

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 1, 1995**

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Goohsen:** — Thank you, Mr. Speaker. Once again I would like to start the week off by reading a petition from the people across Saskatchewan and Alberta. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1 rather than allocating these funds towards capital construction projections in the province.

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

These signatures come from Regina, Weyburn, Medicine Hat, Calgary, Taber, Radville, Moose Jaw, Maple Creek, and just a whole lot of other towns. Mr. Speaker, I'm happy to table these today.

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

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

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

These petitions come from the Moose Jaw, Mossbank area of the province, Mr. Speaker. Central Butte, Riverhurst, Hudson Bay, Melville, Esterhazy, Estevan, Carievale, Bienfait — all across the province, Mr. Speaker. I so present today.

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

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

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

**NOTICES OF MOTIONS AND QUESTIONS**

**Mrs. Bergman:** — Thank you, Mr. Speaker. I give notice that I shall on day 63 ask the government the following question:

Regarding the Department of Justice: (1) what was the cost of sending Jane Lancaster to the effective executive program at Waskesiu in 1993; (2) what are the names of all Justice employees who participated in the effective executive program at Waskesiu in 1994; (3) what are all costs associated with these employees attending this seminar; (4) what are the names of all Justice employees who have enrolled in this seminar for the current year?

**INTRODUCTION OF GUESTS**

**Mr. Flavel:** — Thank you, Mr. Speaker. Mr. Speaker, today I want to introduce to you and through you to the other members of the Legislative Assembly, a couple that are in from Strasbourg — Paul and Elsie Dickman. They're sitting in the west gallery.

Paul and Elsie have farmed out in the Strasbourg area and I believe they're on the homestead that Paul's father homesteaded in the early 1900s. Of course Elsie is known around that area for her green thumb and her handcraft and all that, and Paul with his horses and so forth.

So I really want to ask the members of the Legislative Assembly to join with me today to welcome them here.

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

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure this afternoon to introduce to you and to members of this Assembly, a group of 50 grade 5 students. And they are from the Valley Manor School in Martensville, Mr. Speaker.

And accompanying these well-behaved students are four chaperons — must be more than that the way they're silently sitting there — but four chaperons along with teachers, Jim Golding, Glenna Pellerin, and Sheri Protz, Mr. Speaker. And it gives me a great deal of pleasure to be able to introduce them to my colleagues here. And I look forward to enjoying a drink with you folks a little while later, visiting a bit, and having our picture taken.

So I would ask all members of the legislature to help me welcome these 50 students, teachers, and chaperons from Valley Manor School in Martensville.

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

**Mr. Toth:** — Thank you, Mr. Speaker. I'd like to join with my colleague and extend a special welcome to Jim Golding who taught in our area for a couple of years — unfortunately it was too short a period of time because I know the students at home certainly enjoyed Jim as a teacher. And I'm sure the students in Martensville are enjoying his presence as well. So thanks very

much, welcome to the legislature, Jim.

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

### STATEMENTS BY MEMBERS

#### Athabaska Airways Expands Service

**Mr. Langford:** — Mr. Speaker, on Friday the member from Regina Albert North told us about Northwest Airlines providing international air service to Saskatchewan. Today I am pleased to offer some additional good news for the travelling public and for the tourist industry in Saskatchewan.

Prince Albert-based Athabaska Airways is going to introduce a daily flight between Regina and Williston, North Dakota, on May 16. This means that the travelling public will be able to go to Williston, from there to make connections to Minot, Bismarck, or Dickinson — all in North Dakota — or to Denver, Colorado.

The potential for attracting American tourists and business representatives from the U.S. (United States) is exciting. An increase of American visitors to Saskatchewan will mean more effective, more economic activity in tourism which could lead to more jobs in this industry. The introduction of this service could also mean more jobs with Athabaska Airways.

I would like to congratulate general manager, Jim Glass, and the management and staff of Athabaska Airways for offering their new service and for this contribution to the economy of Saskatchewan. Thank you.

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

#### 50th Anniversary of Saskatchewan Government Insurance

**Mr. Van Mulligen:** — Mr. Speaker, Saskatchewan Government Insurance is today celebrating its 50th anniversary of service to the people of Saskatchewan. Fifty years ago today, the Saskatchewan Government Insurance Office, SGIO, sold its first insurance policy.

Since then, as the theme of the anniversary suggests, SGI (Saskatchewan Government Insurance) has been part of your community. It has been and continues to be an employer; a partner with local independent brokers; a supporter of community events; and most importantly, an insurer of people's homes, vehicles, and possessions.

SGI boasts a history of affordable, dependable service. Saskatchewan was the first province to adopt a car-rating system that doesn't discriminate on the basis of age, gender, or marital status. SGI had the first government-owned salvage operation, the first package-policy concept, and the first drive-in claims centre in North America.

SGI's first half-century has been marked by innovation, excellence, and service, and we look forward with pride to the next 50 years. Thank you.

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

### Drama Festival

**Mr. Serby:** — Thank you very much, Mr. Speaker:

All the world's a stage,  
And all the men and women merely players:

Mr. Speaker, this line will come to life this weekend in Yorkton when the Saskatchewan Drama Association holds its annual festival. Over 600 students from across Saskatchewan will gather at the Yorkton Regional High School and C.J. Houston junior high for three-day performances, workshops, meetings, and social events.

Mr. Speaker, the 11 regions of the Saskatchewan Drama Association have sent their best overall productions. The cities and towns represented include Regina, Saskatoon, Moose Jaw, Yorkton, Kelliher, Porcupine Plains, Delisle, Spiritwood, and La Ronge.

The performances will start Thursday afternoon and conclude Saturday afternoon. All performances will take place at the Anne Portnuff Theatre at the Yorkton Regional High School.

Mr. Speaker, the Saskatchewan Drama Association's provincial festival is the finest showcase in our province, and Yorkton is proud to be its host this year. I want to invite everyone to the festival. And to the directors, performers, and crews, I wish to say, break a leg.

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

### Recognition of First Responders

**Mrs. Teichrob:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to congratulate a team of first responders from the Saskatoon Health District. First responders are volunteers who receive comprehensive first aid training. They can arrive on the scene of a medical emergency within minutes to provide care when an ambulance is en route.

Mr. Speaker, this team in Saskatoon Health District has just completed a special weekend of training in a new emergency program that deals specifically with farm accidents. As most Saskatchewan residents are aware, farming is a dangerous occupation. Farm accidents kill about 26 people every year in Saskatchewan and injure many others. These first responders have participated in first aid training devoted solely to rescue and treatment involving farm equipment and accidents.

Mr. Speaker, first responders enhance our excellent emergency response system. The success of first responders in this province is an inspirational story. It demonstrates that the spirit of community is alive and well in Saskatchewan. First responders build on the Saskatchewan tradition of caring for neighbours and sharing in the community. Thank you.

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

**KidSport Fund**

**Ms. Hamilton:** — Thank you, Mr. Speaker. Last week at F.W. Johnson Collegiate, I had the pleasure to attend a press conference to launch KidSport Fund in Regina and for the province of Saskatchewan. Earlier today, a breakfast was held in Regina to signal how the community could become involved in supporting the KidSport Fund.

Sask Sport is undertaking this new program to provide financial assistance to children who are unable to participate in sport because of the cost. I join my colleagues in the Assembly in supporting this worthwhile program because we believe that all children, regardless of their ability to pay, should be able to participate in sport and realize the many benefits that sport and recreation provide.

Many children will now be able to enhance their lives by participating in various sports activities through the use of lottery dollars and the Saskatchewan Lotteries community grant program. Children between the ages of 6 and 18 will be eligible for funding. Direct grants will range from 50 to \$200 a year for registration fees and the purchases of necessary equipment.

Application forms can be submitted by any school principal, recreation administrator, or social worker, who is aware of a child's need and financial support in this area.

I support and applaud the goal of the KidSport Fund to give all children the chance to enjoy healthy and positive activities, and I encourage all members of our community to support the KidSport Fund today. Thank you.

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

**May Day**

**Mr. Lyons:** — Thank you very much, Mr. Speaker. Mr. Speaker, today is a special day for working people all over the world. Today is May 1, the international working persons' holiday.

Mr. Speaker, many people are under the impress that May Day arose as a foreign holiday, a holiday introduced from the mind of Karl Marx or Leon Trotsky, or other noted people on the left. Far from it, Mr. Speaker. May Day was a holiday introduced first in North America as a result of workers struggling against the Pullman railway car company. And it was established in order to set the tone internationally for the struggle of workers for the eight-hour day.

Mr. Speaker, on May Day I want to salute the struggles of workers all around the world. I'd ask members of the Legislative Assembly to join with me in continuing the quest for the aim of workers' struggle, which is equal rights and social justice.

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

**ORAL QUESTIONS**

**District Health Board Deficits**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Health. Mr. Minister, not only have your health reforms devastated services in much of the province, as we see from your announcement this morning, they really aren't saving any money either. And not only do we see the Department of Health spending more money now than it ever has, we also find that a number of . . . in fact the health districts across this province have accumulated a debt of over \$15 million.

And one has to ask why has this happened. If your new system is so efficient, why have health districts accumulated such large deficits? Is it because they were forced to accumulate the deficit so the Minister of Finance could bring in a balanced budget?

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

**Hon. Mr. Calvert:** — Mr. Speaker, my friend and colleague in the opposition seems to be catching the virus that has caught the member from Shaunavon in either not being able to read financial statistics or misinterpreting them.

Mr. Speaker, the member will know, if he looks carefully at the news release which I issued publicly this morning, that the deficit figures indicated there are figures for the calendar fiscal year 1993-1994, Mr. Speaker. In that fiscal year, the total deficit picture for all of the health boards across Saskatchewan was approximately \$15 million.

The accurate deficit figures for this fiscal year just ended, '94-95, will be released at the end of June. At that time, Mr. Speaker, we expect the total deficit picture across the province will be around \$7 million. And further, Mr. Speaker, we expect by 1996-97 that across the province we will be in a balanced position.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I find that very convenient that the minister would release documents indicating today what the deficit was in 1993-94, what they anticipate it to be, and yet we won't have a release of what that '94-95 fiscal situation is until after the end of June.

Is there any particular reason for that, Mr. Minister? Is that because you've determined and your Premier has determined, that you do not want those figures coming out prior to the next provincial election, which may indicate that your deficit projections are not falling in line? Is that the reason, Mr. Minister?

**Hon. Mr. Calvert:** — Mr. Speaker, I'll tell you the reason — it's because this Premier and this government believes in obeying the law and obeys obeying the law in openness.

And the member will recall, that when we passed the district board legislation in this House, a part of that legislation . . . it's by law that the health district boards are to have their audited statements to the Department of Health by the end of June,

following the end of the fiscal year. Those audited statements, by law, will be delivered to the Department of Health by the end of June, at which time then, Mr. Speaker, they will become public knowledge.

And, Mr. Speaker, it is to the testament of this government and the people of this province that for the first time this kind of financial accountability exists in Health and exists across government.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, and, Mr. Minister, I find that interesting. The legislation certainly doesn't ask the minister not to call for the release of that information prior to; it says by law, they could wait and have it out by the end of June.

Why aren't you asking for it sooner, Mr. Minister? Why don't you ask those district health boards? They've probably had their audits already done. Why don't you ask for it and release it sooner?

Show us this good faith you're talking about, that your Premier's talking about. Show us that good faith and have those budgets released prior to the announcement of the next provincial election. Why won't you do that?

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

**Hon. Mr. Calvert:** — Mr. Speaker, as the member well knows, the fiscal year ended only a few weeks ago — only a few weeks ago. These are complicated books and they will be thoroughly audited by the private sector auditors, and reviewed by the public sector auditor in some cases, Mr. Speaker. It is simply physically impossible that all these audits would be done by this week.

Now it is a fine situation when members of that party come into the House and talk about releasing financial information. I can recall sitting on that side of the House and waiting not months but years for basic financial information about the operations of government in this province, Mr. Speaker.

We've taken the position of extreme financial accountability because we believe that's how government should be operated. And in the sector of health, we feel the same way.

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

**Mr. Toth:** — Mr. Speaker, Mr. Minister, even the commissioner of your Gass Commission, Mr. Gass, indicated on an open line back in 1991, the books were as wide open as anybody wanted and they could have been reviewed at any time. So don't give us that line.

And, Mr. Minister, our health boards, why are health boards facing deficits? Why were they allowed to even run into deficit positions in the first place? And where do they gain the revenue? Where do they find the revenue? There's only two sources: either taxes or reduce services.

So while you're standing in here talking about a balanced budget, on the other hand people across this province, and specifically the rural areas, are facing increased expenditures through taxation and less in the area of services.

Mr. Minister, can health boards run deficits, and why were they allowed to run these deficits?

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

**Hon. Mr. Calvert:** — Mr. Speaker, as I have explained to that member and other members of the House on other occasions, there were some initial transition requirements that have produced these small deficits, Mr. Speaker.

I want to remind the members that the deficits that we're talking about here, in the fiscal year 1993-94, represented no more than 2 per cent of the total district budgets. In this year, they will represent less than 1 per cent of the total district budgets. And next year, I reaffirm that we will be in a province-wide balanced or surplus position in the health districts, Mr. Speaker.

Mr. Speaker, that compares to a government, when these people were in office, who were running deficits of over a billion dollars or 25 per cent deficits on their annual budgets.

Mr. Speaker, we work with each and every health district board because, with the boards, we share the concern that health care in the long term should be financially sustainable. If we are going to preserve what we wish to preserve from our political party and from our government — and that is universally publicly-funded, and sustainable medicare — we know it needs to be based on a firm fiscal foundation as well.

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

### Provincial Sales Tax

**Mr. Swenson:** — Thank you very much, Mr. Speaker. My question today is to the Minister of Finance. As you know, Mr. Speaker, in 1991 the NDP (New Democratic Party) got elected by promising to eliminate the PST (provincial sales tax). And since then the PST has risen from 7 per cent to 9 per cent, Mr. Speaker, with no relief in sight.

Now, Mr. Speaker, to the minister: individual communities and businesses have contacted the government on this issue many times but obviously to no avail. So now, Madam Minister, they're banding together to try and get some action out of your government. A coalition of business and town councils from Swift Current to Meadow Lake are getting together on Wednesday in North Battleford to discuss ways to lower the PST.

The question I have to the Minister of Finance is, are you going to attend? Will you have the courage to attend on Wednesday? And for once, if you do attend, will you listen to the damage that your 9 per cent PST is causing the people on the west side of this province? Will you go, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member

opposite. First of all, I would say to the member opposite, I have met with these groups. For example, recently I was in Swift Current and officials had met with these groups, and they have a standing offer which I have written to the mayor of Macklin, to meet with the fiscal policy committee which I'm a member of.

As far as Wednesday, my problem is I haven't been invited and I usually like to go to places that I'm invited to. And as you can imagine, Wednesday is quite booked.

But you know, the members opposite really shouldn't keep doing what they're doing. This government did not promise to eliminate the PST in 1991. What we said is, you folks planned to tax things like children's clothing and books. We said we weren't going to do that. I think the member opposite may be getting his elections confused. It may very well be that the members opposite in 1982 made promises like that, but we didn't. We promised to clean up the books and we did — we delivered.

**Mr. Swenson:** — Thank you, Mr. Speaker. Well, Madam Minister, we'd like to see your plan for reducing the PST because clearly it was said in 1991, you know, October 20 at midnight the PST is gone. All sorts of people across this province heard it, Madam Minister, they heard it from the member from Riversdale, over and over again.

Now we'd like to see your plan, Madam Minister, in legislation. I mean after what happened in the last election campaign, your word isn't good enough any more, Madam Minister. You said you were going to reduce the PST. Will you put a commitment to the Legislative Assembly, instead of just promising and then betraying those promises like your leader did in the last election? Will you put legislation before this House to reduce the PST, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member opposite, I think we're all working hard in this province to restore public trust in government and it doesn't work when the member opposite keeps saying things that simply are not accurate. This government did not promise to eliminate the PST. They said, we do not support taxes on children's clothing and on books . . .

**The Speaker:** — Order, order. I would have to call the member from Cut Knife-Lloydminster to order. She just simply can't interfere when other people are speaking in this House.

**Hon. Ms. MacKinnon:** — To the member opposite, we have come out with our four-year financial plan for this province, a plan which sees tax reductions, not tax increases. And people can feel confident that we will deliver on that plan because we have balanced the books of the province which is the first prerequisite.

And they can also feel confident that we will deliver on that plan because we have begun delivering on that plan. In our recent budget we provided a tax cut for families — \$150 per taxpayer, \$300 per dual-income family — and targeted tax cuts to get and keep the economy moving.

So we have a plan, we have a vision of this province, and we will ask the people what they think of it, and we think they're going to like our plan.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Well the minister knows full well that the promise was made. And really the only reason, the only reason, Mr. Speaker, that it hasn't occurred — the minister admitted it last December — was she doesn't want to lose her transfer payments from the federal Liberals. She wants Saskatchewan to remain a have-not province and live off what the federal Liberals give us, instead of listening to the people in this province, Madam Minister, the people on the west side particularly, in business, in communities, who are saying that their communities would be booming if you simply kept your election promise.

And I quote Don McIntyre of Macklin who's heading up the new coalition. He says, I quote: I don't think I'd be out of line in suggesting our community would be at least double the size if we were sitting on a level playing-field with our town across the border.

Madam Minister, business owners don't care about transfer payments and your welfare mentality from the federal Liberals. What they want is growth, economic growth, and that starts with a reduction in the PST, Madam Minister, to let those people get the government off their back. When can we expect you, Madam Minister, to get the courage, number one, to go to that meeting on Wednesday, and number two, do what is right and build Saskatchewan instead of tearing it down and be a welfare case for the federal Liberals. When are you going to do that, Madam Minister?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member opposite, when I have met with these groups — for example a few days ago in Swift Current — I warned them that the members opposite were on their way. And I said, you know when an election is called someday in this province, you're going to have people traipsing through your communities promising dramatic, massive tax cuts. They'll say, oh we're going to do this for you and we're going to reduce that tax and this tax and whatever. And I said, beware Greeks bearing gifts, because you remember what happened in the '80s; those tax cuts come back to bite you and you end up paying for them.

And I say to them, this side of the House has taken responsible action on the tax side. We have reduced income taxes for people and we chose the income tax because the benefit is greater to families. And we have targeted tax cuts to business to ensure that our economy keeps moving. So we have sound finances, an economy turning around, and that's what the people of the province have told me that they want from this government.

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

**District Health Board Deficits**

**Mrs. Bergman:** — Thank you, Mr. Speaker. Today's news about health care deficit is very disturbing. First, after closing down 52 hospitals and laying off front line workers to save money, the provincial budget shows that health costs actually went up by \$12 million; now we find out that in addition to this, as you said today, a cumulative deficit of more than \$15 million for the 1993-94 year, with more than half of the districts running in the red, Mr. Speaker. Health costs are up, services down, and administration is getting bigger.

My question to the Health minister: given that any projected deficit has to be approved by the minister, did each of these '93-94 deficits receive your government's stamp of approval?

**Hon. Mr. Calvert:** — Mr. Speaker, I'm sorry that the member wasn't listening earlier because I think we've dealt with this question, but I'm more than happy to deal with it again. The member will realize that the health districts actually came into formation during that calendar year; that in the transition period there were some deficit amounts carried over from former functioning. There were some deficit amounts arose that . . . because of some severance pay to administration.

Mr. Speaker, what has been laid before the members today and before the public are the exact figures from the calendar fiscal year 1993-94 when the deficit total was about \$15 billion. We're estimating . . . \$15 million. In this fiscal year we estimate it will be approximately 7 and by the next, Mr. Speaker, we anticipate a balance across the province. And I hope that is very clear to the member and that she will understand it once and for all.

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

**Mrs. Bergman:** — Mr. Speaker, we note that in today's release on district health deficits there is a further \$7 million in projected deficits, as the minister has admitted. When the minister first defended the deficits, and as he does today, he said that it was because of start-up costs. Well start-up costs are past us now, and the health costs continue to spiral, services continue to dwindle, and the minister tells us we are looking at another \$7 million deficit in '94-95.

My question to the minister, Mr. Speaker: how did you decide which boards would be allowed to run deficits and which had to balance their books?

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

**Hon. Mr. Calvert:** — Mr. Speaker, we work with each and every of the health districts to understand the needs of their communities and the needs of their districts. We work to develop with them the management plan and their budgetary works.

Now for the first time, Mr. Speaker, in this province's history, these district boards are also going to their communities and sharing their plans; seeking out needs assessments and sharing their financial plans. That's how it works today, Mr. Speaker.

The decisions are not made as they used to be made when those folks were around government, either Liberals or Tories, on totally political kinds of approaches. No, what happens now, Mr. Speaker, is we work with our communities, we work with our districts, to find the best expenditure of the health dollar.

Now we know, Mr. Speaker, I think we all know — perhaps the Liberals don't — that these have not been easy times for the fiscal condition of the province of Saskatchewan. We've had to work very hard, very hard with the inheritance from the Tory government, to provide the quality of health care services that we're able to provide, Mr. Speaker.

But we've done that. And we've done it, I may say, Mr. Speaker, in a publicly funded and publicly administered system. We have not opted to any two-tier kind of medicine in this province, nor do we ever intend to.

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

**Mrs. Bergman:** — Mr. Speaker, these deficits are beginning to cause some real problems. The president of the Saskatchewan Union of Nurses stated last week at their annual meeting, and I quote: we cannot practise safe nursing in this atmosphere of deficit hysteria.

The minister has just confirmed that this deficit situation will continue for at least another year. And like in the Regina district where there is no overtime being paid and where people are not being called on when people are sick, these are some of the problems that are arising.

My question is to the Minister of Health. Given that the costs have continued to go up and services go down and that deficits continue to occur despite the minister apparently not approving them or foreseeing them, how can we believe that the deficits will be under control in the near future?

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

**Hon. Mr. Calvert:** — Mr. Speaker, I note with interest in today's *Leader-Post* that the Liberal leader, the Leader of the Liberal Party says, and I quote: she doesn't have the answers. Now that's the position of the Liberal Party.

Mr. Speaker, the member will know that these have not been easy times in the province of Saskatchewan. This government inherited a debt of a province of \$15 billion — highest per capita debt anywhere in Canada. We have managed, Mr. Speaker, like no other government in Canada, to bring this province to a balanced budget circumstance in three years — in three years, Mr. Speaker.

**An Hon. Member:** — Miraculous.

**Hon. Mr. Calvert:** — It is, as one of my colleagues just says, miraculous.

Mr. Speaker, we've done this while at the same time renewing and resustaining our health care system so that we can be

confident in the delivery of health care well into the 21st century, in the model of health care that was Saskatchewan made. We're just not interested in the American-made kind of proposals we're hearing from other parties.

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

**Mrs. Bergman:** — Mr. Speaker, the proof of the pudding is in patient care. What concerns me most about this situation is that the minister is continuing to accept deficits for the health boards. Today's news release projects a further 5 million in deficits for '95-96, which I presume that you have approved.

This is more overspending in a period when we're supposed to be cutting costs. But the only thing you are cutting is the number of hospitals, the numbers of nurses and other health care workers for Saskatchewan people.

To the minister: what kind of plan is it that deliberately creates health care deficits?

**Hon. Mr. Calvert:** — Mr. Speaker . . . (inaudible interjection) . . . the member from Shaunavon continues to chirp from his seat. Well, Mr. Speaker, a few days ago the member from Milestone pointed out a little learning that she'd had in her life. She said to the House, you know, every mistake is an opportunity to learn. Well if that's the case, I think the member from Shaunavon's been on a steep learning curve these last few weeks.

Mr. Speaker, we have taken a province that was financially and fiscally bankrupt — threatening the very, very foundation of our social programs in this province — we've taken this province and turned that into a province that has now a level of fiscal sustainability. And that extends, Mr. Speaker . . . that, Mr. Speaker, extends to the provision of health care services.

Now this Liberal Party, on one day in this legislature, its leader stands up and says we're spending way too much money; we've got to cut government, cut government. She attacks public servants. She attacks those who provide public services. One day they're saying that. The next day they're saying we should be spending a whole lot more. Mr. Speaker, it's a very convoluted position.

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

#### **SGI President's Contract**

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, on Tuesday, April 11, I submitted a written question to the government regarding the contract and salary considerations for the new president of SGI, Mr. John Wright. In direct contrast to this government's open and accountable motto, the House Leader refused to answer the question.

My question is to the minister responsible for SGI. Mr. Minister, can you tell this Assembly if this position was advertised? How many candidates were considered, and will you provide a copy of the employment contract signed by Mr.

John Wright?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, it is well known — and the member opposite knows — that contracts of senior public servants are public knowledge and are made available to members opposite, and this will be as well. The member asked the question. It will be provided to the member opposite in written form. If it's converted for an order for return and there's nothing unreasonable about the salary, there's nothing unreasonable about the process.

We are proud of the fact that we have one of the top public servants, who has been with the government here since the 1970s, to be the president of SGI, to carry on the proud traditions of SGI in Saskatchewan which has brought about tremendous service to the people of this province and great returns as well.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, the Government House Leader took that question and turned it into a motion for return (debatable). Means we never get the answer, Mr. Speaker.

Mr. Minister, one of the biggest dog-and-pony shows your government undertook in the first session was about how you were going to be . . . open up the Crown employment contracts. In fact you passed legislation which was supposed to make these contracts public.

The current Minister of Health just said . . . he talked about following the law. The former Health minister said on December 19, 1991, and I quote:

The contract of every permanent head and every person who reports directly to a permanent head must be filed with the clerk of the Executive Council for public inspection. No more secrecy, no more hidden contracts.

That's what your government said, but that's not what you're doing.

Mr. Minister, why did you not supply us with John Wright's contract when we asked for it, and why don't you supply it right now?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, the contract of the new president of SGI will be filed in the normal process; it will not take very long.

I don't think the member opposite can speak of any president of any Crown corporation whose contract has not been filed. That is something that is quite different from the way it used to be under the Conservative administration and the way it is under Liberal administrations around all the rest of Canada where there are Liberal administrations.

We are proud of the fact that we hire people who are the best qualified people we can get. And if we can get them internally from the province of Saskatchewan, within the public service or Crown corporations, that's even better, because it gives an opportunity for promotion by people who work there.

But that contract is going to be filed under the normal circumstances; it will not be long. And the member will know what the terms are, as well as the public of Saskatchewan, as they have a right to know.

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

#### Treatment for Hepatitis C Victims

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. Pursuant to an issue that was raised in the House on April 26 and again on Friday, I would like to report to the House regarding the coverage of the drug interferon for Ms. Victoria Lissel.

Mr. Speaker, I want to assure the House that Ms. Lissel continues to have adequate drug supply for her prescribed treatment.

I think I should explain the circumstances regarding this case. Mr. Speaker, Ms. Lissel is approved for coverage under the exceptional drug status. At the time of approval, those approved receive a letter from the drug plan indicating effective dates of coverage. Ms. Lissel has been renewed on several occasions. However, Mr. Speaker, when the issue was raised in the House by members opposite, Ms. Lissel's doctor, physician, had not yet contacted the drug plan to request an extension of the coverage.

Mr. Speaker, staff in the drug plan in fact contacted Ms. Lissel's physician. The physician has now made the request for extended coverage. And, Mr. Speaker, coverage has been extended for an additional six-month period, pending the recommendations of the expert advisory committee on hepatitis, on the use of interferon in the treatment of hepatitis C.

And so, Mr. Speaker, I'm very pleased to say that the individual has now been contacted and informed that her coverage has been extended.

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

#### SGI President's Contract

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, the Premier's friend, Don Ching, questioned the appointment of John Wright, so we have the opportunity also, Mr. Speaker.

The minister talks about the normal process. Well, Mr. Minister, I find it amazing and perhaps even amusing that members of this legislature have to apply to get the truth out of the NDP. They will selectively leak any information they wish at any time, but when it comes to their own NDP patronage appointments, people have to pay \$5, fill out forms, and wait two weeks.

Well, Mr. Minister, here's my \$5; you can put it towards the Premier's pension. Will you please supply that contract now?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I think Mondays are bad days, because the opposition seems to come short of questions. The member opposite knows that he does not even have to go through the freedom of information process to get access to contracts of management positions in the government services.

They are filed with the Clerk of the Executive Council. He needs to go down and he needs to be able to ask to see it. It's just like a student writing an exam — you fail if you don't do your homework. And obviously the member opposite, as well as both of the oppositions, fail because they don't do their homework, Mr. Speaker, before question period.

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

#### MINISTERIAL STATEMENTS

##### SaskFor Products Limited Partnership

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's a pleasure today to rise and make an announcement of great importance to north-eastern Saskatchewan. Mr. Speaker, a new corporation has been created in Saskatchewan. It represents a joint venture between the people of Saskatchewan and MacMillan Bloedel of British Columbia.

This new corporation, SaskFor Products Limited Partnership, will operate three existing wood processing plants — Saskatchewan Forest Products Corporation plywood mill in Hudson Bay, the sawmill in Carrot River, and MacMillan Bloedel's oriented strand board plant in Hudson Bay.

More importantly, Mr. Speaker, the new SaskFor Partnership will be engaging in new endeavours and, Mr. Speaker, it will apply for a forest management agreement so that the forest resources in north-east Saskatchewan can be managed in an integrated, planned, and sustainable manner.

Subject to environmental approval, the SaskFor Partnership also plans to conduct a new state-of-the-art oriented strand board plant in Hudson Bay.

Mr. Speaker, this plant will require a capital investment of \$150 million. It will directly create 150 new jobs in the plant itself and create another 300 seasonal jobs harvesting wood. The plant will produce 480 million square feet of oriented strand board, a plywood substitute, and that will be on an annual basis.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, this is great news for north-eastern Saskatchewan. The way that the partnership is put together means that it also will be great news for the rest of the province.

Mr. Speaker, the assets of both Sask Forest Products and MacMillan Bloedel were given an independent valuation appraisal. This appraisal determined that the assets of both companies were approximately equal in value. As a result, the new company will be equally owned by CIC (Crown Investments Corporation of Saskatchewan), on behalf of the citizens of Saskatchewan, and by MacMillan Bloedel.

The new oriented strand board plant will be constructed with the ongoing cash flow of the existing plants and third-party borrowing. This means that the citizens of Saskatchewan will not have to expend any money in order to have this new, major plant in the province.

Mr. Speaker, down the road, the citizens of Saskatchewan will receive the full financial benefit of 50 per cent ownership of this new, expanded company. And, Mr. Speaker, these are the benefits of this new partnership: jobs, an integrated, sustainable forest industry with the proper environmental practices, and financial returns for the people of Saskatchewan.

Thank you very much, Mr. Speaker.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, we certainly welcome any time a minister of the Crown stands up and announces there'll be more jobs in this province.

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

**Mr. Swenson:** — And as I do my arithmetic, that means — I know that the government's ecstatic, Mr. Speaker, but I think they should listen to what people have to say — that means that they're now only 850 short of where they were in 1991, instead of being a thousand.

Mr. Minister, the people in the media are now calling this an NDP megaproject. It's interesting that all the criticism dealing with FMLAs (Forest Management Licence Agreement) in the province previously, what you termed as megaprojects, as bad, you're now into one of your own.

And it's also interesting, Mr. Minister, that CIC, which in its last annual report showed a loss, according to your arithmetic, is now involved in another megaproject in the province of Saskatchewan. And since January 1 of this year, the running tally, short of this particular project, is \$267,191,339, and you have now added another 150 million on top of that, Mr. Minister. I would say that your family of Crown corporations and the taxes that they've been taking out of the hides of Saskatchewan citizens by raising every conceivable rate that there is attached to them are now starting to pay, at least you hope, political benefits for the NDP Party.

Mr. Minister, that 150 jobs in the forest industry could have been created a long time ago if you hadn't been so busy taxing Saskatchewan people to the point where they couldn't invest in their own province. They couldn't invest in their own province, Mr. Minister, because you and your government and your family of Crown corporations were so busy picking the pockets of the people of this province.

Mr. Minister, this 150 jobs is welcome in the north-east. What we'd like to see though is that you start bringing the family of Crown corporations before this Legislative Assembly so that we can understand these deals. If you're going to get into a megaproject, it should be before the Assembly, not pulled out of the hat simply before an election in order to make you and your government look good.

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

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

**Mr. Hagel:** — Mr. Speaker, I seek leave to introduce guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Hagel:** — Mr. Speaker, since we had the introductions of guests, our Assembly has been graced with the arrival of 21 young people from our sister province to the east, from Manitoba, who are seated in the west gallery, Mr. Speaker.

These grade 7, 8, and 9 students from Riverdale School in Kenville, Manitoba are here today accompanied by their teacher, Ms. Penner, and their chaperons, James and Janet Goossen and Ken and Darlene Penner. They've been here for most of question period, and shortly, they'll be leaving the gallery to have a tour of our legislative buildings.

Mr. Speaker, I'll ask all members of the Assembly to show a warm welcome to our visitors from Manitoba.

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

### MINISTERIAL STATEMENTS

#### Telecommunications Enhancement Fund

**Hon. Ms. Atkinson:** — Today, the Premier and the Member of Parliament from Regina Wascana announced that the Canada-Saskatchewan infrastructure works program has approved funding to establish the telecommunications enhancement fund and develop the electronic infrastructure for a province-wide, multimedia learning network.

This is further indication, Mr. Speaker, of the innovative projects which the province has put forward as part of the infrastructure program. In tandem with transitional construction projects, we are advancing electronic infrastructure projects which will prepare our young people and our adults to participate in a knowledge-based society.

The telecommunications enhancement fund will provide matching grants so that over 100 Saskatchewan schools and regional college sites can install the wiring and cabling needed to connect to a multimedia learning network. The network will eventually link all schools and regional colleges to Internet, SchoolNet, the provincial electronic library system, the province's two universities, SIAST (Saskatchewan Institute of

Applied Science and Technology), and the Saskatchewan government Correspondence School.

Infrastructure program funding also will be used to help educators develop content — for example, cooperative learning projects linking students in many sites, and on-line learning resources.

Our province will invest \$1.3 million of the 3.135 million total project value. In true Saskatchewan partnership, another \$1.2 million is matched . . . or in matched dollars will be contributed by our educational institutions, regional colleges, and schools. Participating communities will be identified in June and detailed proposals will be approved in October, 1995, and installation will take place during the '95-96 academic year.

Before long, Saskatchewan will have an extensive, technically diversified infrastructure, linking communities, people, schools, libraries, post-secondary institutions, and so on. A multimedia learning network will bridge barriers of geography and ensure all residents — urban, rural, and northern people — access to on-line information and education resources.

Today's project, Mr. Speaker, will result in the creation of up to 52 jobs within Saskatchewan's communications industry — highly skilled jobs for electricians, technicians, and computer network managers and other professionals.

But that's only the beginning, Mr. Speaker. We're also fostering an environment which will develop and attract highly skilled people. Our young people will become information literate. It will give them the ability to use new technology to access databases, join networks, and to locate, retrieve, and interpret the information they need when they want it.

Mr. Speaker, Saskatchewan's education system will be able to provide education and training opportunities to all learners in a flexible and affordable way, regardless of where they live in the province. With this project, adult learners will be able to have access to post-secondary education and other education or training right in their own homes, their own communities, or their place of work. Because of this project, Saskatchewan people will have available to them information that is the most current in the world, positioning our people in the international global-market economy.

Mr. Speaker, the Government of Saskatchewan, and particularly our Premier, is pleased to contribute to this exciting project.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, it is indeed very important that all people in Saskatchewan, that every school, has the same amount of access to the information and to knowledge. But unfortunately, because our province is so widespread and we have such a sparse population in certain areas, it's very difficult to do that.

When the minister talks about the monies that are being supplied for Internet connections across this province, that is an access that will provide people with the opportunity to

additional information, but not necessarily, Mr. Speaker, the educational information that they truly need.

When people have to ride the school buses for an hour and a half either way, Mr. Speaker, it makes it very difficult for them to learn when they're at school. So perhaps some of this money should be used, Mr. Speaker, to provide either better transportation or better school access, rather than simply on the Internet, Mr. Speaker.

When you look at the Internet connections themselves, Mr. Speaker, what do you need? You need some hardware. You need a computer, you need a modem, and you need access to a telephone line.

Well, Mr. Speaker, most schools have access to the telephone line. They may not have that telephone jack in the school, in the classroom, but it's in the school and it's not a significant amount of money to run that into the classroom.

They need a computer. Most schools, Mr. Speaker, have computers. So what else do you need? You need a modem. Well, Mr. Speaker, that's one of the things that most schools do not have, are modems. But a modem for a computer will run you anywheres from 50 to \$300, depending on how fancy you want to get.

So, Mr. Speaker, when the minister's talking of spending a few million dollars, you can buy an awful lot of modems for that. What do you really need, Mr. Speaker? What is really needed is an affordable access to the long-distance communication network. And that's what this government is failing to provide.

It's cheap if you live in Regina, to make a connection to the Internet, Mr. Speaker. But if you live out at Herbert, it's not anywheres cheap, because you now have to pay the long-distance charges. And that is what's going to kill most of the small rural schools in dealing with the Internet, Mr. Speaker. It's not the cost of hardware; it's the cost of using the system once you're connected.

And Madam Minister has not addressed that fact, Mr. Speaker. Support for the hardware is fine; the idea of connection to the Internet, Mr. Speaker, is fine. But it's the cost, the ongoing operating cost, that's going to kill the system, Mr. Speaker. And that's what Madam Minister has to address with her colleague, the minister for telephones, if she really wants to make Internet and the access to information accessible to all Saskatchewan.

Thank you.

**Mrs. Bergman:** — Thank you, Mr. Speaker. This Canada-Saskatchewan infrastructure project is exciting. And unfortunately, as my colleague from Cannington has pointed out, the current costs for rural Saskatchewan to access the new infrastructure is five times the cost to urban students.

This is an issue that has to be addressed so that the playing-field will be levelled. The importance of the project to the development of knowledge-based education and employment should not be underestimated. This is a start, Mr. Speaker, and a

good example of all levels of government working together for our future.

## ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as it relates to question 67, I move we convert it to motion for return (debatable).

**The Speaker:** — Question 67, motion for return debate.

### GOVERNMENT ORDERS

#### SECOND READINGS

##### **Bill No. 61 — An Act respecting the University of Saskatchewan**

**Hon. Ms. Atkinson:** — Mr. Speaker, I am pleased to explain the background and purpose of The University of Saskatchewan Act, 1995.

Under the Act, the university of . . . an autonomous corporation that provides post-secondary instruction and research in the humanities, science, social sciences, and other areas of human intellectual, cultural, social, and physical development.

The board and senate and council of the university are responsible for determining the manner in which the university fulfils this role in relation to the Act and to the recognized principles of academic freedom.

Mr. Speaker, some of the provisions in the current Act date as far back as 1907 and are no longer relevant or realistic. The new Act is based on detailed proposals coming from the University of Saskatchewan. The university community has been involved in preparing these amendments for more than five years. The board of governors, the senate, and the faculty council, have approved the proposals put forward.

The intent of the Act is to promote effective academic decision making through a representative council which meets more often. The other aspect of the Act is to provide a system of governance to take the university into the 21st century. As I said earlier, Mr. Speaker, the present Acts dates from 1907, and some of its provisions are out of date for 1995. The third aspect of the Act clarifies the complementary roles of board and the faculty council, with the board having financial and administrative authority and the faculty council having academic authority.

Mr. Speaker, these amendments have been drafted with consideration to the unique traditions of institutional autonomy and academic freedom. They recognize current practices at the University of Saskatchewan.

Mr. Speaker, the new Act is intended to modify the governance structure in order to do the following. One, create a representative academic council. The present university council

is a very large body with over 1,000 members. The new representative council will consist of elected faculty and student representatives of the college and elected members-at-large with the president and vice-presidents included ex officio.

This new representative faculty council will have an expanded role. Its relation to the board of governors, which is responsible for administrative decisions, is clarified. The faculty council will be responsible for the academic decisions of the university. The council will authorize the board to establish programs, departments, and colleges. It will handle academic discipline and student appeals and establish scholarships and prizes.

(1430)

In short, the new representative council is responsible for establishing and maintaining the high standards and academic freedom that are fundamental to any university. These changes will bring academic decision making in line with university governance structures in other provinces. At most other Canadian universities, responsibility for academic affairs is vested in the faculty through a body like the proposed new representative council.

The second objective is to establish a new entity: the general academic assembly. The membership of the general academic assembly will consist of the entire faculty, along with some student representation. The general academic assembly will ensure that all decisions are well considered in a collegial fashion.

The third objective is to change the role of the senate. The senate becomes primarily an advisory body which has a clear focus on the external community, both from the standpoint of bringing the views of the general public to bear on university decisions, and from the role of explaining the university to the community. In fact the new structure of senate and council powers will reflect current practice at the university.

While senate currently has overall responsibility for academic matters, in most cases, senate exercises this responsibility by ratifying recommendations from the council.

The new Act will focus senate activity on issues of concern to the community at large, while representative council will focus on internal academic issues, thus leading to a more understandable and realistic distribution of powers.

In addition to the changes to governance structure, the new Act will expedite academic decision making by clarifying the powers of the board and council and by creating a smaller council which will meet more often.

The actual, streamlined academic decision making to enable the university to be more responsive . . . and to update provisions. Redundant and outdated provisions are removed or amended as necessary.

I want to emphasize, Mr. Speaker, that this Act being brought in is based on detailed proposals coming from the university community which has been approved by the board of

governors, the senate, and the faculty council. This Act represents a proposed set of legislation that was developed over time at the University of Saskatchewan.

The department's consultations with the university community have generally revealed support for the change to a representative council. Such a council is seen as being more responsive and effective than the current model. Thank you very much.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, I'll be just making a few brief comments and then asking to adjourn debate in regards to this Bill.

I certainly applaud the minister for dealing with some issues that have long been outstanding, I think, as far as the governance and the direction that the University of Saskatchewan is taking. As a former alumni of that wonderful place, I always like to hear people in the circles of power taking an interest in what is happening there.

I guess when you talk about restructuring in these ways, obviously there are going to be people that have done things a particular way for a long time that are going to have to change their thinking. And we all have to do that at certain points in our life, Mr. Speaker; that as times change you have to be prepared to move with them.

And obviously one of the things that people want to understand, as far as university education in the province, is how does that institution fit into the 1990s and how does it fit into the changing needs of the academics that are taught there, of the graduates that graduate, and what place they will have in the workforce that presents itself today?

And we hear stories of colleges graduating hundreds and hundreds of students with very small placement taking place. Obviously if that's the case, then you have to look at the very structures that determine that those students should be in that college in the first place and why should they then be put into the workforce with no concept or hope of a job perhaps for years to come? And what the minister's proposing before the House today, I think, has some possibilities to change some of those ideas and change some of the concepts associated with university education.

So, Mr. Speaker, I think it's appropriate that we take the time to talk to people who are obviously spending a great deal of time thinking and developing some of the proposals put forward by the minister, that we feel very comfortable proceeding with this legislation. And by doing that it means that we have to do our communication on behalf of those who may wish to bring points forward.

And so with that, Mr. Speaker, I would ask for leave to adjourn debate on the Bill.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 58

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Shillington that **Bill No. 58 — An Act to amend The Income Tax Act** be now read a second time.

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

#### Bill No. 56

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that **Bill No. 56 — An Act to amend The Provincial Emblems and Honours Act** be now read a second time.

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

#### Bill No. 12

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Pringle that **Bill No. 12 — An Act respecting the Application to Saskatchewan of the Convention on Protection of Children and Co-operation in respect to Intercountry Adoption** be now read a second time.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, the official opposition believes that certainly this is an important piece of legislation that could potentially benefit hundreds of children and prospective parents across the province. And as we have seen over the past number of years by the television and read in articles in the newspaper, we hear about the deplorable conditions of orphanages in countries such as Romania and Bosnia. It is, however, heart-wrenching to see children suffer when parents in Saskatchewan wait up to five years for an opportunity to adopt a child.

Mr. Speaker, I know that there has been a multitude of successful adoptions by Saskatchewan couples of Romanian children, and I am also aware of the fact that this government and the past government have been integral in facilitating these adoptions. And certainly I want to acknowledge the efforts of not only the present minister, but the member from Rosthern when he was Social Services minister, for the time and effort he gave and the credit he deserves for the initiatives that were brought forward in his term as minister.

I'm pleased, Mr. Speaker, that Saskatchewan has signed an intercountry agreement for regulation of international adoptions, and that standards and eligibility criteria will soon be established. We cannot allow countries or individuals within various countries to exploit children by selling them or to defraud prospective adoptive parents out of money in the hopes of finally bringing a child home.

Mr. Speaker, the official opposition does not intend on holding this legislation up; however we do look forward to raising some questions in committee with the minister. And therefore at this time we're prepared to allow it to move to Committee of the Whole.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 13 — An Act to amend The Freehold Oil and Gas Production Tax Act

**The Chair:** — I will ask that the Minister of Energy introduce the officials who are with him for the committee here today.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chair. To my right I have Bruce Wilson, the executive director of petroleum and natural gas division; to my left, Don Stirling, the director of mineral revenue branch; immediately behind me is Phil Reeves, director of the mines branch; and to his right is Gerald Tegart, Crown solicitor for the Department of Justice.

#### Clause 1

**Mr. D'Autremont:** — Thank you, Mr. Deputy Chairman. Mr. Minister, and officials, welcome today. Mr. Minister, we have contacted some of the oil industry to get their impressions of this Bill, to find out what their concerns, if they have any, are related to this particular piece of legislation.

And, Mr. Minister, in general they're satisfied with this. However we would still like to have some information about it, to have you go through the process to determine exactly what is all involved in this. Simply reading the Bill doesn't give you all the information that a person necessarily requires.

What kind of consultation did you go through? What kind of process did you go through before you brought this particular piece of legislation before the Assembly?

**Hon. Mr. Lautermilch:** — Thank you very much for that question. Mr. Chairman, The Freehold Oil and Gas Production Tax Act basically has three amendments, and they will: introduce new powers to assist in the collection of unpaid taxes; the second would be to provide for the use of an average price in the determination of taxes on freehold gas production; and the third is just minor housekeeping changes.

I want to say to the hon. member that with respect to consultation, the process — I am told by the officials — began in mid-December and was very extensive through to the middle-to-the-end of January. As you will know, the Canadian Association of Petroleum Producers play a big role in the production and the development of our oil and gas industry. They were part of the consultation. The Small Explorers and Producers Association of Canada as well were consulted, as they are beginning to play a bigger and bigger role in our province. As well the mining association of Saskatchewan was consulted on the amendments to the Act.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. I wonder if you could give us a complete list of who you consulted with and when you did those consultations.

(1445)

**Hon. Mr. Lautermilch:** — We've got it listed here, but we haven't got it on a formal sheet that would give you the dates and the times. But certainly the department is willing to put together at least a chronology of the interaction with industry players, and we can send that to you.

If you would rather, I can read them into the record today . . .

**An Hon. Member:** — What's the time frame?

**Hon. Mr. Lautermilch:** — I'm sorry?

**An Hon. Member:** — I want a time frame.

**Hon. Mr. Lautermilch:** — We can give you the time frame in terms of when it began and when it ended. If you're interested in that, I'll just put that together and we'll read it in. If you have another question?

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. I'd also like to know, in your consultations with the industry, what their suggestions were dealing with this particular piece of legislation, and did they have any . . . did they bring forward any concerns or any negative opinions towards this particular piece of legislation. If so, what were those concerns?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I guess one of the concerns that the association had was . . . firstly, let me say that they were in general agreement with the changes. Their concern was, when we began the discussions with them, was with the lack of time to be able to review the legal text of the amendments.

I'm assuming that some of that has taken place since we have discussed this last with them. It's certainly not our intention to, first of all, amend legislation that affects this industry without consultation and without their understanding of what we're trying to achieve. I think it's become very clear to the oil and gas industry and to the mining industry that we want to work in partnership with them.

What we're attempting to do with the amendments to this Act is to ensure that we have the ability to collect unpaid taxes. And I think that's a prudent approach to take, and you would probably agree with me on that.

And with respect to an average price, I think you will agree as well that the industry is quite comfortable with that. Quite clearly they would want their legal people to do an analysis of the amendments, and certainly we will and have allowed ample time for that to take place.

**Mr. D'Autremont:** — Well, Mr. Minister, one of the things though that is disturbing in this particular piece of legislation

deals with the collection of taxes from third parties. Now, Mr. Minister, who would qualify as a third party in this particular type of arrangement? Would it be someone to whom the oil was delivered? Or someone who owed a receivable to the offending party? Who, in this particular piece of legislation, will qualify as a third party to whom the government can go to collect unpaid taxes?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I guess it's fairly encompassing in that it would include anyone indebted to the taxpayer; it would then be any purchaser of oil and gas. And that's who it would impact on.

**Mr. D'Autremont:** — Thank you, Mr. Minister. So it wouldn't necessarily apply to some other third party to whom the offending party had performed a service and they owed a receivable to them; it deals strictly with the sale of the hydrocarbons?

**Hon. Mr. Lautermilch:** — No, it . . . I want to say to the member opposite that it could. Third-party interests, oil purchasers, joint venturers, partners, buyer of assets, all of those could be included.

**Mr. D'Autremont:** — Well, Mr. Minister, at times an oil company may have a particular expertise in some area. Their employees may be turned around and contracted to someone else to provide a service, on a consultation basis. Now that third party that would be involved in that contract, can they be liable for the unpaid taxes of the first company? Because they would owe a receivable for the consultation service to the oil company; would they then be liable for those unpaid taxes?

**Hon. Mr. Lautermilch:** — I guess I should, first of all, Mr. Chairman, read into the record the interaction with industries. On December 14, letters were sent to CAPP (Canadian Association of Petroleum Producers), SEPAC (Small Explorers and Producers Association of Canada), and the SMA (Saskatchewan Mining Association Inc.). Subsequent to the letters being sent, meetings were held on January 16 with CAPP, on January 12 with SEPAC, and with the SMA on both January 16 and January 25.

With respect to the third parties that you speak of, I guess in terms of the Department of Energy and Mines, the records that we would have, easily identifiable and who would be pertinent in terms of this amendment, would be the purchasers of oil and gas.

So that would really be the primary target in terms of this amendment, and that's how we would . . . the group that we would be able to easily identify, so that's where this amendment would assist.

**Mr. D'Autremont:** — Mr. Minister, these changes would deal with unpaid royalty taxes. As a third party you would only collect those unpaid royalties from the money owed to that oil company by whomever purchased it. Now would that be the pipeline company or would that be the refinery down the road or would that be some other entity? It would have nothing to do with monies owed to them for, say the sale of lands, or for

contractual services rendered then?

**Hon. Mr. Lautermilch:** — Mr. Chairman, that would be the individual or entity that would be responsible for making a direct payment to them.

**Mr. D'Autremont:** — So it still could be someone who hired some of their employees for consultation, that owes them a receivable; the tax money could come from that third party for the contractual arrangement that they had to provide services.

**Hon. Mr. Lautermilch:** — Mr. Chairman, and to the member opposite, I would want to say that first of all, the chances of us knowing the events and the possibility of a liability outside of the direct purchasers of oil and gas would be very slim. What the department attempts to do is to work through all other avenues to make collections and this would be a matter of last resort. This would be, I would suggest, in very few circumstances, used. And probably for the most part the collections would be successful, the payments would be made without having to invoke this.

But there are some instances where this kind of a procedure would be required. And for that reason I believe that CAPP and SEPAC and the SMA would agree and are in agreement with this amendment to the Act. It's an avenue of last resort, targeted basically at the person, purchaser of oil and gas, who would be responsible to make direct payment.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. If you . . . when you contact the third party to put a claim against their receivables to the offending party, how are they to determine that this is a valid application? Is it a sworn affidavit that company X is in default on paying their taxes, therefore we are garnisheeing your payments to them? Or what kind of a form or application is it going to be?

**Hon. Mr. Lautermilch:** — Mr. Chairman, first of all, a certificate would be filed with the courts, and that would be I guess relevant to section 10, subsection 21 of the Act.

The regulations as yet have not been designed, or have not been drafted. The regulations will prescribe the forms that'll be required, and we would do that in consultation with industry. As you will know, regulations will flow from a piece of legislation, the one that we're referring to here. Those will be drafted. We will make sure that industry is comfortable with them before the regulations would be put into place by order in council.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Well, Mr. Minister, I believe that the process needs to provide some protection for that third party. When you come knocking on their door and say, here's the Bill, give us the money, they just can't simply turn over the cheque to you. They need some assurance that what is actually happening has some legal foundation to it and that they are protected if they do in fact turn over that money.

If the company that they owed the money to comes to them and says, hey, where's our money, and they say, well the Minister of

Energy and Mines came and got your money, and what's the response then from the company to whom the money was owed? They say no, our taxes are all paid up. So they need some legal protections, Mr. Minister, that if they do indeed turn those funds over to you, that there will be no legal recourse by the offending party on them for having done so.

**Hon. Mr. Lautermilch:** — Mr. Chairman, if the member will look at the Bill under . . . It's on page 2 under section 10.2(5), and I quote:

Payment to the minister by a third party of an amount pursuant to this section discharges the liability of the third party to the person who is the subject of the certificate to the extent of that amount.

So that would quite clearly indicate that it would discharge the liability if that were to take place so that the circumstance that you put before the House would not be valid.

**Mr. D'Autremont:** — Well, Mr. Minister, according to the Act it may not be valid, but that would not prevent the offended party from turning around and suing them, the person who turned the funds over to you. They may or may not be successful, I don't know. But that would not prevent that from happening.

So, Mr. Minister, I think that the company who turns the funds over needs you to serve them with a legal document that says you have done something to make sure that this procedure is entirely legal, and that everyone knows that it's happening — that the department knows that it's happening and that the person who owes the money to the department knows that you're going to go after the third parties that may owe them some receivables.

So I think it's very important that that procedure be set up and that the proper paperwork be in place to provide some level of comfort to the person who owes the receivable. And so that when they turn their funds over to the department or to the Minister of Finance, that they are protected.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I give the member my commitment and the commitment of the department that the regulations will prescribe a document that will be recognized by legal officials. In this case, as in many other cases, the documents are vetted by, at times, internal legal advice. Sometimes it's done with respect to using consultants or legal opinions from outside, and sometimes a combination.

But I can give the member the assurance that in the drafting of this form, as we do with the drafting of all forms, we would want to maintain the integrity of the process. We would want a legal document that would stand the test of the courts, and that would stand public scrutiny. And I can guarantee him that the regulations, or the document that will be a result of the regulations, will in fact stand legal scrutiny. We will, with all due diligence, ensure that we put a process in place that's fair and that's workable.

(1500)

**Mr. D'Autremont:** — Well thank you, Mr. Minister. When this action takes place and you have gone to the third party for the taxes owed, what kind of time frames are they looking at in being able to pay that within the oil industry in particular? And I don't know the mining industry that well, but payments can be made anywhere from immediately to 120 days and perhaps even longer in some cases.

So how soon would the third party have to come up with the money once they have been served notice by your department?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the way this functions, as I understand it, is that these payments are made on a 30-day basis. And I guess I would suggest we would use a measure of common sense, as with all collections, that there would be a reasonable time with which to respond. So I would think it may be reasonable within a 15-day period.

I wouldn't expect that that would be unreasonable. You know I mean part of what this process would be would be to bring these people up to date, have them making their payments timely. Knowing that it's on a 30-day basis, I don't think it would be unreasonable to look at a two-week time frame.

But you may have other thoughts or other ideas, and if you have, I'd be more than willing to entertain your thoughts.

**Mr. D'Autremont:** — Well, Mr. Minister, a two-week time frame to make that payment — in some organizations it takes that long for the letter to go from the top of the building to the bottom of the building. So I think 14 days is a little short, Mr. Minister, in making this to another organization.

Most organizations will have their payment schedules made up to the company that they're buying the oil from in this particular case, and that structure is in place and it's fairly regular. But when somebody interrupts that, then all sorts of things happen.

When this document comes in, it's going to have to go to the legal department first. And from having seen how lawyers will operate in this House, that could take a fair piece of time, Mr. Minister, just to get through that particular roadblock.

So I think to expect a two-week turnaround time on these funds may be asking a little much, Mr. Minister. Thirty days, I think, is probably a minimum — a minimum — to make those payments, to go through the process.

So perhaps if we look at another area we can get some sort of an idea how long it takes for something like this to go through the process. When someone does a garnishee against another person's wages, Mr. Minister, how long would that process take from the time the application was put forward to the time that, oh, Social Services would receive the funds for the garnishee of a person's wages?

**Hon. Mr. Lautermilch:** — Let me say to the member, Mr. Chairman, that my officials tell me that it would be a minimum of six months after the fact to the point where the department would be involved in sending this form and enacting this form.

And I mean I don't want to haggle with you whether it's 15 days or 30 days. I think it's important that we'll use a common sense approach. Certainly if it would be an unreasonable situation in 15 days, we could look at 30 days. I don't think that's a difficult problem. But I think important to know that there already would have been a time lag of some six months, so it wouldn't be news to anyone. Our people tell us that it would be a six-month time frame after the fact. So, you know, I don't see that as being any kind of a major problem.

I mean understand here what we're trying to do is create some harmony and some fairness. We're trying to facilitate fairness using this piece of legislation, to have fairness for the purchaser and the vendor.

And so I would only want to say that we will use a common sense approach when we're developing the forms. With respect to the criteria, we'll be working with industry. And certainly between the passage of these amendments and the drafting of the regulations that will prescribe the form, I ask and certainly would welcome your input in terms of suggestions that you might have.

But I only want to say, it's certainly not our intention to create hardship here. What we're trying to do is facilitate a reasonable and a fair resolve to issues that sometimes remain outstanding longer than many would like to see.

**Mr. D'Autremont:** — Well, Mr. Minister, we're all in favour of everyone paying the taxes that they owe. But, Mr. Minister, I'm also concerned about the snowball effect that this might have.

So company A has produced the oil and hasn't paid you the taxes. You go after company B to collect the taxes. You can't collect it from them for whatever reason it might be. Do you then go after company C who has receivables to company B? How far down the line can all of this go? You've said it's mainly for the production of oil and gas and the royalties thereof, and whoever buys that oil and gas would then be the third party. But you've also said that others who have contracted a service from the oil company could potentially — could potentially — be the third party to whom you're going to get the funds.

So how far down the line can you go? Can you go A, B, C, and D companies, each owing the other a receivable, to finally try and recover your monies?

**Hon. Mr. Lautermilch:** — No, Mr. Chairman, Mr. Member, it's whoever has the direct relationship. It's not a matter of company A, B, C, D, and down the line. That isn't possible.

One comment, I think, that you make is fair — and I certainly agree with you — is that there should be a requirement for individuals, companies, to pay taxes as they go.

I don't believe that you would disagree with me when I say that people who pay their taxes on a regular basis expect compliance with other groups or individuals who don't comply, because it ends up being a subsidy — those who do pay their taxes to those who don't.

So I want to say that what we're trying to do here is ensure the people do pay their taxes. This is a . . . we believe will be used in very rare instances, but in terms of who this will affect, it will be a direct purchaser, and it won't be snowballing as you suggest may be the case. That's not possible.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Since you say it's a rare case, perhaps we should determine how much money is in arrears at the present time on the oil production and on gas production, and how many companies are we talking about?

**Hon. Mr. Lautermilch:** — As I have indicated there, you know, it's quite rare that this will happen. And my officials tell me that there were around two over the past year, where a third-party demand could have been utilized to ensure collection, and the amount was in the neighbourhood of 73,000 of unpaid royalties and taxes. So 2, maybe 3 . . . 73,000 in taxes. It's not something that the department will be using on a daily basis. As I've indicated, the past year, two, and an aggregate amount of \$73 in unpaid royalties and taxes.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. That 73,000 of unpaid royalties, have you now collected that? Or is that still in arrears?

**Hon. Mr. Lautermilch:** — It's still in arrears.

**Mr. D'Autremont:** — Excuse me, Mr. Minister, I missed that, could you please . . .

**Hon. Mr. Lautermilch:** — It's still in arrears.

**Mr. D'Autremont:** — Okay thank you, Mr. Minister. The minister says it's still in arrears.

Well, Mr. Minister, it takes a significant amount of money to just bring this piece of legislation forward and to go through the process, to take up the time of the House, to consult with the industry. It's going to take money to go out and collect that at the end of the day. For \$73,000 do you think this is really necessary?

Perhaps the question I need to ask you now is how much over the last three years have you lost in unpaid royalties? You had \$73,000 from two operations last year that were, and currently are, in arrears. So how much have you failed to collect over the last three years?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the department has not written any off. I am told that there is an amount of about \$100,000 that would be accrued in the last three years.

But I think it's not a matter of how much, I think it's a matter of fairness. It may not be a large amount. You know, I mean certainly it would be much more critical if it was an amount in the neighbourhood of seven and a half millions dollars as opposed to \$73,000. But the fact of matter is good legislation should require fairness and it should require the ability to collect taxes. It should allow the ability to collect unpaid

royalties as well.

But I want you to be aware, and I'm sure you are, that it's not just a matter of assisting in the collection of unpaid taxes that these amendments and the changes to this Bill will introduce, it's — as is indicated in my opening remarks and comments in response to your question — to provide for the use of an average price and the determination of taxes on freehold natural gas production as well.

So I would not want, sir, you to take lightly . . . I think you'll understand, and having been a member of this Legislative Assembly for the last three and half years, almost four years now, amendments and changes and cleaning up legislation and changing legislation is part of the process that we are involved in here on an ongoing basis. And I frankly don't think keeping legislation up to date, keeping it current, and keeping it relevant with respect to problems that arise, is a waste of money. Because I think both the industry and the people of Saskatchewan and the general public expect that we monitor our legislation, keep it up to date, keep it timely, and keep it functional.

So although you may see 73,000 as a minuscule amount, and in the whole scheme of things with respect to the provincial budget it is a relatively small amount, but I think it's important to look after the pennies as well as the dollars. So I would hope that you wouldn't trivialize amendments that would allow for what I believe to be fairness, equity, because I think that's part of what this amendment is attempting to do.

And so, you know, I would certainly hope that you would support our initiatives to try and attempt to clean up these outstanding amounts, whether it be \$75,000 or whether it be 750 or seven and a half million. The old adage, you look after the pennies and the dollars look after themselves. And I certainly think that that holds true, whether it's in government or whether it's in private industry or whether it's running your family household.

**Mr. D'Autremont:** — Well, Mr. Minister, this piece of legislation seems to be looking after the pennies when you consider that the health boards overspent their budgets by 15 million.

But, Mr. Minister, have either of these two companies or anyone else within the last three years that has been in arrears, have they received any drilling contracts? Have they received any land sales; have they been allowed any land sales? Have they had any business with the Department of Energy to acquire more assets or to do more activities within the oil industry, or the mining industry — I'm not sure where these are at.

So, Mr. Minister, has this \$73,000 from these two companies been growing, has it been shrinking, has it been stable, and are they still in business?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I can't speak for whether or not the companies are in business. But I can tell you that it's the policy of the Department of Energy and Mines not to do business with delinquent companies. And there has been no interaction with respect to the department and these

companies that are delinquent. We don't do business with delinquent companies.

(1515)

**Mr. D'Autremont:** — Well, Mr. Minister, I'm sure that your officials will know whether or not these two companies continue to be in business. Because either they have leases with you that are paying royalties, or they have a licence that continues to be in place for a particular well or a mine. They have some formal arrangement with your department that will let you determine whether or not they remain in business.

If they are still in business and are producing, then are they paying their current taxes? Are they catching up on the taxes that they owed from before and aren't paying their current ones? So that's why it's important to know whether this 73,000 is growing, is it shrinking, or what's happening with it?

**Hon. Mr. Lautermilch:** — Mr. Chairman, these two companies that I referred to are no longer in business.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Well okay, if this particular piece of legislation was in place with these two companies, since they're no longer in business, at some point in time they no longer shipped the commodity that they were producing.

And you're saying it could take up to six months down the road to go through this process, to make an application to the third party to get the funds. Now in that six-month period, it's very conceivable that the third party has already paid them all of the funds that they would have been owed.

So I fail to understand the real need for this. I understand why it may be beneficial to try and collect all the taxes; I just wonder about the practicality of this particular piece of legislation in being able to access any taxes, unpaid taxes, Mr. Minister.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, no one will suggest that in all cases there is an absolute 100 per cent ability to collect on royalties and taxes because that's just not so. There are some situations where that is just not a possibility. What we're trying to do here is to, in some scenarios, in some situations where they're still producing and not paying taxes, be able to go in and collect the taxes.

And I certainly think that although the questions I think are important, I think it's important to understand that we're trying to minimize outstanding royalties and taxation, and I think that makes some element of common sense. We'll all agree — and you've been in business, as have I for most of my working life — understand where there are situations where outstanding accounts or royalties and taxation are just not collectable. But this would provide for some circumstances where there is the ability to collect. And through the regulations, we would be able to, on behalf of the taxpayers, collect some revenue.

**Mr. D'Autremont:** — Well, Mr. Minister, in the case where an organization goes out of business, goes bankrupt, and there are receivables due to that company, in the case of the royalty taxes,

where would the government sit as a secured creditor on royalty taxes in a bankruptcy situation?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told by my officials that under the new bankruptcy Act we are an unsecured creditor with respect to royalties.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Is this then perhaps the reason why this particular piece of legislation is coming forward now as opposed to, say, a year ago?

I mean it just seems somewhat unusual that for \$73,000 from two companies that are no longer in business, you're bringing forward this piece of legislation. All of the reasons behind this don't seem to be apparent yet, Mr. Minister. So in the case of the bankruptcy where you're now becoming an unsecured creditor, under the previous bankruptcy Act was the Department of Energy, and the Department of Finance, to whom the royalties would be paid, would they have been secured creditors?

**Hon. Mr. Lautermilch:** — Well I think, Mr. Chairman, if this can act as a deterrent and if it will act as a deterrent, quite clearly it'll have some impact and I guess a positive impact. I think that it's prudent that we do all that we can to ensure that corporations and individuals play by the rules. That is quite clearly what we're trying to do. There may be some instances where this is inadequate. With respect to it acting as a deterrent, we are certainly hopeful that that be the case. And I think that's a reasonable approach to take.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Now what kind of a position is this particular Act going to place that third party in if the party who is delinquent in the taxes has indeed declared bankruptcy, they've got a receiver in place?

The receivables from the third party are owed to the receiver for the bankruptcy. Now you're going to stick your nose into that process. What kind of implications does that have on the third party? Because they can't go around paying out particular organizations that may have money coming to them. Those monies have to go to the receiver or else they're in legal trouble, Mr. Minister. So what kind of implications is this particular Act going to have on those parties who may owe funds to a receiver in a bankruptcy?

**Hon. Mr. Lautermilch:** — Mr. Chairman, there may be situations where this has to be litigated, but I guess that's a part of doing business and I think these are situations that arise every day. We are acting as a department in the best interests with respect to our mandate to try and facilitate payment of royalties, payment of taxation, and we will do what we think is a responsible approach. And I think the department's recommendation with respect to this amended legislation makes some sense in that regard.

Does this mean that there won't be circumstances where litigation may be necessary or may be a choice that will be made? The answer is of course that will happen. Those are everyday situations. The courts are full of disputes. If we can have this act as a deterrent, where we're in fewer of those

situations, so much the better.

**Mr. D'Autremont:** — Well, Mr. Minister, I think that logic is very flawed. You're putting the third party in a very untenable situation when they're caught between two government entities. They're caught between the law of bankruptcy and they're caught between your law now, and they're the ones that have to pay the bills to fight both sides of it.

So, Mr. Minister, I think it's very, very unfair, unfair, that you should place them in that position in the case of a bankruptcy, where their funds are to be paid to the receiver and then you step in and demand those funds outside of that process.

Mr. Minister, I believe that your legislation should either exempt them in the case of a bankruptcy, so that their funds are paid to the receiver, as the law calls for, or that you place yourself within that receivership process as a creditor of some form, either secured or unsecured as the case may be, but that you participate in the bankruptcy scenario, rather than trying to come in and blind side the third party to demand payment.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, first of all let me say that third party demands and garnishments and common revenue-generating legislation in Canada are in many provinces around our country. In British Columbia these provisions are there; in Alberta these provisions are there; in Manitoba these provisions are there; and in Ontario these provisions are there.

Now it may be that in some instance this Act and this amendment may be in competition with the bankruptcy Act. If that's the case, I'm assuming that litigation would take place. Once the litigation had taken place, we'd be in a position to know, and we would be in a position to deal with that.

I only remind the member that this is not ground-breaking legislation. This is in place in four provinces that I've listed. And if my memory serves me correctly, two of those are PC, Conservative provinces, provinces governed by your own political affiliation. And it may be that it's inappropriate in Alberta and Manitoba, although I don't think so, and I'm led to believe it's been on the books there for some time. But I can give the member the commitment that if we find ourselves in a position where it would be not workable, certainly we would look at that.

**Mr. D'Autremont:** — Well, Mr. Minister, you mentioned four provinces that have similar legislation. Is the legislation exactly the same, or is it different in any manner? Perhaps the circumstances of a bankruptcy are dealt with in some of the other provinces in their legislation. Is this legislation exactly identical to the four other provinces that you've mentioned?

**Hon. Mr. Lautermilch:** — Well I think, Mr. Chairman, we were debating the principle. And I guess the principle of this legislation, although it may not be worded identically, it certainly is similar in intent. And so I would assume that the similarities between the legislation in the other provinces that I've mentioned will be fairly close. But I think if we're talking principle, that what we're trying to achieve here would be very similar to what the other provinces are trying to achieve.

If you have a legal opinion that would suggest that this is worded differently and not workable, then we'd certainly be willing to hear what you have to say on that.

**Mr. D'Autremont:** — Well, Mr. Minister, the theory behind this may indeed be somewhat identical between the provinces, but the applications may vary greatly.

You talk about the principle of it, Mr. Minister. Well in principle, Mr. Minister, if you trap a citizen between two conflicting pieces of legislation and then expect that citizen to pay for the resolution of those two conflicts between two different government departments, I believe that one or both of those legal laws are wrong; that the law should not be written in such a fashion as to trap a citizen.

It should be written to provide recourse and fairness for everyone, but not to trap a citizen in a catch-22 position where it's illegal for him not to pay the receiver and it's illegal for him not to pay you the exact same money that he owes the receiver. It's not up to the citizen, Mr. Minister, in this particular case, to do the litigation.

If there is litigation to be dealt with here, that litigation should be between your department and whoever looks after the bankruptcy Act. That's who should pay for the litigation — not the citizen. The citizen should be exempted from that, let you fight it out to determine who gets the money, and he pays it to whomever it might be.

But the litigation should not be carried out by the third party in this particular case because of the way you have written the law or because of the way the bankruptcy laws have been written — that should be determined when you bring the legislation in, Mr. Minister, to make sure that those conflicts do not exist. And it's my opinion, Mr. Minister, you have failed to do that in this particular piece of legislation.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I am told by my officials that there is such an animal. And I'm certainly not a lawyer so I'm going to have to take their word for it. But there is such a scenario where a third party could ask for an interpleader application, which would then I guess ask the courts to rule between the department and the receiver, which would in that respect exempt the third party. So that option is there.

I want to say with respect to this Act, and as it compares to other Acts in other provinces, my officials tell me that they have put in place additional safeguards to protect third parties that weren't in some of the other pieces of legislation that they had reviewed prior to drafting this piece of legislation.

Now having said that, that certainly doesn't mean that there may not be instances where a third party would not be satisfied, would not be comfortable. And certainly over the course of time I believe that these things would in fact work their way through. But I think the fact that there is an opportunity for interpleader application, that kind of interjection into this process, I think should give you some degree of comfort that individuals may in fact be protected through that.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Perhaps when they added some more protections for the third party in this particular piece of legislation, they should have taken into account also — and perhaps you can still do that — to provide some sort of an avenue, in the case of a bankrupt situation, to provide some protections for those third parties that you may be going to for the collection of the taxes.

So, Mr. Minister, I wonder if you could comment on that, to give some consideration to provide some protection for the third party in the cases of a bankruptcy.

(1530)

**Hon. Mr. Lautermilch:** — Mr. Chairman, first of all, let me say that this is a discretionary action. It's drafted such that the minister may intercede. It's not a matter that, it needs to in absolutely in every instance, will be applied.

I can say to you that we will take a very close look at this. It's not certainly our intention to harm third parties; that's not the intent of these amendments. It's our intention to, with these amendments, safeguard the taxpayers, and ensure there's a level playing-field, and not have people who pay taxes and royalties subsidize those who refuse to for whatever reason.

But I give you my commitment that we'll look very closely at that; we will do whatever we can. And if you at any point have some suggestions we certainly would welcome you passing them along, either to my office or to the department.

And any questions with respect to details, if you would want to review other legislation, and if you find that there are positive elements in other legislation in other jurisdictions that we may be able to incorporate, certainly down the road we'd be willing to look at that.

**Mr. D'Autremont:** — Well, Mr. Minister, even before I was elected, I ran into some circumstances such as the environmental impact studies which were written as guidelines, and yet when it came time for interpretations and actions, they were written in stone.

We've also seen in this House, Mr. Minister, where at times bureaucrats can get a little carried away with their actions, and because it says a certain thing in a certain piece of legislation, they are . . . it's also cast in stone that they shall take this action.

So, Mr. Minister, when an action is available to be taken, there are many times when those actions are taken whether or not there may be some mitigating circumstances that would indicate that perhaps an action at that particular point in time is not necessary or is unwarranted.

So just because, Mr. Minister, you say you may not take that action, or you have the discretion, your department has the discretion to take that action, once it seems to get out there and working, and nothing would likely happen that would be untoward in the first six months or the first year, but three years down the road all of a sudden everybody's forgotten the debate

in the House and what promises you made to it. And the books say that after a certain period of time you apply this action to a third party if the first party is delinquent in paying their taxes.

And the fact that you believe or that you state, as the Minister of Energy at the present time, that it's your discretion, that three years down the road someone else is the minister — that discretionary concern may no longer exist or may no longer be exercised. And it simply becomes routine that at a certain point in time you apply to the third party for recovery of the delinquent taxes.

So, Mr. Minister, I think it would be much more comfort level in there, particularly in the case of a bankruptcy, if there was some protections for the third party.

**Hon. Mr. Lautermilch:** — Well I guess first of all let me say that this isn't the only vehicle that could be used to have people or to encourage people to pay their taxes. I just want to take you back to the legislation on page 2, section 10.1(1). It ends by saying, and I'll just read the last two lines:

. . . amount has remained unpaid for at least 30 days since the acknowledgement, the minister may:

And there are other references in the legislation that you will be aware of. And in all instances it says: and the minister may. So quite clearly it is discretionary legislation.

But I also want to say that certainly the one way to avoid this is for the paying of royalties, the timely paying of royalties and taxation. That would be, I guess, the way to avoid any kind of departmental or ministerial action. And I think that that's what we're trying to achieve here, and hopefully this amendment would create a deterrent for those who, for whatever reason, would choose not to pay the royalties, not to pay their taxes.

I just think it would make only sense that members of this legislature, when we're drafting legislation, would want to ensure, and when we're amending legislation would want to ensure, that shareholders, the people of Saskatchewan, their interests are protected.

That to me is much more important or every bit as important as any other element of legislation. We have a responsibility to the taxpayers who sent us here to draft and to work with our officials in drafting and introducing and passing legislation in this House. I think this makes some good sense because it will certainly assist in the collection of unpaid taxes, and I don't know who can argue against that.

**Mr. D'Autremont:** — Well, Mr. Minister, I'm certainly not arguing against the collection of fair taxes. It always becomes a problem though, Mr. Minister, at some point in time when a business is failing, as to where do the funds go.

They have obviously not got enough money to pay everyone when they're going into a bankruptcy situation. Very few people, very few people, Mr. Minister, go into business with the idea of refusing to pay a portion or all of their taxes while carrying on the business and paying all of their other creditors

that they may be dealing with.

At certain points in time businesses fail for whatever reason, and at those times when that happens everyone suffers, including the taxpayer. But it's the third party, Mr. Minister, that need not suffer, that need not be trapped between two or three or four separate pieces of legislation and put into conflict with all or some of them because of the actions of one or the other of them.

And that's where I have a problem, Mr. Minister, on this. It's important, Mr. Minister, that everyone do indeed pay their fair share of the taxes. Without that, our society will fail. But it's what happens to the person who does not owe the taxes but may indeed owe a receivable to someone who does, and they have to be treated fairly also, Mr. Minister. And that's my concern.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 14 — An Act to amend The Crown Minerals Act**

##### **Clause 1**

**Mr. Swenson:** — Thank you, Mr. Chairman. Welcome, Mr. Minister, and your officials.

A lot of the questions which my colleague was asking on Bill 13 obviously are applicable to this one. Could you give us a summation then of some of the points that he raised in regard to the context of Bill 14 and where you feel there are similarities and where there are differences, particularly vis-a-vis the third-party interests and why the separate piece of legislation.

**Hon. Mr. Lautermilch:** — Mr. Chairman, there are four amendments identified in the Bill, two that I will read into the record, that we would view as being the same.

The first one is the introduction of new powers to assist in the collection of unpaid royalties. The other that would provide similarities would be to provide for the use of an average price in the determination of natural gas royalties to simplify administration.

The housekeeping areas, they may not be similar and certainly wouldn't be similar to the other ones. There are small housekeeping amendments in this. But the one other element would be to provide adequate authority for existing regulations.

**Mr. Swenson:** — Mr. Minister, given the fact that natural gas, particularly in the last year, has been in a real free fall, how would you . . . can you give us some ideas of what the price averaging that you're talking about in this legislation would look like over, say, the last 12 months in dealing with a delinquent third party?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I want to say to the member from Thunder Creek, really we're dealing with two different concepts. And I guess one is the dramatic fluctuation

with respect to natural gas that the markets have experienced in the last few months. And I guess what I would want to do certainly is separate that. I think that's a debate that will take place another time.

But I think what we're trying to do here is deal with a reduction in terms of paperwork that corporations, that oil and gas companies, have in terms of their dealings with the Department of Energy and Mines.

What we're doing is, rather than dealing with each well and the pricing on each well — the price for production — what we would do is average and take and base the royalties, taxation, based on a provincial average or an average of all of the holdings within a corporation.

We're really trying to work — and this has been I think one of the concerns that industry raises with me on an ongoing basis . . . is where we can reduce the amount of paperwork and the amount of paper flow, thus reducing the cost of operations for them and the cost of operations for government — that we should attempt to do that.

So with respect to price averaging, what we could do, and this would allow us to either take a corporation's operations, do an average of all of their producing areas, their producing wells; or failing that, we could as well use a provincial average with the overall industry, and then use that average and make our calculations based on that average.

So really what we're attempting to do is save both operational costs within the department and the paper flow with respect to industry as well.

**Mr. Swenson:** — Well, Mr. Chairman, I asked the question because there's . . . For instance, a company may have shallow gas wells, they may have deeper gas wells in the province; they may have their interests spread around. Royalties and taxation vis-a-vis volumes, cost of drilling, all sorts of things are . . . I mean there's lots of things in the natural gas pricing curve.

And I was curious because you're talking about seven days' notice and then 30 and then the six months that you explained to my colleague before some of this stuff came into play. But given the fact that you're in a rapidly declining market, whether you're using a field or one company or lots of things, you can have enough variation in there and sort of . . . that price will have a determination upon the size of the potential delinquency. I can think of all sorts of different angles.

And I just wondered, if you were into a situation with a company that had a fairly diverse gas holding who had fallen into delinquency, and you were going to institute the process here, I was just curious how you would do your averaging and what it would look like, given that the price of gas was X, 12 months ago. It's now X today, and you've got a lot of stuff in between.

(1545)

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told by the

officials is that how they would calculate shortfall . . . shortfall would be the actual costs when the shortfall took place.

Certainly those numbers are all a matter of record. They're all open for public view. The industry knows what the prices were six months ago, as do the department. And with respect to a shortfall that, say, took place — and I think you used the month of January, if I'm right, as an example — we would revert to the prices at that time and base the shortfall on the prices that were in effect at that time.

**Mr. Swenson:** — Okay, so if gas was \$3 a thousand, eight months ago, then that's the . . . at that point you would use the field or the company, and you would take the average then, and you would come up with your calculation in order to determine the shortfall. Is that what you're telling me?

You're telling us that the companies want that, or does your department want that? Which . . . where is this? Is this . . . I want to know about your consultation process. Is this industry driven, or is this department driven?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I would want to begin by saying that consultations with respect to averaging have taken place with the industry over the past two years. I don't think you will argue with me that industry, when they can see an area where we can reduce paperwork and paper flow and consumption of their time and their employees' time, that they would certainly be willing to work with us to that regard.

I would want to say that our neighbouring province, Alberta, has introduced this averaging system awhile ago. The industry feels it's working well. Our department feels it's working well and is something that we can model here in the province.

And I can tell you that this government will continue to, and as the minister in charge of Energy and Mines certainly I will attempt to, reduce paperwork and red tape for industry whenever I can. I don't think that in your tenure as Energy and Mines you would take any different position frankly, than I do. You're a business man. I've been in business I guess all of my working life and I know some of the frustration that business faces when they're dealing with government red tape.

I would want to say that we're not a department and we're not an operation that is not willing to pick up on a good idea. And certainly the averaging, the system that's put in place much along the lines of this one, in Alberta is working. And when industry asks us to reduce red tape, to work with them in terms of reducing their costs of operation, and when we can reduce the internal costs of operations within the department, we're certainly more than willing to adopt those ideas; and I think frankly this is a good one. It makes some sense to me and I think business is going to be very supportive of it.

**Mr. Swenson:** — How many companies or individuals are we talking about here and what amount of money are we talking about if this were in place that you would be able to begin the collection of?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told by my

officials that of the \$72,000 that I referred to earlier as being in arrears, part of that is gas, part of it is oil; so it's a portion of that 72,000 that we talked about.

I want to say that we are dealing with 100 companies in this province, with respect to natural gas. They've generated for the people of Saskatchewan, in the neighbourhood of 60 to \$70 million in revenue. And so quite clearly they're an important element in our provincial economy. We rely on them to assist us in terms of program delivery and our ability to pay down on our provincial debt and our ability to ensure that we don't deficit budget. So they really are an important part of our economy.

I think it's also fair to say that if you look at arrears of \$72,000 in terms of 60 to \$70 million, it's not a great amount, but these amendments certainly will allow us to deal with even those smaller amounts. Although not in the millions, they're certainly still in the thousands, and I think that the approach that we're taking really does make some sense.

**Mr. Swenson:** — Thank you, Mr. Chairman. That's a good point, Minister, and that my colleague raised it. I know your department is not flush with money. It seems to me they've taken a budget cut for about the last 10 years as far as running your operations, and they've done that very successfully.

You know we're doing more with less all the time, as far as the Department of Energy and Mines goes, and that speaks well for the people you have there. But the reason I ask this question, I've taken the opportunity to ask around a bit. I'm fairly knowledgeable about the people that drill for oil and gas in this province and produce it.

This particular item either wasn't well-known about or it wasn't hitting on anybody's Richter scale because the department has been very diligent in its collections and working with people. If somebody gets in trouble, they don't let them get so far in the hole that they have to have a big hole to get themselves out of. We don't let people get delinquent.

We've got two pieces of legislation before the House for a grand total of \$72,000 or \$73,000. And I understand the averaging business, because Alberta has instituted that. There is some need to cut down on paperwork because I can remember signing removal permits damn near on a well basis. I mean the way people were doing things, there were hundreds of those things. And I used to sign every one of them. And there was a need to cut down on the paper flow — no question. That isn't done today, I'm told.

But I'm really wondering why we've had all of the legal and technical expertise of your department brought to bear for \$73,000 in two separate areas. It sort of bothers me. I mean if it's because you wanted to do the averaging business, I can understand that, or you wanted to achieve some other things.

But there must be something more to this than what I'm seeing, Mr. Minister — a potential problem looming or some consolidations happening or something happening that's got somebody in your department stirred up enough to generate a whole bunch of legislation. Those are hard-working folks over

there and they don't do something unless there's something coming down the pipe. And I'd like to know what's coming down the pipe for you to generate all this legislation over \$73,000.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, first of all let me say I think here the issue is — and probably the most important — is not to suggest that collection of royalties isn't important, because I do believe it is, but I think the thrust and the key in what we're trying to achieve here is a reduction of red tape, government red tape, which is why we're looking at the averaging.

I know that when you were the minister of this operation, on lots of occasions it was something that you strived to, was to minimize the red tape for industry. And I commend you for that. And I've heard, frankly, very good things about the Department of Energy and Mines, not only under this administration but in the previous administration. I think it's really one of the arms of this government that we need to be proud of because they do good work for us.

So basically, I think the thrust here is not the collection, but I think what we're trying to do is anticipate what might come down in the future as well. As you will know, we've been able to attract smaller and smaller oil and gas companies, companies that have grown from very small beginnings to taking some prominence in the oil and gas industry. And a lot of them have got their start here in Saskatchewan.

So we're dealing with more companies. It's not a matter of the majors coming in and that they are primarily the only players. We're dealing with more and more companies.

And I think you will admit, even though we really do believe and want to pursue assisting smaller companies to grow and build, when you've got smaller companies that are, I guess, less flush with capital and have less flexibility in some areas, find times where there may be arrears. And I think, not to suggest that it's only arrears . . . the arrears might come from only the smaller corporations; that's not what I'm saying. But what I do believe the department is trying to do is anticipate more clients that they're going to be dealing with, smaller companies, probably more risk.

But the thrust certainly here isn't the collection of the \$72,000. It's part of what we're doing when we do the amendments to try and create a reduction in the red tape — that's the thrust. And if we can facilitate an easier environment and I guess a more positive environment for industry, we're going to do that.

And I think that's frankly with respect to Crown land and with respect to freehold. We're doing it in both instances here and that's the reason why we're introducing the amendments to both Acts. So basically I guess the arguments are the same in this Bill and in the previous Bill that we discussed. But I think this will go a long way to having industry, I guess, find it a little easier to deal with us.

There may be — and I just want to make a point in passing — that there may be some individual corporations that you've

discussed this and who may not be aware of what we're doing in these Bills. And I guess that is one of the concerns that I have, is attempting to deal and to have every corporation, large and small, aware of amendments.

We try and do that and we attempt, on a regular basis, to do that through CAPP and through SEPAC, through their governing bodies, through their sort of parent bodies, their associations, and hopefully that information gets disseminated to all of the players.

I think the discussions have been going on for a considerable period of time and I would have hoped that all of the players are aware of what we're attempting to do here. And if you're aware of any individuals that want, I guess, or would require clarification, certainly either my office or the department would be more than willing to share information with them.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well, Mr. Minister, I think your last words to the Assembly are more in line with, I think, what thinking is probably going on. I mean it isn't any secret out there that investment capital in junior oil firms right now is getting very difficult to come by. And I would think if we believe and watch the stock market and other things, that a lot of these people are having a difficult time. And anything you can do to reduce their costs is laudable.

And I also think it's incumbent upon you to sort of give us the straight goods about what's happening out there, and the fact is that a lot of people may find it very difficult to remain in business if the current trends continue. And being prepared for that possibility is also laudable.

But I believe, when we bring in legislation like that, if we've got a problem, we should talk straight about it, not beat around the bush over \$73,000. And the reality is that it's a fluctuating market-place. And I understand, if you need to prepare yourself for some potential downsides, then you need to do it. And I agree with you. We agree with you.

When we start going after third parties who may in many cases be a little bit innocent of what's going on out there . . . And there's been situations discussed in the media recently that give some people concern, and we don't have to get into names. But I mean the third parties attached to those types of operations I don't want to see unnecessarily hurt, I guess is the way you would put it, because oftentimes those third parties are the ones that stay here permanently. They don't come and go the way that oil and gas companies come and go and be amalgamated and get smaller and get bigger and disappear quite frankly off of the stock exchange.

So if that is a reality — and you're concerned about it; your officials are concerned about it — fair ball. Just tell us that you are, and that probably is a good enough reason to do what you're doing as long as those third-party interests aren't the folks in small town Saskatchewan who are going to get unnecessarily hurt.

(1600)

**Hon. Mr. Lautermilch:** — Well I think, Mr. Chairman, my comments to the member would be similar to the ones I made in the previous piece of legislation.

There are options for third parties, and certainly it's not our intention to unnecessarily hurt third-party interests. But we do have a responsibility — whether it's 70,000 or whether it's 7 million or whether it's 750,000 — to collect unpaid taxes and royalties, and we certainly have no intention of shirking from that responsibility.

You know I've been told before I came to this place, and I've been asked by many of my constituents and people who I've done business with in Prince Albert and who I've worked with on Central Avenue for many, many years, is what they're looking for is a government that will operate like a business. And I don't know that any government will totally be able to achieve operating as a business. There are some differences, and there are some circumstances around government that I think will preclude that from happening. But I think what they're asking for is a businesslike government. And what they're saying to me is, if you've got outstanding accounts, you should do what you need to do to collect them — the same as I do in my store or you do in your business. Certainly I think it would be imprudent to ignore an outstanding bill, whether it be for \$20 or whether it be for 200. And I think that most business people in Saskatchewan will agree with me that that should be the case. And if it isn't, it should be.

So I guess all I say is it's not our intention to harm small business in Saskatchewan, small third-party interests; that's not where it's at. I've outlined processes by which they can achieve fairness and some satisfaction. If there are some amendments at some point down the road that need to take place, and if it requires either legislative amendment or if it's policy amendment within the department, those are things that we look at at an ongoing basis.

So I guess I would only say that we're trying to take a very pragmatic approach to governing. This legislation, I think, reflects that, in that we're able to minimize the cost for business by minimizing their red tape. And I think that's something that I'm going to continue to strive for. It's something that I think that all governments should attempt to do. And this particular piece of legislation, as I've indicated earlier, I believe will allow us to do that.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

The committee agreed to report the Bill.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr. Chairman, I'd like to thank the minister and his officials for coming in today and for providing us with the answers to our very necessary and interesting questions. Thank you.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I would like to thank the members of the opposition for their questions. I'd also like to thank my officials who have just left. I want to thank

them for their time and their work during the course of the year to help us.

**Bill No. 51 — An Act to amend The Student Assistance and Student Aid Fund Act, 1985**

**The Chair:** — I will ask the Minister of Education, Training and Employment to introduce her officials to the members of the committee.

**Hon. Ms. Atkinson:** — To my right is Lily Stonehouse, the assistant deputy minister of Education, Training and Employment. Immediately behind me is Brady Salloum, director, student financial assistance branch. And to Mr. Salloum's right is John Janzen, assistant director of student financial assistance branch.

**Clause 1**

**Mr. D'Autremont:** — Thank you, Mr. Deputy Chairman. Welcome, Madam Minister, and officials. Madam Minister, today we're dealing with the Saskatchewan student loans package and some of the items necessary to make the changes and collections of funds for that student loan.

It's my understanding, Madam Minister, that the student aid program is currently administered by the department and that all costs associated with the administration of that fund, including the collections of those funds from students that have to repay their student loans, is charged to the Department of Education. Is that correct?

**Hon. Ms. Atkinson:** — Yes.

**Mr. D'Autremont:** — Well, Madam Minister, the changes that you're recommending here would change the collection procedures and who pays the costs of it.

It would shift it from the department over to the student loan fund itself, so that at the end of the day, Madam Minister, it would appear that there would be less money available for student loans, if the figure is fixed, because you're pulling monies out of that student fund to pay the collection agencies as they go out and collect it because you're talking here of turning the collection over to a third-party collection agency who would then charge a fee, who would recover . . . a portion of whatever monies they recover would be kept for themselves as a fee for that service that they provide you rather than charging it, as done today, against the administration of the department.

So would it in fact, Madam Minister, mean that there would be less student loan funds available at the end of day because of the fees paid to the collection agencies?

**Hon. Ms. Atkinson:** — I'm advised by the officials that this is not about making less money available to the students. Students presently receive student aid based on need. So we have a fund available to the student population. And if they meet the needs criteria, then they in fact receive a student loan.

**Mr. D'Autremont:** — Well thank you, Madam Minister,

because it's important that the public knows that that is not the case because there is a fear out there that, as the collection agencies take their fees out of the student loan fund, that there would be less available. And so it's important that that not change, that the student loans currently, and continue to, be available to the students based on their needs.

Madam Minister, I believe you've stated that the current system works reasonably well and properly, except in two circumstances, and that is in regards to bankruptcies, in particular, that there is some difficulty with. Madam Minister, just how will this change the circumstances dealing with bankruptcies?

**Hon. Ms. Atkinson:** — At present it's very difficult to predict, within the \$3 million budget that we have for administration, the costs associated with bankruptcy, default, and those kinds of issues. Now that the administrative costs are going to be funded by the student assistance and student aid fund, we won't have as much difficulty because we'll have a larger pool of money in the fund.

To just sort of to reiterate this, because you're looking puzzled, at present it is difficult to budget administrative costs because there are all of these uncertainties. We don't know how many students will go into default when you're budgeting for '95-96; you have to guesstimate. We don't know how many students will go into bankruptcy; you have to guesstimate.

So we're dealing with a sort of an infinite set of circumstances and not a finite set of circumstances.

**Mr. D'Autremont:** — Well, Madam Minister, I'm indeed somewhat puzzled by the fact that you have difficulty in predicting the bankruptcy rate amongst students, but if you enlarge the pool in which you're going to be dealing with, that changes.

Madam Minister, if you can't predict the bankruptcy rate on the current student loan program, it doesn't matter where the administration costs come out of. You're still not going to be able to predict it unless there's something else changing, Madam Minister.

I would suspect that you should be able to come up with a reasonable prediction. You won't be able to come up with the exact dollar number or the exact number of students who may wish to declare bankruptcy, but you should be able to come up with an ongoing percentage that has happened, what's the past history and what's projected for the future based on that past history, and you should be able to come up with some sort of a prediction even though you may say it's difficult. I don't think changing this Act will make it any more or any less difficult to predict the costs associated with that or the numbers that would be involved.

**Hon. Ms. Atkinson:** — When it comes to the administration of student loans, we budgeted approximately \$3 million. The fund has a cost of about \$35 million. It is true, regardless of where you're getting your administrative costs for collections, as an example, whether you're getting them from the small \$3 million

fund or the \$35 million fund, you make predictions. But you're not always accurate; you may be under or you may be over. With the larger fund, you have a larger pool of money.

I think the other thing, the principle here, is that we're linking costs to revenues, and the revenues which are associated with the costs. So you have a better opportunity in terms of the fund, because people are paying back money, you're loaning money, to link those costs to the revenues than you would in the \$3 million administrative costs associated with the student aid program.

**Mr. D'Autremont:** — Well, Madam Minister, you may call it linking funds; I call it shifting funds.

At the end of the day, the Department of Education has a certain budget and the student loan funds have a certain amount of money in them currently. If you take the collection costs out of the Department of Education, then those funds remain in the student loan fund without change. But you've said yourself that that student loan fund is not based on what's actually in there, but rather on the need and the number of students that apply for a student loan. So that number varies.

But at the end of the day, you've got a fixed amount of money in the entire department, including the student loan fund. So all you're doing is shifting whether you pay it out of administration of the fund, out of the Department of Education, or you take it out of the student loan fund. But it comes out of Education one way or another, and you're simply shifting it. So at the end of the day, Madam Minister, it doesn't make a lot of difference, because the funds are being paid for by the province.

So I'm not sure why this shift is being made. Percentage-wise, perhaps, if you're in error on your estimations, if you have a collection fee of \$300,000 in one year and that's what your estimation is, and you collect 400,000 . . . or the costs are 400,000, you're now out by 33 per cent on your estimation. But if you put that into the department, into the student loan fund, on a \$35 million basis, that percentage is going to be a lot smaller than on the 3 million administration cost.

So it's a matter of lies, damn lies, and statistics. So, Madam Minister, you're just shifting the money around really without changing a lot.

(1615)

**Hon. Ms. Atkinson:** — Right now collections is funded by the administrative costs of the Department of Education. They collect money for the fund. And what we're doing with this legislative amendment is we're linking the costs of collections to the fund. We happen to know that the more funds you spend to collect, the more revenues you receive to increase the cost. So the fund is related to students' payback of their student loans.

**Mr. D'Autremont:** — Well, Madam Minister, at some point in time in the collection industry you reach a point of diminishing return, where you're spending more time trying to collect those funds than you actually get back.

Madam Minister, just how many dollars are we talking about here? How many student loans, on average, are sent to the collection agencies each year?

**Hon. Ms. Atkinson:** — I understand that about 1,400 files were sent to collection agencies.

**Mr. D'Autremont:** — Thank you, Madam Minister. How many dollars would we be talking about with those 1,400?

**Hon. Ms. Atkinson:** — 6.2 million.

**Mr. D'Autremont:** — Madam Minister, how would this compare with the last three to four years, each year's numbers. Is it decreasing, increasing, or what's happening with the number of student loans sent to collection agencies?

**Hon. Ms. Atkinson:** — In 1992-93 there were about . . . 963 accounts were referred to collections agencies; in '93-94, 1,700 referred; and '94-95, projected 1,400.

**Mr. D'Autremont:** — Thank you, Madam Minister. What kind of dollars would we be looking at for the collection agencies as their fees, as part of their efforts to collect?

**Hon. Ms. Atkinson:** — It is about 18 per cent of what they collect.

**Mr. D'Autremont:** — Okay, Madam Minister, we're looking at \$6.2 million for the projection '94-95 year, that would be in arrears. Now how much of that would you collect?

**Hon. Ms. Atkinson:** — We collected 345,000 . . . or we spent \$345,000 in collection fees for '94-95; whatever percentage that is of \$6.2 million. We don't have what you're asking for.

**Mr. D'Autremont:** — Thank you, Madam Minister. Well then surely some place in there though you must . . . not all collections . . . Okay, well maybe I should change this. Are all collection attempts . . . the company only gets paid for those they're successful for, or do they receive any compensation for those that they attempted but are unsuccessful in?

**Hon. Ms. Atkinson:** — They only collect money for those loans that they're successful on.

**Mr. D'Autremont:** — Thank you, Madam Minister. How diligent are the collection agencies in attempting to recover these funds? If they're only going to receive a compensation for those in which they're successful, are they simply making one contact and hoping that the student will then be frightened enough to make a payment? Or do they continue to approach the student to recover the funds?

**Hon. Ms. Atkinson:** — Given the correspondence that I receive in my minister's office, it would appear as though they're diligent.

**Mr. D'Autremont:** — Thank you, Madam Minister. When

we're talking about student loans with . . . students with loans, what kind of an average loan portfolio would a student be carrying?

**Hon. Ms. Atkinson:** — I'm advised that the average student loan is somewhere between \$11 and \$12,000.

**Mr. D'Autremont:** — Well thank you, Madam Minister. When we have a projection of 1,400 students which will be in arrears, what percentage or what number of total student loans are we looking at? Is this 5 per cent, 10 per cent, 20 per cent? What kind of a percentage, and how many student loans are there actually out there?

**Hon. Ms. Atkinson:** — We have about a hundred million dollars that we have lent to students in total. Now that would be students who are still in school, students who are out of school but maybe have not begun to repay their student loan, students who are presently in default. So that's the entire package of monies that we have outstanding.

**Mr. D'Autremont:** — Thank you, Madam Minister. The hundred million dollars, how many student loans would that represent? I'm wondering, the 1,400 that are delinquent — what percentage of that is of the total student loan . . . number of loans, not the dollars?

**Hon. Ms. Atkinson:** — That represents about 50 or 60,000 students.

**Mr. D'Autremont:** — Thank you, Madam Minister. Of those 50 to 60,000 students, how many would be in the position of repaying their loans? How many of those loans are collecting interest and how many are due for repayments?

**Hon. Ms. Atkinson:** — I'm told that more than 70 per cent are good or in repayment.

**Mr. D'Autremont:** — That's not exactly what I want, Madam Minister. What I'm looking for is how many students, then, with students loans are currently in the education system and how many individual with student loans are outside of the education system, therefore in a position to be repaying?

**Hon. Ms. Atkinson:** — We could give a guess, but the officials are not comfortable with giving a guess. So I can't answer your question. We . . .

**An Hon. Member:** — Give me a ballpark.

**Hon. Ms. Atkinson:** — Well I'm advised — and this is a guess, just so we're very clear, and it may not be accurate — over 20,000.

**Mr. D'Autremont:** — Okay, thank you, Madam Minister. So approximately, with a big latitude on either side, of about one-third are currently in school and therefore would not owe anything on their student loans in the sense of needing to repay, and two-thirds would be in the position where they should be repaying. You stated that approximately 70 per cent are current,

20 per cent are out of school and making payments, and two-thirds are currently in school of the 50 to 60,000?

Well I'm surprised at those numbers. I didn't realize that we would have 40,000 students attending post-secondary education in this province . . . (inaudible interjection) . . . Perhaps the minister could stand up and give me those numbers without me trying to interpret her comments.

**Hon. Ms. Atkinson:** — We have over 110,000 spaces, students in the province of Saskatchewan that in some way, shape or form take an educational program. Now it doesn't mean that they're full time; they may be part-time students or they might be students that are taking a class or two.

So we are a province that obviously takes its education very seriously, given that we have those numbers of people — and some of those people may be double-counted — engaged in some form of educational activity in the province.

**Mr. D'Autremont:** — Well thank you, Madam Minister. That is a very good number for the province and it does indeed show our concern and our desire to be educated, although I would have to wonder if that included counts, say, for an individual who attended a community college to take DOS (disk operating systems) 1 or something.

You know if it includes those numbers, those people in general would not be applying for a student loan. I think most of the people applying for student loans are attending post-secondary school, such as SIAST or the universities or one of the technical schools. And in those numbers I don't know just where we would be standing at, but I would think that the 30 to 40,000 in that particular circumstance would probably be close.

Now maybe the minister can give me some information on that and just give me an indication, because I realize that those particular numbers may not be just right on her fingertips, but an indication of what we would be looking at in university, SIAST, and the technical schools.

**Hon. Ms. Atkinson:** — I understand it's in the neighbourhood of about 16,000 per year.

**Mr. D'Autremont:** — Thank you, Madam Minister. When you look at the numbers collected through the collection agencies, where they're picking up \$345,000 in fees over the past year, how many of those students loans — which would have been 1,700 in the '93-94 year, that were delinquent — how many of those would they have received collections on?

**Hon. Ms. Atkinson:** — We don't have those numbers here.

**Mr. D'Autremont:** — Thank you, Madam Minister. Well I guess I can cipher it out if somebody had a calculator but . . . using the numbers that you have provided for us already.

Madam Minister, how long before . . . once a loan goes into default, how soon would you turn it over to the collection agency? I believe under the Canada Student Loans Act the

student has six months after the time they exit from school to start repaying their loans. It's requested immediately but they can get up to six months interest free initially once they exit school. So how soon would you approach a collection agency to contact the students for repayment? And would you do any contacts prior to that as a department?

**Hon. Ms. Atkinson:** — I understand that we send a 30-day notice, then a 60-day notice, then a 90-day notice, then a final notice. Then there's telephone calls and we finally say it's going to a collection agency. So we parallel the Canada student aid program where there's six months grace.

I think the thing that students need to be aware of, needing to repay their student loan, that they can ask for interest relief while they . . . if they don't have a job or they're not . . . they don't have a very good job. I mean there are arrangements that they can make with student aid, which they should do, in order that their loan not go to the collection agency.

(1630)

**Mr. D'Autremont:** — So, Madam Minister, you're looking at approximately three-quarters of a year, to perhaps even a year, before it would be turned over to the collection agency. You have the six-month grace period, then three months of notices with a final notice at some point after that, and a telephone call. So potentially a student would be in arrears for a year.

Now when they have the opportunity to ask for interest relief, what kind of requirements are included in that opportunity? Let's say they do have a job at minimum wage. What kind of a position would that put them into for applying for interest relief?

**Hon. Ms. Atkinson:** — Interest relief depends on the size of your family, the job that you have, and the amount of money you're earning. If you're a minimum wage person, I'm told that you probably would be eligible for interest relief. What you need to do is keep applying for it every three months in order for interest relief to be available to you.

**Mr. D'Autremont:** — Thank you, Madam Minister. In your attempts to recover the student loans that are falling into delinquency, what kind of a percentage of success would you have in that, and how many of the delinquent files of the 1,400 projected or the 1,700 for '93-94 would you collect before you would turn them over to the collection agencies?

**Hon. Ms. Atkinson:** — When they've gone to a collection agency, that means that we've failed, that we haven't been able to collect the money from the student who is in default.

**Mr. D'Autremont:** — Thank you, Madam Minister. Well how many student loans would have been delinquent and you've managed to gain some repayment on before they went to the collection agency? So there must be some number greater or other than the 1,400 projected for this year coming that you have managed to recover something from.

**Hon. Ms. Atkinson:** — My officials advise me that we don't

keep track of our successes. The only cases, obviously, that go to the collection agency are the failures. So we don't have data or statistics in order that I can answer your question.

**Mr. D'Autremont:** — Well perhaps, Madam Minister, you could answer this: how many loans fall into arrears?

**Hon. Ms. Atkinson:** — I'm advised that 18 per cent of students who are supposed to repay their student loan would fall into arrears now at some time in their student loan repayment life — and we have people repaying loans for many, many years — but that does not mean that they default and it goes to a collection agency.

**Mr. D'Autremont:** — Thank you, Madam Minister. If you have approximately 50 to 60,000 loans and only 1,200 are going to the collection agency, but yet 18 per cent are falling into default at some time in their history, there's a significant number that your department is following up on and is successful in recovering.

Madam Minister, the 1,400 projected or the 1,700 last year that will go to the collection agency, how many of them are as a result of bankruptcy declarations by the student?

**Hon. Ms. Atkinson:** — We had 264 bankruptcy claims in '94-95. So '94 and '95 would take us to the end of March of 1995.

**Mr. D'Autremont:** — Thank you, Madam Minister. I don't know if you'll have the information, but can you give us some idea as to how many of those bankruptcies are directly related to the fact that the person involved has a student loan and that is what is putting them into a bankruptcy situation, or is there some other related financial circumstance and the student loans are simply a part of their accumulated indebtedness?

**Hon. Ms. Atkinson:** — I don't know that. The thing that we would like to point out, however, is that in 1992 the federal government changed the legislation — I guess this would have been when Mr. Mulroney was prime minister — changed the legislation so that students who owed money could go into bankruptcy. The old system was that you could go into bankruptcy but you still had to repay your student loan. So it was changed under the former federal administration.

**Mr. D'Autremont:** — Well thank you, Madam Minister. I think when you go into bankruptcy that all of your indebtedness should indeed be a part of it. I mean that's why bankruptcy laws are put in place — to allow relief of debt. And so that should indeed be part of it.

Now my concern is that a number of students may be using that legal change to somehow avoid paying their student loans. And I'm wondering how many are directly related to the student loans and how many are related to other economic factors that there may have been 10 years down the road since they applied for those student loans, received them, have been out working, and have now lost their job or their business has failed, or whatever it may be. How many are directly related to the student loans and how many would be related to some other

financial circumstance?

**Hon. Ms. Atkinson:** — I understand from the officials that we can contest some situations where students are filing bankruptcy, and we have contested and we have won.

Now I just want to . . . on philosophical grounds, I just want to make this statement, and I'm expressing a personal opinion here. But it seems to me that when you get a student loan and you go to a university or a technical school and you receive a credential, a certificate, you receive something that . . . a skill or an education or a training that can take you on to certain endeavours that . . . and you've been able to receive that skill or training or education because the public has agreed to lend you money, because it's important from a public policy point of view that we have well-educated and well-trained individuals, that there is some obligation on you to repay that debt.

It's not like a car where someone can go and take it back from you, or a house where someone can go and take it back from you; no one can take my education back from me. But I do think that had it not been for a bit of student aid, certainly in my lifetime as a student, I would not have had the experiences that I've had over the last 15 or 16 years.

So I guess I disagree with you on the fundamental question of whether or not a student should be able to go into bankruptcy on student loans. I think that that's one debt maybe people need to repay to society, given it's the taxpayer that's funding it.

**Mr. D'Autremont:** — Well, Madam Minister, it's my belief philosophically that every debt should be paid, whether or not it's a debt to society in the sense of education, or whether or not it's a debt to the company who sold you the car. It's my belief that every debt should be repaid.

But the bankruptcy laws currently will allow you an exemption for that vehicle if you need it for transportation to employment. They will allow you an exemption for your home because you can't be deprived of your shelter.

So, Madam Minister, while it may seem that we have some philosophical difference here, I think it's a matter of degree on, in your case, believing that because there is free enterprise involved in the purchase and lending of money for an automobile, and society in the case of an education, that one is forgivable and the other isn't. I would suggest to you that neither is forgivable.

But that society has made a determination that we will protect you for shelter and we will provide you with the tools necessary to carry out your trade, and we will provide you with the transportation necessary to get you to your point of employment, and you're protected from that under the Bankruptcy Act. Madam Minister, you're even protected for I believe 40 bushels of potatoes under The Credit Union Act that deals with bankruptcies.

So, Madam Minister, we provide a certain amount of protections for everyone in society when it comes to a bankruptcy, and the student loans should not be exempted from

that. It should be indeed part of the debt process.

Now we also have to try and recover as much of that as possible. So that doesn't say just because you are going through a bankruptcy that you should be totally exempted, because you have some opportunities, you have some skills. They're not a hard, physical, real asset in the sense of property, but you have an asset which down the road can provide you with a return.

And in that sense I would suspect, and you can clarify this, that on those grounds sometimes the bankruptcies are denied and the Department of Education and the student aid fund does have recourse to recover their funds down the road.

So, Madam Minister, how many of those cases that have applied for bankruptcy have you taken not necessarily to court, but provided an intercession on the behalf of the student aid fund at the bankruptcy situation and been successful on; and how much funds have you recovered from them?

**Hon. Ms. Atkinson:** — We contest about 10 per cent of the bankruptcies, bankruptcy applications, and the officials aren't able to tell us how much money we get from that contesting of the people who are going into bankruptcy.

**Mr. D'Autremont:** — What kind of various grounds would you be interceding . . . what reasons would you have for interceding in those bankruptcies?

**Hon. Ms. Atkinson:** — I'm advised that we look at the student borrower's educational history, at their employability, at their potential earning powers, and the legal costs of the opposition, and the size of their debt. So those would be some of the grounds that we would make a decision on in terms of contesting a bankruptcy claim.

**Mr. D'Autremont:** — Thank you, Madam Minister. So when you talk about earning power, would you be more apt to intercede on, say, a lawyer or a doctor if they were to be declaring bankruptcy, say, than an art student?

**Hon. Ms. Atkinson:** — I think it's fair to say that we'd be more inclined to intercede . . . say for instance a dentist was considering going bankrupt or a doctor, you know, someone who has the capacity down the road to earn an appropriate living.

**Mr. D'Autremont:** — Madam Minister, on those 10 per cent of the bankruptcies that you intercede in, how soon after they have left their educational institution and gone out into the workforce were those applications for bankruptcy being provided?

**Hon. Ms. Atkinson:** — We don't have that information here. You're asking very technical questions, and we thought we were just dealing with a Bill on administrative expenses. So we don't have the file here to give you the appropriate information. But we certainly would be able to address your questions in Public Accounts.

(1645)

**Mr. D'Autremont:** — Well, Madam Minister, the reason I ask that is because it's my fear that bankruptcies could start occurring — and maybe already have started occurring — shortly after a student would leave their institution of learning, as a means to absolve themselves of a large debt when they've exited the institution, before they proceed into the workplace.

If they could get rid of a \$12,000 average . . . so on some of those you're going to have a significantly higher amount of money involved. If you're sitting there with a 20 or 30,000, \$40,000 student loan debt when you've exited the institution and are now a doctor or a dentist or a lawyer or an engineer or whatever it might be . . . If you could absolve yourself of that debt in some manner, it would make your future work and prospects significantly better. I'm wondering if that is starting to happen on a more prevalent basis or if the statistics are remaining rather stable on that?

**Hon. Ms. Atkinson:** — I'm advised by the officials that the federal government, the present federal government, is looking at the previous federal government's legislation regarding bankruptcy and student loans, and they're looking to perhaps extend the time from the time you leave school to the time you can file for bankruptcy, for this very reason.

**Mr. D'Autremont:** — The fact that they're looking at that then, Madam Minister, would indicate that it's becoming somewhat of a problem or the expectation is there that it could become a problem.

Madam Minister, in your second reading speech you stated that the Department of Education does not have the resources to deal with these situations, meaning the collections of delinquent student loans. What kind of resources are currently in place within the department to deal with delinquent student loans?

**Hon. Ms. Atkinson:** — We spent approximately . . . we budget about \$200,000 last year for this activity. And so that's the resource that will now be transferred over to the student aid fund.

**Mr. D'Autremont:** — Thank you, Madam Minister. Do you have anyone in the department who's dedicated to this particular duty? If so, how many?

**Hon. Ms. Atkinson:** — Six or seven employees that are dedicated to this duty.

**Mr. D'Autremont:** — Well, Madam Minister, how much would you have spent on legal counsel challenging the bankruptcy provisions?

**Hon. Ms. Atkinson:** — You're asking me a question, and we're going into estimates, hopefully, tonight.

**An Hon. Member:** — No.

**Hon. Ms. Atkinson:** — Oh, we're not?

**An Hon. Member:** — No, I'm going to keep you here.

**Hon. Ms. Atkinson:** — Oh, because you're asking me a technical question that would be best in estimates or Public Accounts.

**Mr. D'Autremont:** — Well thank you, Madam Minister. You're giving me a whole list of questions for some other period in this week, perhaps, or some later week that we can deal with this situation.

Madam Minister, I believe that we have indeed covered this topic rather extensively, and that we can proceed with this although I believe that perhaps in the cases of the collections you need to be very diligent in trying to collect the monies prior to going to the collection agencies with them. And if that can be done, it'll in all likelihood be much more comfortable for everyone involved, both for the department and for the students that would be involved. It places a great deal of stress on them when the collection agency is sitting on their doorsteps every morning looking for their pay cheque.

So I think if it can be handled through the department without the collection agency, that would be the best avenue.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

#### **Bill No. 52 — An Act to amend The Teachers' Federation Act**

**The Chair:** — The minister has different officials for this Act. I'll ask the minister to introduce them to the members of the committee.

**Hon. Ms. Atkinson:** — Thank you very much. To my right is Michael Littlewood, director of legislative services, and behind Mr. Littlewood is Kathie Tenold, assistant registrar of teacher services.

#### **Clause 1**

**Mr. D'Autremont:** — Thank you, Mr. Chairman, Madam Minister. This particular Bill deals with a number of items, mainly housekeeping within the STF (Saskatchewan Teachers' Federation), but it also deals with some other aspects that do need some consideration. And I know that most of the members opposite are very interested in these questions, so I will make sure they all have the opportunity to hear them.

Madam Minister, educators today are being called upon to administer medications, to deal with student violence, to deal with young offenders in their classrooms, and as well to try and deal with, in some cases, students that are malnourished or abused.

When an educator is uncomfortable with those situations such as providing medication, Madam Minister, what alternatives do they have? What circumstances can they deal with on those

circumstances, Madam Minister?

**Hon. Ms. Atkinson:** — This Bill is about the internal operations for the Saskatchewan Teachers' Federation. It's called The Teachers' Federation Act and we'll be coming back after supper and we can get into those kinds of detailed questions, because I will have the appropriate officials with me that can help me answer those questions.

**Mr. D'Autremont:** — Well, Madam Minister, this Bill deals with an item called professional misconduct, one in which a teacher is perhaps addicted to alcohol or drugs, as defined as professional misconduct, is being changed from designation of professional misconduct to a medical problem. Madam Minister, what effect does this particular change have in the repercussions and in the dealings with that particular teacher?

**Hon. Ms. Atkinson:** — I think that there's no question that drug and alcohol addiction is a serious problem. But one of the things that we have come to understand is that drug and alcohol addiction is a health issue. And in professional legislation generally, these kinds of issues, like drug and alcohol addiction, are seen as health-related issues that need to be dealt with in the same way that you would deal with a medical affliction or a physical ailment. So it's that rather than a question of conduct.

**Mr. D'Autremont:** — Well thank you, Madam Minister. In the case where a teacher has a potential drug or alcohol addiction problem, what avenues does the student or the parent or the administrator have in bringing this forward for a solution?

**Hon. Ms. Atkinson:** — Well if a teacher's drug or alcohol addiction renders them totally incapable of being effective in the classroom or being effective as a professional, there are a number of steps available to the employer and the Saskatchewan Teachers' Federation to deal with that kind of an issue.

And I think if I were a parent that had cause for concern in terms of a teacher in a classroom, I would first raise this issue with the principal and then he could go through the appropriate steps as the director of education and the Saskatchewan Teachers' Federation. The Saskatchewan Teachers' Federation does investigate issues of professional competency.

**Mr. D'Autremont:** — Well thank you, Madam Minister. In cases of drug and alcohol addiction, it's not always the circumstance where an individual would be totally incapacitated. There would be ups and downs and circumstances where they would be ineffective today in teaching, and yet be able to provide for the student in the next day.

Madam Minister, this winter we went around the province on a safe driving committee that said if you are caught with blood alcohol content above a certain level in your blood, it will be necessary for you to take mandatory drug assessment.

Well in the case of a teacher, Madam Minister, where complaints do come forward — I mean I wouldn't want to see a situation where a student for retaliatory purposes said that this

teacher has a problem and therefore we need to do something — but if there is a circumstance where a teacher may be seen to be having problems by the students, by the parents, by the administrators, that some form of assessment could be provided for them.

And I don't know that I would want that to be mandatory but that it be made available in some sort of a circumstance that each of those three parties would have some input into it. That the students can say, I believe my teacher has a problem in this area, and so that they can go to the administrator or they could go to the school board to . . . or perhaps even to the teacher representatives, for some avenue there to provide some assessment.

I'm wondering, what kind of avenues in that direction would be available for the students and the parents?

**Hon. Ms. Atkinson:** — The Saskatchewan Teachers' Federation, as part of their professional organization, has an employee assistance program. And they have several counsellors that assist teachers in dealing with a host of personal issues such as drug and alcohol addiction.

So there are avenues for teachers that are feeling distress or stress and are having some of these difficulties.

**Mr. D'Autremont:** — Would it be possible though, Madam Minister, for the students or the parents of the students of that teacher to access that system to make a recommendation that perhaps this teacher should participate in the assessment program?

**Hon. Ms. Atkinson:** — Well what could happen is the principal might be notified or the director of education might be notified. They would then work with the people involved in teacher welfare at the Saskatchewan Teachers' Federation; and the Saskatchewan Teachers' Federation, as a professional body, could intervene with the teacher to see if there were some . . . whether there was some assistance that the teachers' federation could give that individual teacher through the employee support program which is the counselling program at the STF.

I do know that there are several teachers that take advantage of those counselling services to deal with a variety of issues.

**Mr. D'Autremont:** — Okay, Madam Minister. In the changes to this legislation, is there an avenue open then for the teacher representative or the STF counsellors to approach that teacher and say, we recommend or we strongly recommend that you come for assessment. Is there some avenue in there for that kind of thing within the disciplinary structures that are being built into this?

**Hon. Ms. Atkinson:** — It's not in the Act itself. There is an administrative process that STF counsellors or others could employ if they felt that a colleague was in difficulty.

**Mr. D'Autremont:** — Okay, Madam Minister, how under the disciplinary structures and changing it from professional misconduct to a medical problem, will that affect the teacher

who may be involved?

**Hon. Ms. Atkinson:** — Well I think one of the things that we've come to discover about drug and alcohol addictions is that in the past it was considered to be . . . if you had a drug or alcohol addiction, that that was grounds for professional misconduct. We now understand more about drug and alcohol addictions, and we understand that in fact people who suffer drug and alcohol addictions, that that suffering is treated as a medical problem.

If you know anything about AA (Alcoholics Anonymous) or NA (Narcotics Anonymous), it's clear that it's an illness. Addiction is an illness. And so we've moved beyond the old days where there was no intervention, there was no assistance, none of that kind of thing. We've come to understand that drug and alcohol addiction is a medical condition . . .

**The Chair:** — Order. Sorry to interrupt, but it now being 5 o'clock, the Committee of the Whole stands recessed until 7 o'clock p.m.

The Assembly recessed until 7 p.m.