we are aware of the . . . I think there was a claim in the Fort Qu'Appelle area regarding . . . that's been ongoing. And I'm not sure if it's still ongoing. I'm wondering if there's any claims that are being presently brought forward that affect large urban centres in the province.

Hon. Mr. Mitchell: -- Mr. Chair, and to the member, these claims are the subject of negotiation between the federal government and the band. And they are based upon how much land was stolen or sold out from under the Indians. And they arrived at a compensation package for that.

As in TLE, it is our understanding that there is a requirement that the band spend a portion of that on

land. And then they have discretion to spend other money on other things -- maybe economic development, or what have you. We're not involved in those negotiations at all. We're aware of them, but we're not involved. We think that the situation is that those six settlements I described are included in the figure of 40, so that would leave 34 unresolved. Probably 20 of those are not yet at the table; the balance of 14 would be at the table and being discussed.

As yet the question of a tax cushion or tax arrangement for the RMs has not been arrived at, and I've gone through that problem and the present state of play with respect to that problem. But the member is correct; that remains unresolved.

Now with respect to the question of land acquired by Indian bands in urban areas, we have of course in the past seen that in Prince Albert and in the very recent past in Saskatoon, and then just this last three or four months in Fort Qu'Appelle.

The Fort Qu'Appelle acquisition was the first acquired under the treaty land entitlement arrangements. "Under" is not quite the right word because it's not really under the agreement but it is pursuant to the agreement. And the member will be aware of the controversy that occurred at the local level and how that was eventually resolved by a referendum.

That matter has been settled now between the town of Fort Qu'Appelle and the Star Blanket Cree First Nation. And we were present . . . I was present at the signing of that agreement a couple of weeks ago with the member, my colleague from Qu'Appelle-Lumsden and the member from Melville where the Star Blanket Band is located, were present in Fort Qu'Appelle for that signing. I'm happy to report that all the issues there appear to have been satisfactorily resolved and the service agreement is in place and both parties look forward to a long and happy life together.

And I believe that that agreement has shown the way for similar situations if they arise elsewhere in Saskatchewan. SUMA (Saskatchewan Urban Municipalities Association) has been close to that operation and I think they have, in effect, developed an agreement in which only that some blanks would be filled in in order to accommodate future such situations if they occur in the province.

Mr. Toth: -- Thank you, Mr. Minister. Now, Mr. Minister, this may fall out of your jurisdiction as well, but you made a comment . . . mentioned the fact that there were land entitlements years ago, treaties that were signed and some of this land has disappeared; they've fallen under specific claims. I gathered from your comments that there were specific acres involved at that time.

What's taking place right now? Is the government looking at giving back the equivalent acres or are they taking into consideration the land values right now? If you were to look at what, say, the different reserves

had of the day versus the price of land where it may be sitting today, some of these reserves may be looking at smaller holdings. And it's not that I'm standing here specifically arguing for the same holdings or larger or smaller reserves.

I'm just wondering first of all, are we trying to, or is the federal government to your knowledge trying to give them back what was put in the treaties as far as land entitlement, and who's paying for that? You indicated that part of the pay-out that's been agreed to by reserves is that they're able, they go and buy their own then, rather, and they may not specifically get the same amount of land.

Another question that arises. When these entitlements or land claims or specific claims are in place, what happens to, say, natives who have moved off of the reserves and aren't living on the reserves now, and they may want to migrate back or become part of the reserves and be involved? Are they included or are they on the outside then looking in?

Say if they moved into a large urban centre, left a reserve say up in the Melfort area or wherever -- there's reserves all across the province -- are they included in these entitlements? What happens to them?

Hon. Mr. Mitchell: -- Sorry to take some time with that, Mr. Chair, but the rules -- or the answer is different under TLE as compared to under specific claims. I have the sense that members opposite know as much about this as I do, at least some of them. But this is an exam. You tell me at the end of it whether I passed or not. This is a very interesting subject.

The work of Cliff Wright as the treaty commissioner was crucial to resolving long-standing issues that couldn't be agreed to at the negotiating table. And those recommendations of Mr. Wright in his capacity as treaty commissioner, broke the log-jam and allowed the agreement to be made.

Let's talk about treaty land entitlement first and the shortfall of the entitlement. The shortfall of the entitlement was calculated in the following way. How many members of the band were there at the time of the signing of the treaty that ought to have been included in calculating the land entitlement? And you did that by taking that number times 128 acres per head, and that gave you your total entitlement. But they never got that land, or there was a shortfall.

Now that figure, that acreage figure has to be acquired by the entitlement band. The amount of their settlement has to include the purchase of that much land. Now the amount of the settlement that a band is entitled to under the TLE was arrived at by using that same acreage figure, the amount of the shortfall times \$260 an acre on average -- \$260 an acre which was the genius of Mr. Wright in cutting through all of the considerations and spelling out that number, and everybody could live with that number. It wasn't anybody's number but it was one that everybody could accept. And that gives you your dollar number.

Now of that dollar number, the land that I mentioned in the first part of my answers has to be acquired, so the band goes out and acquires that land from willing sellers. They have no power to expropriate; they have to find somebody who wants to sell. They have to want the land and they enter into the transaction. That has up to this point involved almost all rural agricultural land.

There are some exceptions and we've talked about one of them with the Star Blanket Band picking up that property from the federal government in the town of Fort Qu'Appelle. And we've talked about that already so I won't dwell on it any longer.

Now then, let's leap over to the specific claims country. And the acreage there is the amount that was -- I use the word stolen. I don't want to use it in any technical sense. The circumstances vary, but that land was pulled away from the Indians in one form or another. I've indicated that in many cases it was the result of the fraud of the Indian agent of the day, or some other federal official. But in any event, the federal government acknowledges responsibility for making up that land.

They now do that. They negotiate that at the bargaining table. They are not bound by the treaty commissioner's recommendation, and I don't know whether that forms any basis for discussion or not, because we're not at that table. But they work out the amount of that entitlement. And presumably they have some process for reacquiring the land and having a requirement for reacquiring that land similar to the treaty land entitlement. But we don't really know . . . the federal government has a policy on it, and we don't know the details of how that is administered.

(1645)

Mr. Toth: -- Mr. Minister, you've given us a bit of an overview of . . . perception of how the land entitlements are going to be arrived at, going back to some of the original treaties.

But the other question that we're still looking for a response and an answer is the native people who are living presently off the reserves and are looking or want to be reincorporated into the reserves. I believe they're called C-31s. And certainly if you're looking back to when the treaties were signed, no doubt many reserves, the population has grown over a period of time. And I can understand the complexity of trying to determine how we arrive at sizeable reserves or land acquisitions in view of the population increases.

But the other thing, Mr. Minister, is for the individuals who want to go back and be part of the reserves in this land entitlement, what is happening with them? What's the process and are they being incorporated in? Is that part of the agreement that's taken place?

Hon. Mr. Mitchell: -- I'm sorry for having missed that in my previous answer. I just hadn't noted it down.

The off-reserve Indians were included by the bands and by the governments in the calculation of all of the numbers. And they participated in the process and in fact voted on the result.

There are two types of Indian peoples involved here. There are, first of all, the band members who are living off reserve because they're working in the city or something like that. And the Bill C-31 people who are entitled to be . . . who are part of the bands, you know, who are in that Bill C-31 process. I won't go through all of the details of that, but they are also included. So they're included in the numbers and they're included in the ratification processes.

Mr. Toth: -- Okay. Number one, Mr. Minister, you've indicated just a few moments ago that -- and I believe this was under the Wright Commission -- they had agreed to land values of \$260 an acre. Or was that . . . is that including the off reserve or the C-31's going back to the reserve, all the individuals being part of the agreement? Is that included in that figure?

Hon. Mr. Mitchell: -- The answer to the member's question is yes. That's a simplistic answer to a difficult question. The Bill C-31 people like to use that expression, have been applying for years to regain their status, and the federal government deals with those applications. And they go on -- most cases -- onto the band list. If they are on the band list they were included. If they're not on the band list they're not included.

And then you get down into really technical differences between band lists and general lists -- and I don't pretend to understand that. But the general answer to your question is yes, band members living off reserve and Bill C-31 entitlees were included in the numbers.

Mr. Toth: -- Yes, Mr. Minister. You're indicating to us that, to your knowledge, all C-31's or all individuals off reserves are included in the numbers here.

The reason I'm asking this question, Mr. Minister, is because I believe -- especially when you look at SARM and SUMA and local governments -- is the concern they have is if all these individuals aren't included. And I know it gets to be somewhat of a touchy subject as well because if people that aren't included, and yet should be included at the end of the day when we finally arrive at finalizing these agreements . . . and all of a sudden we find that there's still a large pocket of native population wasn't included. And then we're going to be left in another situation of addressing the concern of well, how do we look after these people? Where do they fit into the scenario? Are they then left under the responsibility of the provincial government?

And even though this is in many cases a federal responsibility, it would seem to me, Mr. Minister -- and I'm sure that your officials and your government's quite well aware of it -- it's something that you want to be pressing Ottawa, to make sure that they're

covering all the guidelines. Because I don't think we or local governments want to be left with looking after, or realizing that we still have, a major cost on our hands when we thought we had basically covered it all and that we are arriving at some form of self-government that was allowing the native community to govern themselves and look after themselves without being -- can I use the term -- an added cost to the taxpayers of Canada or the province.

Hon. Mr. Mitchell: -- The question is a good question. The way in which the Bill C-31 people were treated was worked out at the bargaining table and was very much a matter of compromise. And the result of the compromise is, as the member indicated, probably about half of the Bill C-31 Indians -- maybe a little less than half -- have been reinstated. And most of those would be on band lists. But the other half are still in the pipeline somewhere. It's up to the federal government to process these applications and they have been processing them very slowly. So there would be another . . . at least an equal number of Bill C-31 people who were not on a band list and who have not been included in the calculations.

Now that was a point of contention at the negotiations and was finally settled out, along with everything else, by the three parties to the negotiations. And it is the situation today.

Mr. Toth: -- Mr. Minister, what you are saying is that as far as you know today, about half of the C-31's or the people that would be classified as C-31's have been incorporated into the negotiations regarding treat land entitlement or specific claims; about half are not.

How do we deal with this? Or what are you and your department doing to deal with the individuals who haven't been incorporated? Because at the end of the day, Mr. Minister, if they are not included and we reach some agreements and finalize agreements and find out that we have a significant . . . when you say half, I don't know exactly what the number is. And that could be a significant number of individuals that then are going to have to be looked after. They become a burden to society and they're going to have to be taken care of. And that's the concern we have, Mr. Minister. Not just us the opposition, my colleagues and I, but certainly local governments. And I think, as a province, it should be a major concern to us as well.

Hon. Mr. Mitchell: -- The global figures for Bill C-31, as we understand it, is that there are 10,000 people that have been reinstated under Bill C-31, and there is another 10 to 15,000 to go. So that means there's something between 20 and 25,000 entitlees, you know, people entitled.

Now those aren't the numbers we should use in this discussion. And the reason is that the entitlement . . . there were only 27 entitlement bands out of the total of 72 bands. So, is that about a third? So probably a figure of about a third with respect to those numbers I've just given you would be the right number.

And I just wind up my answer in this way: that this was a contentious discussion item in negotiations and finally was compromised on the basis that if the Bill C-31 person was on a band list, they were included. If they weren't, they weren't. And the deal was finalized on that basis. Not a perfect result and everybody knew the consequences. And the member's touched upon one of the main ones, but that's how it was compromised out in the end along with a lot of other compromises that all parties had to make.

Hon. Ms. Carson: -- I would like the committee to now report progress.

The Chairperson: -- It being near to 5 o'clock, this committee stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.