

EVENING SITTING  
COMMITTEE OF FINANCE

General Revenue Fund  
Post-Secondary Education and Skills Training  
Vote 37

Subvote (PE01)

**Mr. Krawetz:** — Thank you very much, Mr. Chairman. Mr. Minister, I don't recall the answer, and I'm not sure that you gave the answer regarding New Careers. The responsibility now for similar programs that New Careers actually contributed out in the province of Saskatchewan, what group is doing that now, and do communities have the opportunity to apply to an entity like New Careers to do the same kinds of things that they were doing in the past?

**Hon. Mr. Sonntag:** — Basically they can apply through the career and employment services centres.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, a lot of interest has been within the province over the last little while regarding the apprenticeship program and the need to address concerns in the whole area of the apprenticeship and trade Act. Of course we now have a new Act that has been passed through this House.

I note that in your expenditures you have a line item that is indicated by "apprenticeship commission," and you have almost \$1.2 million for this year. Could you explain how the apprenticeship commission travelled around the province, in terms of were there additional expenses that you anticipated? Or is this money that you've allocated in this budget, is it now for the implementation of the new Act and all of the necessary costs? Explain how this will work.

**Hon. Mr. Sonntag:** — The commission has not yet been established. This is for — the amount of funding that you've identified — is for actually when the commission is implemented. And that's a prorated number so the annual cost is anticipated to be in the vicinity of seven and a half to \$8 million.

**Mr. Krawetz:** — Thank you, Mr. Minister. What kinds of things will have to occur within your department, within the whole post-secondary realm to actually implement the new apprenticeship Act?

**Hon. Mr. Sonntag:** — There's two main things that have to take place yet. First of all, and probably the bigger piece, is the regulation changes that have to take place. Also we're transferring 27 staff to the commission as well.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one other question regarding the federal funding. Could you indicate what amount of additional funding the province has had to provide this year relevant to last year as a result of the federal withdrawal of funding?

**Hon. Mr. Sonntag:** — The federal government will have

completely withdrawn from training as of June 30 of this year. There's been segments of withdrawal over the last few years, but as of June 30 of this year, they'll be fully withdrawn, and the amount that we will have to backfill this year in addition to what's been backfilled from years previous is about \$6.5 million.

**Mr. Krawetz:** — Thank you very much, Mr. Minister. Mr. Minister, one of the other expenditures under training programs deals with the assistance for people with disabilities. A couple of concerns have been expressed to us in terms of who sets the criteria under which people qualify for assistance under that disabilities plan?

**Hon. Mr. Sonntag:** — You're speaking, I believe, of the EAPD (Employability Assistance for Persons with Disabilities). That is a federal-provincial program and the rules are established by the federal government.

**Mr. Krawetz:** — Will this program . . . will funding for this program also be withdrawn by the feds as of June 30 . . . (inaudible) . . . just continue it as a provincially sponsored program

**Hon. Mr. Sonntag:** — It will continue.

**Mr. Krawetz:** — Thank you, very much.

Mr. Minister, under career and employment services, one of the responsibilities of that area, of course, is in the area of student summer employment. The student partnerships '99, you've indicated by, I think, a press release back in April that the extension was going to be given for the deadline dates. I think it's been moved to May 1, or was moved to May 1.

Could you indicate the amount of responses that you had in 1998 for numbers of students that actually went through that program. I know your press release, I think indicated that the number of employers was significant. How many students actually take advantage, or took advantage, of the summer partnerships program in 1998, and is there any trend that you see for 1999?

**Hon. Mr. Sonntag:** — Last year, in the year 1998, the partnership program created 1,775 jobs for post-secondary students in Saskatchewan.

**Mr. Krawetz:** — Mr. Minister, have you any response from employers regarding the amount of the subsidy? Are employers on the whole basically pleased with this? Or is there a concern that the amount of paperwork that employers must go through to enable them to receive a very small amount of subsidy is causing employers not to pursue this type of partnership with students — and as a result we have many more students that could be getting opportunity if there was a significant amount of funding to employers?

**Hon. Mr. Sonntag:** — Last year we did survey employers, and to my knowledge I don't think we received any responses that suggested they'd like to fill out more paperwork. But the fact that it was oversubscribed suggests that they did like the program. Having said that, however, we certainly are interested

in working with the federal government to try and find, if we can, in the coming year or years, ways that — maybe for lack of a better word — harmonize so that there is less paperwork and more efficiencies can be created.

**Mr. Krawetz:** — Thank you. Mr. Minister, one of the expenditures under career and employment services is in the area of operational support, a significant increase, almost doubling from \$8 million to \$16 million, 15.7. Could you indicate what you see your department doing differently in the area of operational support that would necessitate that huge an increase?

**Hon. Mr. Sonntag:** — Largely it is the 20 new offices that will be opened and the assuming of the 97, I guess it is, HRDC (Human Resources Development Canada) staff from the federal government.

**Mr. Krawetz:** — Could you indicate where you will see these 20 new offices?

**Hon. Mr. Sonntag:** — They'll be located in Regina, Moose Jaw, Swift Current, Saskatoon, Biggar, Humboldt, Wynyard, Yorkton, Weyburn, Fort Qu'Appelle, Creighton, Estevan, Melfort, Nipawin, Prince Albert, Meadow Lake, North Battleford, Lloydminster, La Ronge, and Ile-a-la-Crosse.

**Mr. Krawetz:** — Thank you, Minister, for clarifying those positions. Mr. Minister, in post-secondary education funding to universities and regional colleges and SIAST (Saskatchewan Institute of Applied Science and Technology), we've seen a lot of press since the budget regarding the actual funding of universities. We've seen the complaints of the presidents from both campuses. And of course now we're starting to see the response of students regarding funding.

When we take a look at university funding and see that only \$3 million was provided to the universities — and that is both of them — for university funding, that's a very insignificant amount when you look at the fact that their budget last year was in excess of 180 million and it's only increased by 3.

As a result, we've heard from the president of U of S (University of Saskatchewan), Dr. Ivany, saying that he feels that your government has turned its back on post-secondary funding and especially universities. And as a result, major changes will be taking place in tuition and in restructuring.

When you take a look at also, Mr. Minister, some of the other funding that was allocated, we see for instance, in the area of the operation of SIAST, we see a \$4 million increase on approximately a \$51 million expenditure. That's a significant percentage increase, not nearly, you know, the same amount at the university level.

How do you account for the differences in how funding is allocated to SIAST and how funding is allocated to the universities?

(1915)

**Hon. Mr. Sonntag:** — Boy I could launch into a speech here, but I'll keep it as brief as I can.

**An Hon. Member:** — Sure, go ahead.

**Hon. Mr. Sonntag:** — No that's fine.

First of all, I want to put it in context. First of all, all of these decisions are made in the context of the federal funding withdrawals and also reductions in the CHST (Canada Health and Social Transfer).

First of all, last year the university received a funding increase of 5 per cent so that was substantial, also a doubling of the amount of money assigned for capital, roughly from 10 to \$20 million. We maintained that in the base this year. If you add to that the increase in operating this year, the maintenance of the capital this year in this year's budget, and a commitment to the University of Saskatchewan that we would, in fact, fund their two highest priorities — that being the Thorvaldson and kinesiology buildings. So there's a commitment right in the budget and in the budget speech this year for that to happen in the next couple of years.

With respect to your question as it pertains to how we make decisions between SIAST and the universities, last year SIAST and the regional colleges received nearly zero or as close to zero as could be — I guess there's a small increase — but nearly zero. So it was appropriate this year that they were brought up to speed. There was salaries negotiations that had to be dealt with, and largely that's the rationale. We believe that largely we have this year in the budget for the universities fulfilled their highest priorities.

**Mr. Krawetz:** — Thank you, Mr. Minister. While there is a definite need to address the concerns of capital, I think we can see very clearly from articles like this where it says, where's the plan for post-secondary education? These are the kinds of things that are being expressed by the people at the universities. When you look at a 1.1 per cent increase in operational grants, that's a given that we're going to have tuition fee increases. And I'm wondering, Mr. Minister, how you can justify . . . how your department can justify that now the various boards of governors of both the University of Regina and the University of Saskatchewan are looking at increases in tuitions ranging I believe from 8 per cent to 12 per cent.

Students have been calling on a regular basis now saying like, that is a ridiculous amount to be asking students to contribute if indeed the various other things haven't happened along in the system. We haven't seen the huge increases in all kinds of other departments, yet we're asking students to contribute an additional 12 per cent to their education costs. How do you justify that kind of a tuition fee increase in the light of . . . to the fact that your department has only contributed 1.1 per cent to the operation of the universities?

**Hon. Mr. Sonntag:** — One of the things too that I just do want to mention that has largely gone unnoticed is with the reduction in the sales tax from 7 to 6 per cent, the universities will achieve — I think you're speaking to some degree of the U of S but this would apply certainly to the U of R (University of Regina) as well — just as an example, the U of S would see a savings of somewhere in the vicinity, based on their budget, of probably 4 to \$500,000, so that's not a small amount.

With respect to the tuition, I want to be clear that first of all that the universities operate autonomously. Last year if you recognize that we increased the budget by 5 per cent, the U of S increased their tuition to . . . by 6.7 per cent, I should say; and the U of R by only 2 per cent. So there is not necessarily a direct connection between what the province provides in the budget and the tuition.

Also with respect to other provinces, Saskatchewan's tuition fees are not at all out of line and probably fall actually on the lower end of relative tuition fees.

And lastly it's interesting, I just saw a comparative number based on what tuition fees are today as compared to, for instance in even the 1930s and the 1940s, in relative dollars they really have not gone up at all yet.

**Mr. Krawetz:** — Two questions then from that response, Mr. Minister. The first one would be is: what is the percentage then, if you're saying that it hasn't changed as a result of the adjusted dollar, what is the percentage then that tuition is of the actual cost of a year of education? Has that changed dramatically over the last couple years?

**Hon. Mr. Sonntag:** — As an example in the 1950s the tuition made up 40 per cent of the budget. Over the years it's gone up and down, but in the last few years it's been roughly in the area of 25 to 27, 28 per cent.

**Mr. Krawetz:** — Thank you, Mr. Minister, and I know there are various colleges at universities that have higher tuitions and some that have lower tuitions, and I guess you're indicating to me that an average is somewhere in that 25 to 27 per cent.

Mr. Minister, I'm sure that you would have received a similar letter, but this is a letter from the student medical society of the College of Medicine at the University of Saskatchewan. And I just want to read a couple of lines into the record, Mr. Minister. It says . . . the letter is addressed to myself, and it says:

This letter is to express our concerns about potential tuition increases at the University of Saskatchewan, particularly in the College of Medicine. In the past 10 years, tuition has increased approximately 295 per cent from a rate of \$1,950 for the '89-90 school year to the current rate of \$5,750 for the '98-99 school year.

Now that's the end of the line that I'll read into the record, Mr. Minister. Now that's a very significant amount of increase when you say 295 per cent for this particular college, while yes, others may not have increased that amount.

So in the last 10 years, the College of Medicine has basically gone from a \$2,000 tuition to a \$5,700 tuition — significant dollars, Mr. Minister — and I'm wondering how that mixes in with your percentages and how that mixes in with the fact that you've indicated that adjusted dollars, we've really haven't seen anything that has changed that much. I don't think we're operating on a 295 per cent dollar change from 1990 to 1999.

**Hon. Mr. Sonntag:** — First of all again, I just want to be clear that tuition is a decision of the board of governors of the universities. In medicine, even with the tuition that you've so

described, there's a very, very high demand to get in because of the quality of the program.

The tuitions largely, I would believe, are a reflection of the cost of the program. Even with the tuition that you've just described, that still only represents approximately 15 per cent of the overall cost. So when I, just a question or so earlier, I described that the average contribution by a student was about 25 to 27 per cent; even at the fee that you've described for the College of Medicine, it still only represents roughly 15 per cent. So I can only surmise that's why the board of governors makes that decision.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, there's been some suggestion — I guess we'll refer to it as rumour — that says that the universities of both Regina and Saskatchewan are lobbying your department very extensively. The student bodies are of course very, very concerned about an 8 per cent or a 12 per cent rate increases.

Can the universities of Regina and Saskatchewan in Saskatoon expect additional dollars that haven't been described in the *Estimates* thus far?

**Hon. Mr. Sonntag:** — We have been in discussion with the University of Saskatchewan and the University of Regina for a long time already on some of their pressures and some of their concerns.

One of the things that most recently we've been working on is negotiations with the federal government on the millennium scholarship fund. You will have heard probably just in the news today, or yesterday I believe it was, Alberta has signed on to the millennium scholarship program with the federal government. And we in Saskatchewan here have believed we're very close for a while now, and we are very close now. So those are the sorts of things that will in fact certainly provide assistance for students in Saskatchewan in the very near future also.

**Mr. Krawetz:** — Another question, Mr. Minister, connected to that. Will you allow the universities to be able to move capital monies that you've allocated, if they need to? Will you allow them to move that into operating to lower tuition fees as a result?

**Hon. Mr. Sonntag:** — Those are certainly decisions that the universities are able to make. We wouldn't necessarily encourage that to happen, but they have the freedom to do that if they would like.

What we . . . I guess what we . . . what I would like to say though, before I take my place here, is that we really want to conclude the discussions with the Millennium Scholarship Fund before the universities make decisions, and that might be able to assist them in some regard.

**Mr. Krawetz:** — Good. Thank you very much, Mr. Minister. Mr. Minister, a few questions in the area of capital expenditures. You've indicated a commitment to capital. And during interim supply debate, when I was talking with the Minister of Finance, he indicated that the capital dollars that we see in the Post-Secondary section are only a portion of the kinds of dollars that you're talking about. I know we're looking at, I

think . . . \$22.7 million is the same budget in capital this year as it was last year. And of course that's capital not only for the universities; that's capital for SIAST and everywhere else.

In SPMC (Saskatchewan Property Management Corporation), I see another capital project line and I would like to have an explanation from you as to how the universities can determine, from looking at your *Estimates*, as to what kinds of monies will be actually allocated to the universities, both the U of R and the U of S, the kinds of projects that will occur at the SIAST level, how is this broken down in the capital areas you've indicated in both Post-Secondary and SPMC?

**Hon. Mr. Sonntag:** — We send out budget letters to all of our stakeholders, so they would receive individually, the universities and colleges, would receive clarification in a budget letter about what their capital would be for the coming year.

(1930)

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one of the last areas I'd like to spend some time on is in the area of student support programs and the student aid.

Similarly, Mr. Minister, as I indicated in discussions with the Minister of Finance, I asked the question of the minister as to why there was a \$1 million reduction in the Saskatchewan student aid fund. And the minister's response was that it was very complicated and that you would be the only one who could actually give that answer. So here's your opportunity: could you tell me and the people in the province of Saskatchewan what packages are in place for students to be able to access student loans.

And indeed what occurred to allow you to have a million dollar reduction in the amount of money that you provide to students, when I'm hearing from students that there's so much more need to meet, and yet there is no ability for them to seek that kind of assistance?

**Hon. Mr. Sonntag:** — Well I'm extremely pleased that you expressed enough confidence in me to explain this to you. First of all as it pertains to the student support programs, that's an area that we are really extremely proud of. And I think largely, maybe we haven't done nearly a good enough job of explaining it to the public of Saskatchewan and to the students and in fact probably to their parents or their guardians. And I think that's something that we could do a better job of.

But the rationale for the 1 million reduction that you speak to is the fact that we have a surplus in the student aid fund. We've been drawing that down. This year we're drawing that down by approximately \$5 million so even though our expenditures overall are higher, it will show a reduction of \$1 million because we're reducing a surplus that currently exists in the student aid fund.

**Mr. Krawetz:** — If you feel that that surplus has to be reduced and are using it, could you indicate the level that that surplus is at right now. And also, where do you want to take that surplus level if you're reducing it by as much as \$5 million?

**Hon. Mr. Sonntag:** — Just doing some quick calculating here

— through March 31 of 1999 the surplus was about \$20 million.

**Mr. Krawetz:** — The other part of my question was, if that surplus is at that level and you're now trying to lower it, where do you want to take that surplus to? What level?

**Hon. Mr. Sonntag:** — Historically the fund has had a surplus of 2 to \$3 million.

**Mr. Krawetz:** — I guess that begs the question, Mr. Minister. How did it get to that level to be at \$20 million if it historically was at 2 or 3 million? And I'm also going to add another question to that, Mr. Minister, and I know you would appreciate the kinds of comments, because I think a lot of people have shared them with you. Individuals . . . students who have both parents working, not necessarily you know huge-paying jobs, but where they're . . . what I'll refer to as the middle-income area. Both of those parents, because they work, when a student from that family applies for a student loan, they're virtually denied to zero. And that's been a problem that we've identified with a number of people.

And the other side of the coin, Mr. Minister, both of those parents have not set aside the kinds of finances necessary to put one or two or, in fact, we know of one family who have three children now enrolled in the university programs. And they're not qualifying for student assistance. The parents have to literally go to their own financial institution and try to establish their own personal loan to be able to finance the students.

On the other side of the coin, you're telling me that the student-aid fund has developed a \$20 million surplus. Should we not be looking at those kinds of concerns where we can try to ensure that a student who wants to go to university, but doesn't have the financial wherewithal even though the parents have, you know, their income tax forms indicate that they've received this kind of a dollar as far as their salaries. I think we need to look at that area.

And I'm wondering, has there been any development within your department to address the concern of what I'll refer to as middle-income . . . students from middle-income families?

**Hon. Mr. Sonntag:** — Okay, sorry for the delay there.

First of all your question was how this surplus came to be. It came as a result of the lender financing agreement with the banks. We used to essentially be the bank — the Government of Saskatchewan used to be the bank. We sold all of the student loans to the bank at the premium, if you will, or a discount of 5 per cent. Essentially if I can explain that the banks believe that they could collect 95 per cent of loans that have a loss of approximately 5 per cent.

We had on our books an assumption that if we remained the bank, if you will, an assumption that we would probably not collect more than 75 per cent — 75, 76 per cent in there. So we had a loss recovery of the difference between a loss of 25 per cent and the 5 per cent that the banks actually paid us, so that it is a one time surplus that does exist.

Now those funds are going . . . right now they're being

contributed for the most needy students by way of a number of programs that we just described earlier.

With respect to qualifying for student loans the . . . Canada sets, under the Canada student loan program, they set the rules for qualifying. And again one of the reasons why we've been anxious to negotiate an agreement under the Millennium Scholarship Fund so we have a bit more control over dollars that could be targeted to as many students as needed as possible.

**Mr. Krawetz:** — Thank you, Mr. Minister. I would hope that you are successful in arriving at a new agreement that indeed will put in place opportunities for students. I think that's the biggest disappointment, Mr. Minister, when I hear from young people who say I want to go to university, I have the marks to attend, but I don't have the financial wherewithal. And I think that's something that as a province, as a nation, we have to address.

Mr. Minister, if I could get you to . . . and I know it's been a couple years since you have had the Royal Bank as the financial institution that was awarded the tender to look after the current Saskatchewan student loan program. You indicated a 5 per cent sort of a sale price. Is that the same percentage that you have with Royal Bank regarding handling of all of the new student loans that are being set up by Royal Bank?

And the other part of the question, Mr. Minister, is you've indicated that you have turned over all of the accounts that were, you know, previously . . . previous accounts, you've turned those over to the Royal Bank. Can you tell us if you monitor the collection process or have you allowed that to be handled by Royal Bank by whatever collection agencies they use and whatever type of method they wish to use in the collection? Is your department following up on those delinquent accounts, I guess is the best way to describe them.

(1945)

**Hon. Mr. Sonntag:** — First of all, I just want to explain briefly. On the millennium as well — much to the credit of all of the provinces, and certainly to the credit of the federal government as well — on the Millennium Scholarship Fund, one of the things that we've done to address some of the points that you've made is originally when the program was established, it was to be 100 per cent merit; it's now been flipped on its head so that 95 per cent goes to needs and only 5 per cent to merit. So that is something that's been negotiated that will help students a great deal.

The reason for the 5 per cent discount, first of all, is to the credit of the good staff we have in Post-Secondary that were able to negotiate a very good deal that other provinces were in fact not able to even get close to in terms of negotiating deals. If a student finds themselves in any financial distress, they would apply to the bank and they actually have an opportunity to get up to as much as 18 months of interest relief. But the decision as to when and where it's turned over to collections is the decision of the bank itself.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, there are a lot of questions in this area but I'm going to end with one

question regarding full-time employment.

We've had a number of calls from students who have graduated, have financial student loan commitments of 25,000 and 32,000, just to name a couple of examples, and yet they haven't been able to obtain full-time employment in the area that they're trained, or they have very low-paying jobs.

What kind of procedure is in place for those students to ensure that the bank doesn't, you know, go after them after 18 months and end that kind of a system.

**Hon. Mr. Sonntag:** — First of all, I just want to be clear, the average loan in the province is about \$13,000, not quite as high as you described — I think you said about 25,000 did you say . . . (inaudible interjection) . . . Yes, the average across the province is about 13,000.

Again, first of all, the student, if they're working part-time and don't have adequate income, they can apply for interest relief which gives them, first of all, a six-month grace period. And then on any principal payments, on any payments of any sort, and then following that is an 18-month interest relief period. So they would have a total period, if you will, of 24 months before they would be required to get into full repayment . . . into a full repayment schedule.

**Ms. Julé:** — Thank you, Mr. Chair. Good evening, Mr. Minister, and good evening to your officials.

Mr. Minister, since the early 1990s, there has been discussion and planning surrounding a joint-use facility in Humboldt between the Carlton Trail community college and the Humboldt Collegiate.

I wonder if you could update me on the status of that discussion with your government. I'd like to know where this stands at this time.

**Hon. Mr. Sonntag:** — Okay, it is my understanding that they've already . . . the college has \$750,000 that we've already paid to them out of last year's budget, so they've got that in their hands. So we were meeting . . . the department has been meeting with the colleges and the school board. They've, to my understanding, identified a location and are currently just simply refining the plans right now.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, could I just ask you to repeat that dollar amount. Was it 250,000, you said?

**Hon. Mr. Sonntag:** — Seven hundred and fifty thousand.

**Ms. Julé:** — Thank you. That was my understanding, too.

Mr. Minister, in 1998, the budget did allocate that amount to this project. So I'm wondering whether or not that amount of money has been forwarded to Humboldt at this time or whether or not the government retains that money until final planning of this and beginning construction is happening.

**Hon. Mr. Sonntag:** — They have 653,000 right now, and we're holding 97 until the plans are completely in place.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, the other thing that is happening regarding the Carlton Trail community college is, as you well know, that it has been decentralized as far as programs. For instance, Davidson, Wynyard, and Semans now have offices in those towns, and some of the programs are running out of that. I'm wondering if, in your estimation, whether or not this sort of decentralization will affect the probability of that joint-use facility coming into being.

**Hon. Mr. Sonntag:** — No.

**Ms. Julé:** — Well thank you, that is good news, I must say, because there was certainly some concern on my part and other people's also.

Mr. Minister, could I ask you if you had consultation or meetings with the Humboldt town council in regards to the decentralization of the community college?

**Hon. Mr. Sonntag:** — Yes, I did.

**Ms. Julé:** — Mr. Minister, were you in favour of the decentralization, and was the . . . what about what the town council was saying? Were they in favour of it?

**Hon. Mr. Sonntag:** — First of all, it's important that as we described the regional colleges that they'd serve the entire region and not just one community, so we need to balance that off.

In our meeting with the regional college, we agreed that what we would do would be to monitor, to ensure that Humboldt wasn't too adversely affected if that was the case. But even they agreed that it's important that the training and programs service the entire region. So, essentially, the short answer is that we've agreed to monitor Humboldt's training programs.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, I have some question in mind about whether or not the decentralization will, in effect, impact on that joint-use facility and whether or not it will be the kind of facility that people of Humboldt had envisioned. Because if the programs are decentralized, certainly the same space will not be needed any more that was determined in the first place. So you have just mentioned to me that this decentralization would not put that project in jeopardy.

Could you give just an idea of what your thoughts are, whether there's been further discussion with town council and the Humboldt Collegiate on maybe whether or not the facility would look the same when it's finished or whether or not it would be, maybe, not as expansive as what was first intended?

**Hon. Mr. Sonntag:** — Again, it certainly isn't anybody's anticipation that this will adversely affect the joint-use facility at all. The training in any region should reflect the needs of the region. And I mean there will be cycles. There will be up and downs in the amounts of training that are offered but there is no belief this will adversely affect the joint-use facility.

**Ms. Julé:** — Mr. Minister, if I might ask, do you have information or knowledge about when they might start building?

**Hon. Mr. Sonntag:** — Some people will have interpreted this as delaying but both in our meetings, the town council and the regional college board had wanted to plan well. So they didn't want to build something in a rush just to get it up. So they wanted to plan well, and as a result, I think they've done good planning.

The anticipated tender is to go out sometime this fall. Whether the construction will actually start this fall or not, we're not sure. But I think certainly that is a possibility that it could start as early as this fall.

**Mr. Hillson:** — Thank you, Mr. Chairman, and welcome to the minister and his officials.

Mr. Minister, I've had communication with many students at our two universities, and of course it got me looking at some older material. And I found with interest that in 1944 the then CCF (Co-operative Commonwealth Federation) Party promised that if they were elected they would abolish university tuition fees in Saskatchewan. And I would like to know when you think your government will get around to redeeming that promise.

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

**Hon. Mr. Sonntag:** — I think the problem is we've elected too many provincial Liberal governments in the interim, Mr. Chair.

**Mr. Hillson:** — Mr. Chairman, that promise to abolish university tuition fees was repeated in the 1971 platform and in the 1991 platform. Is it still the policy of this party and this government to abolish university tuition fees?

**Hon. Mr. Sonntag:** — First of all, it's enshrined in the legislation and the board of governors makes those decisions. So the answer is no.

**Mr. Hillson:** — May I then ask . . . I understand that with the increases now, this year, 8 and 12 per cent, was well above the rate of inflation. The rate of inflation is now, I believe, 1 to 2 per cent; the rate of increase in tuition fees is about five times that. And that will make a total increase in tuition fees since this government took office of about 100 per cent. They've basically doubled since 1991.

Now can our students expect doubling again in the next eight years? Why is no action being taken by this government? And why were university students told to expect that tuition fees would be abolished when, in point of fact, it took eight years for this government to double them.

(2000)

**Hon. Mr. Sonntag:** — First of all, the decisions . . . the decisions regarding tuition will be established by both boards of governors sometime in the middle of May.

But I want to remind the member that had there not been the federal Liberal withdrawals from education training, the question that you're asking wouldn't even be relevant. Because the amount of money that we've put in in backfilling has been . . . had a substantial draw on our provincial budget.

So having said that, I would encourage the member to remember why the province is having difficulty in providing all of the funding to the universities.

**Mr. Hillson:** — Mr. Chairman, I want to sincerely thank the minister for raising the issue of the federal commitment to post-secondary education, because of course that reminds us that in the 1998 budget there was announcement of the Millennium Scholarship Fund — a major commitment from Ottawa to post-secondary education. And at that time, the Premier of our province was highly critical of the federal government for getting involved in post-secondary education when he said, well this is a provincial field and the federal government should not be as interested in post-secondary education and our university students as it appears to be.

So what I would like now to ask the minister, now he raises the issue of Ottawa being so committed to our universities when the province appears to be losing interest in post-secondary education, I want to ask the minister: is it still the policy of this government to be critical of the Millennium Scholarship Fund? Is this government still of the view that that Ottawa is putting too high a priority on our universities, or does the minister now congratulate the federal government for taking an interest in universities that unfortunately the provincial government has not shown?

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

**Hon. Mr. Sonntag:** — Okay, to the member. First of all, no it's not our policy to be critical any more because the federal government has in fact listened to us. When the millennium scholarship was first introduced it was to be 100 per cent merit based. All the provinces argued that that was an incorrect program, that the program should be changed to reflect needs. In fact, to the credit of the federal government, they listened. And we now have a program that's 95 per cent need and 5 per cent merit.

I want to remind the member also because this . . . not just to him but to I think to the public at large, there is a belief that the Millennium Scholarship Fund is exclusively university. That is not the case. The Millennium Scholarship Fund is post-secondary, which also applies to the colleges and to SIAST.

**Mr. Hillson:** — Thank you, Mr. Chairman. To the minister, I want to sincerely thank him for pointing out that the federal government has come to the assistance not only of our university students but of our students in SIAST and Kelsey, and all those involved in post-secondary education. And I apologize for sounding that it was just the universities when the federal government in fact is coming to the assistance of students who are pursuing any form of studies after high school. So that's an important correction. I thank the minister for making that.

I want to ask the minister, though, that of course the real problem with our campuses is that quite literally the roof is falling in. Now first of all it was the university gym collapsed. Now I understand the most historic building on the campus, the Administration Building, Convocation Hall, is closed and shut down. Now that was not mentioned in the budget. The minister

mentioned that . . . Thorvaldson is mentioned in the budget this year, but the Administration Building I understand is not being able to be used at this time and I would like some indication as to when something will be done about that.

**Hon. Mr. Sonntag:** — The University of Saskatchewan, Mr. Chair, identified the kinesiology building and the Thorvaldson Building as their priorities, and in this year's budget we made commitments to funding those . . . capital funding for those buildings.

**Mr. Hillson:** — Well yes but I was mentioning, what is going to happen to the Administration Building? I understand that it cannot be used now. When can we expect some dollars to go into that so that it can be reopened?

**Hon. Mr. Sonntag:** — With respect to the Administration Building, the functional space has been replaced, and they are using it. With respect to the historical part of the building, certainly that is a concern identified by the university, and we'll continue to work with them to see what options are available with the limited number of dollars that currently exists.

**Mr. Hillson:** — Mr. Chairman, thank you. We know what's happened over nurses. A few years ago, we were firing nurses. Our young nursing graduates could not get jobs. They were going to Texas to get employment. Now we're in a nursing shortage.

Now I'm not going to ask about nurses now. I think my colleagues have already laid that issue out before the people of Saskatchewan. But we're now told that we're soon going to be in the same situation with our teachers. What I understand that has been happening is that we have half the number of education graduates, those in the teaching program, has been cut in half and that we are moving into heavy retirement years for the province's teachers, and that the day is now in sight when there will be a teacher shortage in the province.

Now I want you to address the specific issue of the fact that we are graduating fewer people from the education program, the teacher's program, at a time when we know that demand is going to dramatically increase. But I also want to ask why is there not more forward planning to make sure that graduates will be related to the anticipated need.

**Hon. Mr. Sonntag:** — Well I think the member makes a good point, and it's for that very reason that a labour market analysis is currently taking place with the board of teacher education and certification in conjunction with the Department of Post-Secondary Education.

**Mr. Hillson:** — Well, Mr. Chairman, is my information correct that we are going to be graduating about half the number of teachers the next few years that we were previously graduating, and if so, I mean, how has this happened at a time when they say we're moving into high retirement years for our teachers?

**Hon. Mr. Sonntag:** — Our information doesn't suggest that the numbers that are being graduated is half, as you have suggested. But having said that, in years past we graduated somewhere in the vicinity of 6 to 700 students with the requirement . . . teachers I should say, 6 or 700 teachers per year with the

requirement in the province of Saskatchewan of approximately 400 a year. So even a reduction of 2 or 300 still doesn't create a problem where we're going to have a teacher shortage.

**Mr. Hillson:** — Well this may not be a question for your department but can you tell me . . . you mention labour market surveys. Has the Government of Saskatchewan done the work to anticipate the number of retirements we can expect from the teaching profession in the next 5 to 10 years?

I'm told that it will be very dramatic, that we have not had high retirements until now, but in the next 5 to 10 years, a very large percentage of our teaching profession will be leaving our schools and will need to be replaced.

**Hon. Mr. Sonntag:** — The answer is yes, we have done that analysis, but largely that it would be the Department of Education that should be answering that question.

**Mr. Hillson:** — Very well. I accept that, Mr. Minister.

I do want to ask you though, the *Maclean's* surveys that come out each year. Now some people would suggest that this is popularization and perhaps trivialization of the issue of post-secondary education and I'm not saying that this is necessarily something that should get us alarmed, but nonetheless, each year the *Maclean's* survey suggests that the position of our universities in Saskatchewan, relative to other universities in Canada, is declining.

And that is of concern to us and I want to invite the minister to comment on that, on the *Maclean's* survey in general, how department officials view that — if they view it as a valid test or, say, a cheap popularization.

And also, the minister to comment on how he feels our two provincial universities continue to stack up against other institutions of higher learning in Canada today versus how they would have a few years ago.

(2015)

**Hon. Mr. Sonntag:** — I want to say to the member first of all, with respect to the *Maclean's* survey, I think that, in the kindest way, our department would be more inclined to agree with your latter characterization of the *Maclean's* survey.

As an example, in Saskatchewan here, we place a very high priority on access and on equity. *Maclean's*, as an example — this is only one example; I could cite a whole number of them — but one example is that they score very high marks for students that have . . . or for colleges and universities that have high entrance average levels.

University of Regina, for instance, acknowledges that. Often when you have students that have low incomes, it's directly reflected by the fact that students leave schools and colleges — or schools I should say — earlier and that obviously reflects in lower averages. We think that we need to get more of those students and people back into our educational system. And it's for that very reason that we place high importance on access and equity. And in fact, we're marked unfavourably by *Maclean's* as a result of doing something that we think is very

positive.

**Mr. Hillson:** — I note, though, Mr. Chairman, to the minister, that *Maclean's* also uses such tests as the number of library books per student, the student/professor ratio, the amount spent on research relative . . . as a percentage of the university budget. And I want to ask the minister if he thinks that those are valid tests; or if he considers them to be invalid, if he could perhaps expand on why he considers them to be invalid tests.

**Hon. Mr. Sonntag:** — I think it would be naïve to admit that lots of the test yardsticks that *Maclean's* uses are certainly valid and some of the ones that you've just cited probably are.

**Mr. Hillson:** — Would the minister please tell me how many students in Saskatchewan we anticipate entering post-secondary programs in the fall of this coming year?

**Hon. Mr. Sonntag:** — We'd anticipate about 10,000.

**Mr. Hillson:** — The minister is aware that the Liberal proposal is \$1,000 to each student entering a first- or second-year program. And I want to ask the minister if he thinks that \$1,000 to every student in a first- and second-year program would help in some small way to ameliorate the heavy increase in tuition fees that our students have experienced under this government, and of course, the doubling tuition fees in the last eight years.

**Hon. Mr. Sonntag:** — Certainly, I think any assistance to students will be well received by the students. Having said that, however, I mean there's always the issue of having to be able to pay for it.

But in the surveys to students they've identified the fact that their heaviest burden is not tuition; 75 per cent said their heaviest burden is living costs. So in the program you've described you may not be quite hitting on the areas that the students identify as their highest priority.

**Mr. Hillson:** — I'm not quite clear that I follow the minister's last reply. Is the minister saying that a thousand dollar grant to each first- and second-year university student would not be of assistance in meeting their living costs?

**Hon. Mr. Sonntag:** — No, I'm not saying that at all. I think any assistance will be well received by the students.

**Mr. Hillson:** — Mr. Chairman, I want to thank the minister for that answer and so I will close with asking him then if he is in agreement that the Liberal plan of a thousand dollars to each first- and second-year post-secondary student would be a benefit to education, a benefit to our young people, and a benefit to the future of Saskatchewan?

**Hon. Mr. Sonntag:** — I think if you can afford it, I think if you can afford it, Mr. Chair, any money is good money.

Subvote (PE01) agreed to.

Subvotes (PE02), (PE05), (PE04), (PE07), (PE03), (PE06) agreed to.

Vote 37 agreed to.



**Supplementary Estimates 1998-99  
General Revenue Fund  
Budgetary Expense  
Post-Secondary Education and Skills Training  
Vote 37**

Subvote (PE05), (PE04) agreed to.

Vote 37 agreed to.

**Hon. Mr. Sonntag:** — I just want to take the opportunity to thank opposition members and the third party members for their good questions. And I certainly want to take the opportunity to thank my officials in their great assistance in putting together the budget. I know this has been challenging at times as it is every year, but with . . . especially with the changes from the federal government to the provinces on all the negotiations that had to take place, it certainly is to their credit that we have the good programs that we do have in place.

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

**General Revenue Fund  
Economic and Co-operative Development  
Vote 45**

**The Chair:** — I will ask the minister to introduce her officials, please.

**Hon. Ms. MacKinnon:** — Thank you, Mr. Chair. On my left is the deputy minister, Fraser Nicholson. Behind him is Larry Spanner, the associate deputy minister. Behind me is Jocelyn Souliere, the executive director of corporate management. Next to her is Dave McQuinn, director of economic analysis, and next to me is Bryon Burnett, the assistant deputy minister of operations.

**Subvote (EC01)**

**Mr. Bjornerud:** — Thank you, Mr. Deputy Speaker, and welcome, Madam Minister, and welcome to your officials tonight. Madam Minister, we heard this afternoon you had a good pre-election good-news project in Saskatoon. I thought for a minute maybe you were announcing something to do with the potato industry, but then I thought better of that.

Madam Minister, I'd like to go into some questions on SPUDCO (Saskatchewan Potato Utility Development Company), and because it's economic development, I think that's a big part of what SPUDCO is out there.

But we'd like to go back into, Madam Minister, about the losses we see today on account of the bankruptcy and the situation that the Lake Diefenbaker project is in. But, Madam Minister, we'd like to first deal with the money that the government has involved in some of these projects out there and, for example, to the two buildings that were sold to Lake Diefenbaker project. And the explanation, I believe, that the minister the other night gave, was that you had \$3 million tied up in debentures when you sold them and \$2.8 million with a mortgage. Madam Minister, can you explain. Are we in a position to lose the total 5.8 million at this point?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, we have no information here about SPUDCO. That is, my department has no money invested in SPUDCO so you'd have to ask the appropriate agency when they come. But we have no information here at all on that file. We haven't been involved in any part of the financing of the file.

**Mr. Bjornerud:** — Well I find that amazing, Madam Minister, Mr. Deputy Speaker, because when something like SPUDCO is announced, it gets into a project like this, the first people out there are Economic Development, including yourself, Madam Minister, to make these great news announcements out there, especially now when it's election time.

And yet when it comes time to answer questions on something like this, you disappear into the woodwork, kind of go into a cocoon and we can't ask and find the answers from anyone.

I would suggest, Madam Minister, this is a big part of economic development. What we're seeing today is a number of private investors in this province losing their shirts. And partly because your government got involved in business out there where it should have kept its nose out of — kept its nose clean and stayed out of it. We saw this happen in the hog industry, and in no time what was happening? We have hog producers that have been there for 30 years that are going under because your government got involved. So you may not want to answer these questions in Economic Development, Madam Minister, but I feel very, very sorry for the individual investor out there tonight that's going under because of you getting involved in the hog . . . potato industry with SPUDCO, Madam Minister. So I guess you don't have to answer our questions here, but we will get the answers somewhere.

**Hon. Ms. MacKinnon:** — Again I think what I'd like to say about Economic Development is we no longer make direct grants to business from our department. We make no direct investments to business. The only funds that we expend are really in two main areas. We co-match funding for regional economic development authorities which are broadly based regional groups out there who promote economic development. We have the strategic initiatives fund which funds things like research and development but not private agencies, public research facilities where a whole group can have access to it.

So that's been the shift because people have told us that Economic Development should not be directly investing in specific businesses.

(2030)

**Ms. Draude:** — Thank you, Mr. Deputy Chair. Madam Minister, I am also very disappointed that there's no answers to the questions that we have on SPUDCO. When we talked about the government's involvement in the infrastructure, that is your job to make sure that the basic infrastructures are here in this province, so the people can expand business and grow, and we don't have to pick winners and losers. I think that there are many potato producers out there who are concerned before today's announcement that because of the government involvement — whether it's through Sask Water Corporation or SPUDCO or whatever else you want to call it — there's going to be an impact on businesses in this province.

I know that they were scared of trade retaliation that may have happened because of the government's involvement in SPUDCO under whatever name you want to call it. I think the people of this province have a right to be able to ask somebody who is responsible and what's going on. And whether you want to say it's not my responsibility, I don't think that that's what people in this province are saying when they've invested their own money. There is a lot of individuals out there tonight that are going to bed knowing that they are probably going to go bankrupt as well. They probably had their life's earnings and savings going into businesses that have gone under because of an involvement.

I'm sure that, if we've heard it, you've also heard that trade retaliation is something that was on the minds of people in that business and in the States. And I know that maybe you've gotten out of it now because unfortunately this company didn't work, unfortunately for the people who invested money.

But as overall, as a Department of Economic Development, if it isn't your business to know what is going on right across this province when it comes to involvement and spending taxpayers' dollars — no matter what the name is — it's somebody's responsibility. Now we may not have Sask Water up here to ask specific questions to tonight, but somebody is going to have to answer for the dollars that are invested in this province.

Will you please tell me what your thoughts are on the trade retaliation that may have happened because of this involvement in the potato industry.

**Hon. Ms. MacKinnon:** — Mr. Chairman, as far as I know, that wasn't a major factor in what occurred.

I think that the point I want to make is, what's happening here is the budgets of the different departments are coming forward, and what we have detailed information on is what's funded out of our department. And what I said before, I think, is something that's widely supported by the people of this province.

At one time this department, the Department of Economic Development, used to make significant grants to individual businesses. That no longer is part of our mandate, so we're no longer involved in those activities.

**Ms. Draude:** — Thank you, Madam Minister. Then, Madam Minister, I have a couple of questions on SOCO and you are the . . . The government does fund the administration of SOCO and also you are the chair of that board as well. So I would like to ask you for an update on Canamino and also on Wolverine. I've noticed . . . Wolverine Resources at Humboldt. I've noticed both of those names have been up frequently in the last little while and could you ask what . . . tell me what the status of those projects are.

**Hon. Ms. MacKinnon:** — I'll deal with Canamino first, and then Wolverine. Canamino, we are working with the people involved, previously involved in Canamino, to hopefully use that technology. We have no final decision as to how this will proceed, but we are working on the notion that the technology should be kept in Saskatchewan, should be available to other companies even if those companies don't have the resources

themselves to use it. So I think you'll see, in the not-too-distant future, a positive result in terms of the technology that was developed in Saskatchewan, through Canamino, staying in the province.

**Ms. Draude:** — The minister may have forgotten that I asked a question on Wolverine as well. But before getting back up and answering that question, would you confirm please that the company that is looking at perhaps buying or taking over the technology of Canamino, is it a BC (British Columbia) firm which will also be receiving funding from this province?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, we have — sorry I didn't answer the question on Wolverine — but we have no investment in Wolverine. It's got nothing to do with SOCO.

**Ms. Draude:** — Madam Minister, thank you. It must have been an error in newspaper article I read lately that said that Mr. Benson from SOCO was now in charge of managing that company.

**Hon. Ms. MacKinnon:** — Well, Mr. Chairman, no, we don't have an investment in Wolverine. And I'm sure the member opposite knows this as well as I do: that we should probably not believe everything that's printed in the newspapers.

**Ms. Draude:** — Madam Minister, with the technology that SOCO received from . . . or acquired after Canamino went down, is something that you said would be a good thing to stay in this province. Will you . . . I also understand that there's a BC firm that's looking at this technology and perhaps moving into Saskatoon and that there is a possibility of government investment in that firm. Can you confirm that?

**Hon. Ms. MacKinnon:** — Mr. Chairman, no, I can't confirm that.

Actually we're at a delicate stage in the Canamino file and I quite honestly can't reveal what we're discussing except to say that from what I know right now, the result I believe will be very positive because I believe what people at Innovation Place want is they don't want that technology that was developed in this province to leave; they don't want the place turned back into a warehouse. And that I believe will not happen.

But the final details we don't have and until we do we really shouldn't breach any confidentiality here by getting into those details.

**Ms. Draude:** — Thank you, Madam Minister. The whole area of SOCO is something that we see the government has invested a lot of money lately and a lot of it is in equity rather than in loans. Could you give me an idea of how much of the money this year that was spent, given out in equity versus loans?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I can give you is our SOCO report. I notice it's got a beautiful picture of the minister on the front page, so you may find that particularly rewarding. We have it here. We have all of the loans, and we note how much is equity and how much is loan.

Now we don't have it totalled up in terms of percentages, but we can do that for you. But I can also just give you the list and send it across along with the lovely picture.

**Ms. Draude:** — Thank you, Madam Minister. I will appreciate that lovely picture, and I trust it's one where that minister also has the flower on that she received today at the opening of another business here in Saskatchewan.

Madam Minister, I just have a couple of questions on the Small Business Loans Association. I noticed, and it was brought forward in the budget, that the funding doubled for that program this year. And I believe that means that people can borrow up to \$10,000. Has the criteria on investment changed? Is it still totally in the hands of the small business associations in the towns? Or does the government have any further involvement in okaying projects?

**Hon. Ms. MacKinnon:** — The criteria are exactly the same. This is actually the government's most successful job creation initiative in that, as you probably know having a rural riding, it is very successful in rural communities where we basically turn the decision making over to local boards, and all we do is we back the loans.

So what happened was a very good news part of the budget that hasn't received enough attention. The limit was \$5,000 for each loan. It's been that for a long time. It was far too low. They were telling us across the province it was far too low, so we doubled the limit so that it's \$10,000 per individual loan. And the limit for each SBLA (Small Business Loans Association) was only 50,000. And again, particularly rural communities, they said that is not enough to allow us to do what we need to do, so we doubled that to 100,000.

But the program is the same and the criteria are the same. And it's a wonderful program in which local people, particularly in rural communities, make the decisions.

**Ms. Julé:** — Thank you, Mr. Deputy Chair, Mr. Chair, Mr. Deputy Chair, Mr. Deputy Speaker. Welcome, Madam Minister, and welcome to your officials.

Madam Minister, could you tell me what amount of money was allocated in this year's budget to the REDA (regional economic development authority), Carlton Trail REDA?

**Hon. Ms. MacKinnon:** — They received the maximum funding allowable in terms of their core funding which would be \$60,000. And then there's the REDA enhancement program which allows REDAs to apply for particular capital projects. A lot of them have used that to buy computer equipment and of course they'll be eligible for any extra funding that they qualify for in terms of those grants.

**Ms. Julé:** — Thank you, Madam Minister. Madam Minister, it's my understanding that only about 1.9 per cent of the businesses in Saskatchewan that actually set up businesses are successful and only 1.9 per cent of those use REDAs. I'm wondering whether or not the investment of taxpayers' money for regional economic development authorities is justified.

**Hon. Ms. MacKinnon:** — I think what they do is they don't

just provide services to small business, although they are really the only agency out there in many rural communities that provides that service.

In your part of the province, the Humboldt REDA is probably one of the most successful in the whole province and they've done things like dealt with housing shortages. When there was a housing shortage in that community, it was the REDA that went in and said here's the way to find a solution. And it wasn't investing government money; it was bringing in contractors to help build housing. When they found there was a training shortage they were able to work with the institutions to enhance the training.

So across the piece they've been incredibly successful, and again if you break it down, government dollars invested in REDAs, relative to the number of jobs created, they would probably rank as the number two or three after SBLAs in terms of their effectiveness, again particularly in rural communities.

**Ms. Julé:** — Thank you, Madam Minister. Madam Minister, I certainly don't claim to have the greatest amount of expansive understanding of what it would be that communities like Humboldt need to have in order to bring in extra housing, but it seems to me that municipal governments could certainly play the same role in ensuring that if there's a shortage of housing that they seek out contractors to do this work. And why would we have to have an economic development authority to do that at a major added expense?

**Hon. Ms. MacKinnon:** — In most cases what's happened is it is the municipal economic development officer that becomes . . . that funding is flipped over into the REDA. For example, Saskatoon is an excellent example. They used to have their own economic development authority person working for the city of Saskatoon. Now instead of a municipal official working on economic development, they have a separate agency which we do some cost sharing of funding with to perform that function. So there's usually not a duplication. And in the case of Humboldt they don't have a separate economic development agency whereas 10 years ago they would have.

So it's in fact taking a function that was being performed by a municipality. And it's doing this jointly with other — what's happened in Humboldt too — other communities working with Humboldt besides the communities working separately as they were in the past, all at cross purposes. They do it on a regional basis, so they can promote the whole region outside the province, and working with the provincial government. So it's a more coordinated approach to economic development.

**Ms. Julé:** — Well, Madam Minister, I'd just like to divert a bit from the topic that we were just discussing and go back to the issue of Wolverine industries. Madam Minister, I understand that the venture capital that came in from basically Asian countries and so on that assisted in Wolverine's operating was stopped after a five-year period of time. And I understand also that there was some advancement towards . . . from the people out there to being able to . . . They were trying to determine where they could get assistance to continue the operations at Wolverine. And I also understand that they did approach SOCO for some assistance. Now is there any ongoing discussions between SOCO and Wolverine, or have there been discussions?

Or has there been any decision made as to whether or not SOCO would assist Wolverine?

**Hon. Ms. MacKinnon:** — Mr. Chairman, as a minister I'm not involved in any discussions that occur. Anything that would be occurring would be just totally on a commercial basis. What I do know is that there's been no decisions made. That is, we have no investment. We have no involvement in Wolverine.

And what would have happened is, every immigrant investor program naturally sunsets after five years because that's what the law of Canada says has to happen. That money has to be back out in five years. So companies like Wolverine often get caught because they didn't realize when they got into an immigrant investor program the implications of the five-year sunset clause.

**Ms. Julé:** — Madam Minister, when Wolverine got into their industry there and came to understand that there would be outside venture capital available, was it not up to the Minister of Economic Development to discuss with them and inform them that there was a five-year sunset clause on that capital coming in? Why would they not have been advised so that they were prepared and could maybe make other arrangements?

(2045)

**Hon. Ms. MacKinnon:** — Mr. Chair, to the member opposite. First of all, the minister is not at all involved in those immigrant investor programs. There's no government money in them. They're run by the federal government. It would have been clear in the contract with Wolverine that this sunsets after five years. My point wasn't legally that they wouldn't have understood that. Often ... sometimes companies can overestimate their capacity to repay. My point was they would have known. Clearly their lawyer would have told them, what you're signing here is a five-year sunset clause and it's an automatic.

**Ms. Julé:** — So, Madam Minister, are you saying this evening that the Saskatchewan government does not have any part in administering that venture capital or being a liaison or anything at all?

**Hon. Ms. MacKinnon:** — We have no involvement. There's a minister assigned because you have to have a minister assigned. But in terms of the running of the programs, the decisions made, the funding — none of it comes from the provincial government at all.

**Ms. Draude:** — Thank you, Mr. Chair. Madam Minister, under Tourism Saskatchewan the amount of funding that is given out this year, some \$6.9 million, is it sent out to each tourism district in an equal proportion? Do they apply for it? Or how is the money given out to each region?

**Hon. Ms. MacKinnon:** — What happens is about two and a half, three years ago we established Tourism Saskatchewan, an independent agency. The grant goes from the Government of Saskatchewan to the tourism agency and then they make the decisions with respect to it.

**Mr. Hillson:** — Yes, thank you, Mr. Chairman. I wonder if the

minister would be good enough to tell me about the publication, partnership for progress. How often is that publication published and what approximately is the cost of that publication?

**Hon. Ms. MacKinnon:** — I'm not sure exactly what document he's talking about. There's been *Partnership for Renewal*, *Partnership for Growth*. They are Economic Development strategies which have come out, usually within a year of the new mandate of the government. That is the first one came out in about '92; the second one came out in about '96.

And really they're updates in the Economic Development strategy of the government. That is the original one is in force but it's updated about every four years.

**Mr. Hillson:** — Mr. Chairman, I'm been told that initially the SPUDCO operation was designed to grow white seed potatoes for the export market and that it instead changed to grow red food potatoes for the domestic market; and that that has led directly to the flooding of the local domestic food market which has led directly to the price of potatoes dropping to 2 cents a pound, which means that not only the Lucky Lake operation which appears now to be facing financial ruin but all of the potato producers in the province are now left in an extremely precarious position. I wonder if the minister could comment on that.

**Hon. Ms. MacKinnon:** — I'm sorry, as I said to the member opposite, my department has not been involved in the details of SPUDCO at all. None of that analysis was done by my department, so I have no information here as to what occurred there.

**Mr. Hillson:** — Do you have any information as to whether the drop in the value of potatoes of 2 cents of pound relates directly to actions taken in this province as opposed to larger economic pressures throughout the continent? Is it actions taken in this province which has led the flooding of the domestic food potato market?

**Hon. Ms. MacKinnon:** — I don't have any information on that, but I know that the member opposite, if he used his significant intelligence, would know that that's leading to a particular answer; that is, the province of Saskatchewan is a significant player in the oil industry but we don't have any capacity by how much production we do or don't have in Saskatchewan to affect the global price for oil.

We're a significant player in agriculture. We don't have the capacity in terms of what we produce to affect the global price of grain.

And I would say that, logically, the same thing would be true for other sectors like potatoes.

Subvote (EC01) agreed to.

Subvote (EC02) agreed to.

**Subvote (EC05)**

**Ms. Julé:** — Madam Minister, I just have to go back for a

moment to the necessity for REDAs. Madam Minister, you were talking about housing, housing shortage for instance in Humboldt, and the demand by the communities around Humboldt to have homes built there to accommodate the workers at the industry that is in St. Brieux and in Annaheim.

Madam Minister, by the time that that housing . . . the housing contract and construction took place, it was pretty well too late. There are a number of houses in Humboldt right now that are available because people are moving out of Humboldt for whatever reason.

One of those reasons is the economy. People are moving to other provinces. But the fact remains that we now have housing there. The demand for the housing that was needed was there two or three years ago. By the time that these homes were built through REDA, it was too late basically so now we're sitting with a number of houses there that are not necessarily going to be used, or all of them may not be filled.

Madam Minister, I think that the REDAs and all of the red tape and regulations that go with it oftentimes, oftentimes don't meet the market needs at the time that they are there.

**Hon. Ms. MacKinnon:** — Now just a general answer to the member opposite. I think there's two points here. One is what the REDAs do is they allow a region to work co-operatively together. They allow, for example, the Lakeland region around . . . north of Prince Albert to do joint advertising of the tourist potential of the whole region. So it allows it to operate as a region.

And they only develop if there's local demand. That is we only get in in cost-matched funding for a group that's already formed. So there has to be people on the local scene willing to invest in them before the government gets involved. That is, we don't go in and say to them, well now you have to do this. The initiative comes locally. And you know, I think that they've had a significant impact on communities across the province.

**Ms. Julé:** — Well, Madam Minister, I just beg to differ with you on this aspect. I think that private business, along with communities, can certainly take care of the needs of those communities without having government involvement in place. Thank you.

Subvote (EC05) agreed to.

Subvotes (EC07), (EC06), (EC13), (EC12), (EC04), (EC11), (EC09), (EC10) agreed to.

**General Revenue Fund  
Lending and Investing Activities  
Economic and Co-operative Development  
Vote 167**

Subvote (EC02) agreed to.

Vote 167 agreed to.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Opportunities Corporation**

**Vote 154**

Subvote (SO01) — Statutory

Vote 154 agreed to.

**General Revenue Fund  
Economic and Co-operative Development  
Vote 45**

Vote 45 agreed to.

**General Revenue Fund  
Saskatchewan Municipal Board  
Vote 22**

**The Chair:** — I invite the minister to introduce her official.

**Hon. Mrs. Teichrob:** — Thank you very much, Mr. Chairman. On my right is Graham McNamee who is the chairman of the Saskatchewan Municipal Board.

Subvote (SM01)

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair, and welcome, Madam Minister, and your official here tonight. I really have very little, Madam Minister. The one thing I'd like to touch on again though we brought to your attention the other night — and I believe you had planned to get back to us — was on the community of Marquis, the problem that that community have. Do you know the problem we're talking about, Madam Minister, and has anything been resolved in that situation?

**Hon. Mrs. Teichrob:** — Mr. Chairman, I do certainly recall this question being raised in the last exchange that we had, and I guess the answer hasn't really changed . . . is that the Municipal Board did render a decision in that matter and perhaps it's . . . the decision as in many cases doesn't universally satisfy all the parties to the issue, but it is the best that we can do.

**Mr. Bjornerud:** — Thank you, Madam Minister. Madam Minister, I wonder though in part of the Act, I believe in part of the Act it says the municipality may enter into an agreement or a bylaw, or I was wondering if that shouldn't be "shall" one way or another. And I'm not insinuating that we want farm buildings taxed, and I think you understand what I'm saying here. But I guess the problem being is we're kind of dumping it on the municipality, and I guess in some cases that would be fine because the municipalities like their own autonomy to make their own decisions.

I think in this case though what we're seeing especially in a small community is where the council is caught in between here where one taxpayer took the problem farther on, and the Municipal Board ruled in his favour. So we have one paying tax, one not paying tax, and so on. So I just wondered what your opinion would be on that, Madam Minister. Maybe as government, we set the rules and regulations a little bit more stringent, and then the small municipalities might . . . you know it would take some of the onus away on them, especially I don't think with the bigger municipality it probably would be the problem, but the very small ones it definitely is.

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, I think that in this case, and cases like this, the word “may” is in my judgement more appropriate than the word “shall” because especially in the case of a very small community, you know, as you very well know you can’t legislate co-operation. And if there’s a difference of opinion in a community where there is a small number of people and where in many cases they might even be related to each other, that if you change legislation to say “shall” then they don’t have the option of taking the matter to a third party which in this case was done.

(2100)

**Mr. Bjornerud:** — Thank you, Madam Minister. That’s all the questions I have at this time, Madam Minister. Thanks for your answers and to your official.

**Mr. Hillson:** — Yes, Mr. Chairman, I’d like to ask the minister if the department has done any further work on the issue of non-compliance by municipalities to join regional library boards? Now I know the legislation now says there is no longer an option, that all municipalities must participate in a regional library, but the reality is that not all do. And I recall last year asking the minister well what if they don’t. And I’m paraphrasing here but I believe the answer is well but they have to, which really — I trust the minister will agree — begs the question: so I’d like to ask what the current thinking on this is? What is the policy of the department in terms of compliance with the regional library legislation?

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, that’s a very interesting question and I’m glad that the member opposite raises it because since the new library Act — well new, replacement for the one that had existed for some time — was passed and proclaimed a couple of years ago, we certainly have identified some flaws, and that legislation and some of the provisions in it are under very active consideration.

And of course in this context where you’re asking the question — is one of the options that has not been determined but is being looked at — is providing for the Municipal Board to be a Court of Appeal in those circumstances. So if the members opposite have any constructive suggestions about some revisions to the current library legislation, we would certainly be amenable to receiving those suggestions because those issues are currently under review.

**Mr. Hillson:** — I appreciate the minister has said no final decisions have been made. However, is the department considering the possibility that municipal grants may be funnelled direct to regional library systems for those municipalities which have not paid their assessment?

**Hon. Mrs. Teichrob:** — Mr. Chairman, I’m not sure that I quite understand the question. One of the issues where we’ve considered — just considered — the possibility or the option of including the participation of the Municipal Board is in the area of potential boundary changes when municipalities want to opt out of one library and move to another, that sort of thing.

On the issue that you directly address, there are several options to deal with that and I’m not sure that there’s one that’s favoured at the moment. It’s a difficult situation. One of the

suggestions that has been made is that grants could be withheld. Not that we want to do that, but because of that recommendation or suggestion has come in from several different sources, we did refer it to the Department of Justice and their advice is that we don’t have the authority to do that.

**Mr. Hillson:** — One area where of course there clearly is no authority to legislate and we require voluntary compliance is of course the area of First Nations’ reserves. And I’m going to ask the minister, first of all, if she has the figures as to how many First Nations have entered agreements with regional libraries? And what is the department doing to encourage First Nations to have arrangements with regional libraries so that library service will be available to their band members?

**The Chair:** — Before I recognize the minister, I just want to point out to members that we’re dealing with Saskatchewan Municipal Board which oversees municipal, financial activities and hears the rules on appeals concerning municipal boundaries, planning, assessments, and on monies due to the province.

Order. I further point out to committee members that under Municipal Affairs, which is coming up, there is a provincial library portion with \$8.094 million budget where I believe these questions would be more appropriately directed.

I don’t know if the minister wishes to respond, but before I recognize the minister, I do want to caution this is going to end here and go into the proper area.

**Hon. Mrs. Teichrob:** — Mr. Chairman, you have just articulated much more eloquently than I could exactly what I was going to say.

Subvote (SM01) agreed to.

Vote 22 agreed to.

### General Revenue Fund Municipal Affairs, Culture and Housing Vote 24

**The Deputy Chair:** — I invite the minister to introduce her new officials.

**Hon. Mrs. Teichrob:** — Thank you, Mr. Chairman. On my right is Larry Chaykowski, who is the executive director of finance, administration and facilities. On my left is John Edwards, the executive director of program and policy development and review in the department of Municipal Affairs, Culture and Housing. Behind John is Doug Morcom, who is the director of grants administration. And behind me is Peggy Clark, who is the acting assistant deputy minister, municipal and community services. And on Peggy’s right is Peter Hoffmann, the assistant deputy minister, housing, and president of the Saskatchewan Housing Corporation.

Subvote (MG01)

**Mr. Hillson:** — Yes, I apologize for apparently being on the wrong vote earlier, however, I’m sure there are thousands of people out there who are being held in suspense for the answer

to my question. So I would now ask Madam Minister if she could tell us what is the department doing to encourage First Nations to participate in the regional library system, to make sure that library services are available to their band members?

**Hon. Mrs. Teichrob:** — Mr. Chairman, at the moment that I am aware of there is no formal program, and the degree of development of those kinds of relationships will vary from one part of the province to another, from one First Nation to another, and from one regional library to another. The exception would be in northern Saskatchewan, where we do have a very well-developed library system that we hope will serve as a model for the relationship of libraries with other First Nations.

**Mr. Hillson:** — Yes. Does the minister have any figures as to the number of First Nations that are affiliate members of the regional library system?

**Hon. Mrs. Teichrob:** — Mr. Chairman, I haven't got the answer, the specific answer to that question at the moment but I can undertake — if there are any — to let the member know in what numbers they are and where.

**Mr. Hillson:** — Mr. Chairman, on the question of housing, I've had a number of inquiries — both from seniors and from northern residents — who want to access housing authority housing for social as opposed to economic reasons. For instance, in North Battleford there is a dearth of other housing available and seniors oftentimes want to access the community living aspects of the housing authority for our seniors. And they want the social atmosphere that is afforded by this housing. And of course there is the rule about one quarter of income. And the argument has been placed before me, and which I now place before the minister, is that for seniors who have considerable financial means, they have put to me that they should pay the 25 per cent up to a full economic rent, but that it is unfair to say that if they want the benefits of this social housing, that they should have to pay two or three times an economic rent in order to access it.

In other words, the 25 per cent should be charged up to a full economic rent but it is unfair to charge above a full economic rent. And I'd like the minister to address that and see if she agrees with that philosophy that for seniors who can afford it, yes they should pay the full amount but they shouldn't really pay 200 per cent of the full amount, that that is not fair.

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, first of all let me respond by saying that we are one of the only, if not the only, provinces remaining that charges only 25 per cent of gross income, you know, with some modifications and adjustments for housing in our rent-geared-to-income units, where most provinces have moved to 30 per cent at least some time ago. So our policy in that regard is still more generous.

And I think it's very important that when there is a finite amount of dollars available — since the federal government, the Liberals in Ottawa, have been out of social housing since 1994, and we've entered into an agreement with them to devolve their responsibility to us starting back in the beginning of 1997 — and we are doing the best that we can, having assumed responsibility for the direction of what used to be the central mortgage and housing portfolio, to reallocate any profits that

are generated after the maintenance of the current portfolio and so forth, to the greatest needs that exist in the province. And those would be in the areas of housing for seniors, of housing for low income people to access decent housing, and for housing in remote and northern areas where there is not a housing market, where people are not able to obtain mortgages and so on as individuals because of the locations. So those are essentially our targets.

Now there is a perception that . . . unfortunate perception, because social housing is so much more than shelter. There is a great deal of programming going on that enhances the quality of life of people who live in our social housing all over the province. And our housing portfolio is directed by volunteer housing authorities so that the decisions that are made about the development and maintenance and operation of a housing portfolio in a particular community. The decisions are made by local people so they can be more sensitive and more flexible to the needs of the community.

And so the perception that social housing is a place where people go and stay is really far from the truth. There is a large turnover in our social housing portfolio. As people, say, are young, have low incomes, or are disadvantaged by some circumstances in their lives, and their income is reduced for a time, they pay 25 per cent of their income — that's likely less than a market rent.

Then as their circumstances improve or they get a better job or whatever the case may be, then 25 per cent of their income does begin to represent more than market rent. Then they move and they access other than social housing, leaving vacancies for others who are part of the target group that have difficulty.

And so to say that it's unfair when someone has the means that put 25 per cent of their income as rent over the market, then based on what the resources that are available to us, those are the people who are not part of our target market, who should be accessing housing in the private or other sectors so that spaces will be made available for others whose circumstances are not so fortunate.

(2115)

**Mr. Hillson:** — Mr. Chairman, I appreciate the minister's explanation and it reminded me that when I was married with two small children and a university student, we lived in social housing. And of course as I graduated and got work, we moved out. And I agree with the minister that's only fair, and that's as it should be, and that's as the program is designed.

But what I'm getting at . . . (inaudible interjection) . . . Okay, so maybe after the election, I'll qualify for social housing again, but we'll leave that problem aside for the moment.

But my question though was related to seniors, who tell me that they want to live in the seniors' high-rise because of the activities, because of the atmosphere, because of the programs available, and if the true cost of an apartment should be 5 or 600 a month, well that's what they should pay. But because they have been frugal and saved and not dissipated their estate, is it really fair that they should be told that their share is 1,500 a month?

Those are the people I'm getting at, that they have legitimate, non-financial reasons for wanting to live in the seniors' housing and all the various programs they can access there. And should they be denied that because they haven't dissipated their resources?

And I'd really like the minister to address that as opposed to the circumstance of, you know, the young couple just getting on their feet and when their income improves of course they should be moving along and making space for others.

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, I'm very glad that the member opposite recognizes that we're doing such a good job of programming and enhancing the quality of life in our social housing units for seniors that there's a huge lineup to get in.

But I really do believe . . . And I certainly am aware of some seniors' housing developments that are not social housing. They're privately owned or are condominiums that are owned by the residents themselves that do have program enhancements for their residents. And I'm sure that in any of our social housing units where we have the assisted living and the other enhancements that we've been developing that do improve the quality of life, that we'd be very happy to assist others and give them information about how we've developed those programs to help them to do it for themselves.

**Mr. Hillson:** — Somewhat related to this, you've already mentioned those parts of our province which simply don't have a housing market, and one of those is oftentimes the North. And I know that the member from Athabasca used to be extremely concerned that people in housing authority housing had the best housing available in the North. And if such a person got a job, ironically as his income improved and he got a good job, he and the family are now required to move into what is frankly, by comparison, a shack — out of the good housing authority housing.

Now is it not possible that something couldn't be worked out whereby they would pay a full economic rent for the house they're in but not be forced to move, which can act as a severe disincentive for people to leave social assistance to become economically active, to get a job, when in a very real sense in the North they can be punished for so doing.

**Hon. Mrs. Teichrob:** — Well again, Mr. Chairman, it's really the same principle at work, is that if . . . many times we get requests from people who have qualified for social housing under the rent geared to income provisions of 25 per cent of their income. And then their income improves but they're loath to move out of the house so they want us to sell it to them. In the absence of new funds to build new houses to replace it, if we sell all the social housing units to people that are in a position to have higher incomes, you know than the 25 per cent would be recognized by the market, then where would people on low incomes live?

So there are other options. People that are in that position, some of them buy mobile homes, some of them buy ready-to-move homes, some of them build house or log cabins or whatever. And I know it's more difficult. Conventional lenders are not that keen about, depending on the location, lending money to

mortgage houses in very small northern hamlets, isolated, where the resale value may be limited.

But we do participate in the rental market assistance program and in the remote housing program which has been going on for a few years. We're going to be providing 110 new units again this year. So while it may not be home ownership for those people, they certainly will have options and that's the market that this new initiative is targeted towards.

**Mr. Hillson:** — Thank you. Mr. Chairman, that concludes my questions. I'd just like to thank the minister and her officials and especially to say, if this is my last opportunity to question the minister, to thank her for her co-operation over the years and to wish her all the best in the future.

And I also take this opportunity to advise hon. members that last week I had the honour of being with the minister in my home community of the Battlefords. And she was at a banquet with 300 people and when she announced that she was leaving politics and quitting as minister, the whole crowd rose up and gave a standing ovation and cheered.

**Ms. Julé:** — Good evening, Madam Minister, and good evening to your officials.

Madam Minister, I just wanted to pose a few questions to you surrounding the Saskatchewan Seniors Mechanism. A while ago I did submit some written questions to your department asking about how much funding went from the Saskatchewan Lotteries to the Saskatchewan Seniors Mechanism. And I also asked which member organizations of the Saskatchewan Seniors Mechanism received these monies and how much each of them got. I also asked what were the operating and administrative costs of the umbrella organization known as the Saskatchewan Seniors Mechanism.

Now, Madam Minister, I need some clarification on the answers that I received. For instance, if we look at the year 1997-98, the Saskatchewan Parks and Recreation Association states that the Saskatchewan Seniors Mechanism received \$90,124 from the Saskatchewan Lotteries trust fund. And there was also a statement here that the member organizations receiving funding through the lotteries were: Saskatchewan's seniors education group, \$17,285; Saskatchewan seniors fitness association, 21,200; Saskatoon Council on Aging, 5,000. So that comes to about \$45,000.

Madam Minister, I asked about the operating and administrative costs of the Saskatchewan Seniors Mechanism, and the answer I got for 1997-98 was that the operating budget was \$200,990 and the administration costs were \$117,763. Now considering the fact that Sask. Seniors Mechanism only received \$90,000, I'm wondering where the Seniors Mechanism get their extra funding for administration and operating costs.

**Hon. Mrs. Teichrob:** — Mr. Chairman, this is not something that we would have any information on, and this is not, this is not funding that we do directly. This as the Seniors Mechanism or the Seniors fitness, the other organizations that you've mentioned, would be and might be members of the . . . I think you mentioned the Saskatchewan Parks and Recreation Association, the SPRA. And they receive as one of the global



organizations that receive money from the lotteries.

They would receive applications and they would provide funding based on the criteria that they set. This is completely at arm's-length. And like any of the other 12,000 organizations in the province that receive some funding from the lotteries, they also have many other sources, and it's not directly from us — it's at arm's-length — so we wouldn't have a way of knowing that information.

**Ms. Julé:** — Madam Minister, when the Saskatchewan Seniors Mechanism was established, it was established basically because its job was to distribute the revenue from lotteries to 15 groups in the province. I wonder if you can tell me what the original terms of reference for Seniors Mechanism were that are not being followed right now because there aren't 15 groups any longer receiving money through the Saskatchewan Seniors Mechanism.

It appears to me from some of the answers that you gave me between the years of 1995 and 1998, we only have about . . . well at the most, there are five organizations receiving funding through that, and I know that the Saskatchewan seniors association pulled out of this whole seniors mechanism simply because they did not agree with the distribution of money.

Madam Minister, it seems to me that very few member organizations now are receiving money through the Saskatchewan Seniors Mechanism — money that was intended for many more member organizations. I think that something has to be looked into in this aspect because we do have a great deal of money going out to just a few associations, a few member organizations.

I'm told that the Saskatchewan seniors association now pretty well funds itself through its memberships, and that's about it. So there is a disparity here in funding, and I don't think it's really very fair to all the seniors of the province when the Saskatchewan seniors association has the largest number of members of seniors throughout the province, and we don't that group getting any money any more.

Now they did pull out, like I said, because they believed that the money was not being properly distributed. In fact, the retired teachers pulled out. The legion members withdrew from Seniors Mechanism because of this inequity of transferring funds.

And so I want your comments on this, Madam Minister, because I think it's incumbent upon you as minister to make sure that all seniors in the province are being provided with funding, and that there is an equitable distribution of these funds.

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, as I've said, the distribution of these funds is entirely at arm's-length from the government using criteria from the three global organizations that are transparent and made public to anyone who asks. And the only way that we know that there is someone who is not happy with the distribution is if they come directly to us or to others; and in that case we would go, for instance, to make inquiries of SPRA about what has transpired and what the situation is.

So I guess there's two options here . . . is we could ask SPRA those questions on your behalf, or you could ask them directly yourself. But there is no way without asking them specifically those questions that we would have that information on hand.

**Ms. Julé:** — Thank you, Madam Minister. Madam Minister, you in your department have a great deal more resources than I do, so today I'm asking you if you can get a financial statement from Saskatchewan Seniors Mechanism itemizing everything that they spend money on. And I would like to have included in that the kind of salaries and wages that people in the Seniors Mechanism are getting. I'd like to know the number of people that are employed through the Mechanism. And if I can get those kind of statements, it would be very beneficial because I understand that even the Seniors Mechanism people can't get financial statements from the Seniors Mechanism office.

**Hon. Mrs. Teichrob:** — Well, Mr. Chairman, we will certainly do the best we can to obtain whatever information that the SPRA has available on the issues that the member raises and we will provide to her whatever information we are able to get.

**Ms. Draude:** — Thank you, Mr. Chairman. Madam Minister, I asked a question to you through our written questions awhile ago on the task force on municipal legislation renewal. And I was given some answers about the individuals who are on the board, but I'm wondering if you can tell me who is on that committee in an advisory capacity?

(2130)

**Hon. Mrs. Teichrob:** — Mr. Chairman, I would need to have a bit of clarification, I think, before I can give the answer that member asks when she says who is there in an advisory capacity. Is she asking who are the members of the task force? Because in terms of taking advice, they are receiving briefs, then holding hearings about, you know, around about the province and taking advice from a number of people.

Let's see if I can find here a listing of . . . The chairman is Dr. Joe Garcea, he is from the University of Saskatchewan faculty; the vice-chair is Pat Youzwa that members may remember as the former deputy minister of Energy and Mines, now working in the private sector; Maria Lynn Freeland is the city solicitor for Prince Albert; Val Kononoff is a nominee from SARM (Saskatchewan Association of Rural Municipalities) and a former vice-president of SARM; Murray Westby, of course you will recognize as being the former mayor of Watrous and the former president of SUMA (Saskatchewan Urban Municipalities Association); Bobby Woods is the former mayor of Buffalo Narrows and a representative for northern Saskatchewan; and Cliff Wright being the former mayor of Saskatoon among other boards and commissions is the other member. So there's a total of seven members.

**Ms. Draude:** — Thank you, Madam Minister. That is the answers that you had given me in this written question, but at the same time I was advised that there is an advisory council that is talking to this board and that they are serving in a capacity where they also receive some remuneration of some amount.

**Hon. Mrs. Teichrob:** — Mr. Chairman, these task force

members will receive remuneration in the form of support for their office and secretariat and per diems when they meet.

I'm not sure what else you might be referring to unless it is the review committees that we had set up within the department who are just in the process of reporting to me right now, and their findings will definitely be related to the task force as well as information. And that was the committee on the reassessment ... the review of the whole reassessment procedure and the committee on the review of exemptions from taxation. But those committees were ... they received briefs and held hearings, but none of the people who gave them advice were remunerated, and the secretariat was entirely people from within the department that are currently on the payroll. So there weren't any, you know, weren't any additional costs to those exercises.

**Ms. Draude:** — Thank you Madam Minister. Then perhaps, if not at this time after this session tonight, I could get a list of the people that are on those two committees you just discussed.

Subvote (MGO1) agreed to.

Subvotes (MG02), (MG07), (MG17), (MG03), (MG15), (MG16), (MG18), (MG05), (MG13) agreed to.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Housing Corporation  
Vote 143**

Subvote (SH01) — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Crown Investments Corporation of Saskatchewan  
Vote 165**

Subvote (CI01) — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Telecommunications Holding Corporation  
Vote 153**

Subvote (ST01) — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
SaskEnergy Incorporated**

Nil vote.

**General Revenue Fund  
Municipal Affairs, Culture and Housing  
Vote 24**

Vote 24 agreed to.

**Supplementary Estimates 1998-99  
General Revenue Fund  
Budgetary Expense  
Municipal Affairs, Culture and Housing**

**Vote 24**

Subvotes (MG03), (MG12), (MG05), (MG13) agreed to.

Vote 24 agreed to.

**Hon. Mrs. Teichrob:** — Mr. Chairman, I would like to thank the staff members here for their diligence throughout this process, and I would like to thank all the members opposite for their questions. Thank you.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Madam Minister, I'd like to thank your officials tonight. And I would also like to take this opportunity, Madam Minister — it may be the last opportunity we have had to question the minister — and I just want to thank you for the way that you have been to deal with through politics and whatever with Municipal Government. It's been a pleasure to work with you and I just want to wish you the best.

**General Revenue Fund  
Justice  
Vote 3**

**Subvote (JU01)**

**Ms. Julé:** — Thank you, Mr. Chair, and good evening, Mr. Minister, and good evening to your officials.

Mr. Minister, I would first like to bring to your attention a major problem in this province that I have been informed of, certainly from women in this province who are suffering through continual abuse from their former partners.

I have a letter here that I would like to read some excerpts from, and I know that your department and you have received the same letters. I am told by these two particular women that have come to me about this that you have been informed and made aware that they are asking for better treatment by your department, better treatment by the justice system. And they're asking for that in order to free them and their children from this control and abuse by former partners. And so the letter goes as such:

Please find the following letters and information regarding unjust and inappropriate treatment experienced by our families, in our struggle to keep our children and ourselves safe from abusive former partners.

This information that I'm giving you does not convey the true depth of our struggle, or the scope of ignorance and lack of response by agents and institutions in this province. As you will clearly see from the letters, many people have been made aware of the problem and no one is responding.

We have a right to peace and safety from all types of abuse. We deserve a life free from control of our former abusive partners. We need and deserve justice and immediate intervention.

Now what they're asking, Mr. Minister, and what they've asked you for is:

A review of the home studies that were used for custody and access proceedings, and a review of their experience with the justice system and the blatant disregard for abusive behaviour towards women and children.

From what I understand, Mr. Minister, these people . . . these women have been contending with this for some time. And I'm wondering why you are not complying with their wishes to make sure that all of the information they brought before you and to do a review of these home studies that were used for their custody and access proceedings is not gone over?

And also they're asking for a review of the justice system that has determined obviously that former partners of theirs that are obviously abusive and should not have a right to be visiting them at their home or visiting their children, continue to get this kind of access. This is a dangerous situation. It's a traumatic situation for many women and children. And I'm asking you today whether you'll take this in hand and see that something is done about it so that these women can have some peace of mind?

**Hon. Mr. Nilson:** — Thank you for raising this very important issue. What I would say is, I do know about the cases that you're talking about and that they are under review, and that the people that are involved can expect to receive a response from the officials in my department around a number of the issues that they've raised. Because these are of concern for all of the people of Saskatchewan when you're dealing with children and families.

**Ms. Julé:** — Well thank you, Mr. Minister. Mr. Minister, I am heartened to hear you say that you are reviewing these situations. However, the letters that I received were as early as April and still nothing has been done. So I'm hoping that this kind of treatment and these issues do not take your department as long to respond to as they have in the past because these women have been bringing this forward to yourself and their respective MLAs (Member of the Legislative Assembly) in their constituencies for quite some time and have been basically ignored.

Mr. Minister, I'd like to just go on to some general questions about the justice system. Before that, though, I notice that you're doing some consultation and I'll allow you time to respond. Do you want to respond? Okay.

Okay, Mr. Minister, I'd just like to go to some general questions. Earlier this year there was a very tragic situation involving a high-speed chase in which some innocent people were killed. At the time you said that you thought it was worth considering imposing jail sentences under The Highway Traffic Act, 1996 for those who are involved in high-speed chases. Is this something that you're still considering?

(2145)

**Hon. Mr. Nilson:** — Thank you again for raising an important issue. If you'll recall, at the time of this incident I made the comment that we should look at these particular issues and look at some of the penalties. What we did then was immediately have it put on the agenda for the federal-provincial-territorial meeting of deputy ministers. They actually did discuss this at

their last meeting.

The reason for that is that when you deal with criminal penalties, there are some constitutional restrictions on the kinds of things that the province can actually do. And also it was clear that this was a national issue because other provinces then also added their information to this particular item in the discussion. And we anticipate that there will be further work in this area to see whether some changes to the Criminal Code would be appropriate.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, you had mentioned at the time that it was worth considering imposing jail sentence under The Highway Traffic Act, 1996 which is in provincial jurisdiction. What you're referring to here is Criminal Code implications and The Highway Traffic Act, 1996 allows you the parameters to maybe place laws in Saskatchewan regarding things like this, like high-speed chases. I'd like to know whether it is necessary to connect that to the Criminal Code.

**Hon. Mr. Nilson:** — I think it's important to realize that when you get into the area where it impinges on criminal law, we have to be quite careful how we do this. Also it's important we do this on a national basis.

I'd also like to inform our legislature that there is presently a private member's Bill before the House of Commons on this particular issue as well, so we know that there's discussion happening right across the country. There's concern right across the country, and we think that if we can get federal law through the Criminal Code to deal with some of these issues specifically, that it will serve not only the citizens of Saskatchewan but all the citizens of Canada.

**Ms. Julé:** — Mr. Minister, this sort of reminds me a little bit of the . . . of some of the requests to impose harsher penalties for perpetrators of the child-sex trade where in Manitoba they are taking cars away from people that are charged and inevitably those cars are not going back to those people if they are convicted.

Now, Mr. Minister, that was done under provincial legislation, under their highways legislation. Likewise, jail sentences could be . . . seems to me, jail sentences could be the order of the day here under provincial legislation. I wanted to know whether or not your department has met with police officials in the province to discuss this proposal?

**Hon. Mr. Nilson:** — I appreciate your comments about this, but I know that practically if we can make a change in the Criminal Code, that will be a more effective response on a national basis and eliminates any concern at all around the constitutionality.

But practically, if that process doesn't result in a solution very quickly, then I think that your suggestions around dealing with the highway traffic code and my previous discussions around that — we'll have to take another look at that. And it's possible that by the time we go into our next session that we would know what the federal process . . . what results have come from there, and then we could have this further discussion around whether we should do something within the provincial

jurisdiction.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, I would hope that you would take some leadership role there and see that this sort of thing is not left on the table for too long.

Mr. Minister, I wanted to talk a little bit about the problems in legal aid. Last year we saw a work stoppage by legal aid lawyers who were protesting what they called severe understaffing and underfunding of the legal system in Saskatchewan. Do you feel like the concerns raised at that time were justified, and have they been addressed?

**Hon. Mr. Nilson:** — Well what I would like to report is that we have been now in negotiations . . . the officials of the Legal Aid Commission have been in negotiations with the workers around coming up with a contract. And my understanding is that there's substantial progress with that and that many of the issues that were of concern to some of the workers have been dealt with. So that's one part of the situation.

We're also in the process of evaluating the legal aid system, together with the employees and the management and the law society, Canadian Bar Association people, as well as people in the community, to look at some of the workload issues that you raise. That process is ongoing now. We expect a report, I think, in another two or three months. But practically, what we do know, that in the process of the discussion they're already identifying some things that can be fixed and they are working on them.

**Ms. Julé:** — Mr. Minister, can you tell me what the average caseload right now of a legal aid lawyer is, and what it was last year.

**Hon. Mr. Nilson:** — I don't have the actual number, but I think the numbers of the caseloads are fairly even, or they haven't gone up that much at all. But the difficulty is that practically these cases are more complicated when they involve Charter issues, when they involve a number of other constitutional issues, and so that you end up needing to look at the cases in a more detailed fashion. I have the numbers for you for the last five years if you would like to have those. For 1993 the number was 22,297; 1994-95 was 22,668; 1995-96 was 21,651; 1996-97 was 21,484; 1997-98 was 21,980. And that's the total caseload for the whole legal aid.

The staffing numbers over those years were: in 1993-94, it was 126; then in '94-95, '95-96, '96-97, it was 131; and in 1997-98, it was 132.

**Ms. Julé:** — So, Mr. Minister, could you average out the average caseload of a legal aid lawyer with those figures that you have before you?

**Hon. Mr. Nilson:** — If you did it on a straight average, it would work out to just over 300 files a year for each lawyer. There are about 60 lawyers and just over 18 . . . or around 20,000 cases.

**Ms. Julé:** — I think, Mr. Minister, last year we had some discussions surrounding the caseload of legal aid lawyers. And it seemed to me at that time the caseloads were quite severe for

any lawyer to be able to do an appropriate and proper job for their clients. Mr. Minister, there has been some . . . I guess there have been some articles in the newspapers surrounding the issue of whether or not legal aid lawyers are taking on more work than they really can handle simply because of the way their salary arrangement is or their contract arrangement is. Obviously they are pulling in some money for this.

Now I certainly wouldn't want to charge them with that, but it was a point in the paper. And I'm wondering if you think that you know, with the increase in funding for legal aid in the last year, which I understand it's been increased by 22 per cent actually, not over last year but over the last five years, could it be that there is more of a problem within the system that is beyond money even when we see an increase like that? And yet we see the system deteriorating.

I want your comments, Mr. Minister, on whether or not you believe that legal aid lawyers are in a sense maybe taking advantage of this system and maybe taking on a greater caseload than what they should be and not properly treating their clients because they cannot find the time to deal with it. This seems unfair to clients.

**Hon. Mr. Nilson:** — If I understand your question correctly, there's an assumption that the lawyers get paid per case or something like that. In Saskatchewan our Legal Aid Commission is basically all salaried lawyers. There are very few people that are paid to do a specific case but they're all paid a salary and they handle the cases that come into the various legal aid offices. So it's quite different than, for example, the Ontario system where the legal aid system pays money out to private lawyers as the main way of providing the service.

**Ms. Julé:** — So, Mr. Minister, each legal aid lawyer then, according to what you're saying, gets a salary. They get a salary for handling cases for people that do not have the money to be able to represent themselves in court. So there's a salary then that is directed towards each specific client, is that correct? Or is there an overall salary for a year's service?

**Hon. Mr. Nilson:** — The answer is that they are salaried employees of the Legal Aid Commission and they handle as many cases as they can based on their salary. It's an annual salary; they're on full-time, permanent jobs.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, as we well know there is a severe backlog in our court system. Can you tell us if the system shows any signs of improvement over last year?

**Hon. Mr. Nilson:** — If you're referring to the provincial court system which is where most of the criminal law cases take place, I don't think there really is a backlog in the courts other than possibly in the North where there is a greater pressure on the court system. But practically the cases are heard in appropriate time frames in Saskatchewan in most of the situations.

And so we do end up getting a lot of media reports from other places, but I think what I could also say as far as the Queen's Bench court, which is where the very serious criminal cases are, Saskatchewan has the best record in Canada for availability of Queen's Bench trials. In other words if you want to get a trial in

Queen's Bench, whether it's a criminal matter or a civil matter, and you're ready to go, we have the fastest court system in the country.

**Ms. Julé:** — Mr. Minister, not long ago a member of the Assembly was in court and was convicted of child sexual abuse. Mr. Minister, I would like to know why it was that from the time that the accused was charged it took a number of months before that ended up in the courts. It was a very, very simple sort of . . . it's an example of a very simple case, and the evidence was there. And so I was wondering, Mr. Minister, why you believe it took that long.

**Hon. Mr. Nilson:** — Mr. Chair, as the member well knows, I cannot comment about a case that's still before the court.

(2200)

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, I want to turn to the maintenance enforcement office. A year or two ago, this House passed legislation allowing the government to take away the driver's licence of those parents who failed to make their court-imposed maintenance payments. Can you give us any figures, Mr. Minister, as to how many times someone's licence has been taken away under those measures?

**Hon. Mr. Nilson:** — Yes, I can answer that question very specifically. In November 1996, the ability to withhold driver's licence was introduced as a method of enforcement. And since that time the maintenance enforcement office has issued 1,790 letters which is the first letter, the warning letter; they've sent 935 final notice letters; and they have in fact suspended 703 driver's licences from non-payers, mainly self-employed people — in other words, people that you can't garnishee their wages. And this method of withholding driver's licences has been very successful in enforcing the payment of maintenance orders.

**Ms. Julé:** — Thank you, Mr. Minister, and I'm happy to hear that you believe that this method is very effective. We have a number of people calling us, though, Mr. Minister, who are finding that that is not the case, and somehow we get a lot of complaints from people who have severe problems getting through to the office of maintenance enforcement. It seems that, from what they tell us, the phone is busy for hours at a time and people are really getting frustrated. Can you tell us if this is a complaint that is brought to your attention frequently?

**Hon. Mr. Nilson:** — Thank you for that question. The answer is yes, it is an issue that's brought to us as well. Let me explain what happens at the maintenance enforcement office so that we can understand what is happening. Basically the maintenance enforcement office has two people whose specific job is to answer the telephone, and they do their best to get to each call as quickly as possible. They handle 3 to 400 calls every day from 8 a.m. to 5 p.m.

In addition to these two full-time telephone receptionists, the maintenance enforcement office also has an automated telephone system so that callers can access their latest payment information, the balance of their account, or if the parents have custody of a child, the last four enforcement actions that are . . . (inaudible) . . . on their account. They can get this information automatically.

The automated system has 14 incoming lines and it operates 24 hours a day. There are now over 11,000 calls to this system every month. So if you add those two together: you have 11,000 calls going to the automated system; you have between 300 and 400 calls per day, say for 21 days, that's about another 8,000 — 7 or 8,000 calls coming to the live receptionists.

The maintenance enforcement office is a very busy place, and we have some very capable people there. I would just like to point out when the Provincial Ombudsman filed her annual report last week, she had a section called kudos, and I'll just read from page 3 — I think it's page 3 of the report — where she says:

Our hats are off to Lionel McNabb, director of the maintenance enforcement office in Regina, who is always willing to give complaints his personal review and look for workable solutions.

That perspective of the director, I think, also goes right across the people who work in that system. But we do know that, especially at some points of the month, there's incredible pressure on the telephone system and on the employees. And I guess we'd just like to thank them for the work that they've done, but also recognize that it's a hard job.

**Ms. Julé:** — Mr. Minister, I'd like to thank you for that. I do believe that the few people that are there are doing whatever they can.

However, there are such frustrating situations that many people come to us with. For instance, one of my constituents came and said that the spouse that was supposed to be paying for maintenance for the children was not doing it, and so she phoned the maintenance enforcement office, and they asked her a simple question like, do you have his social security number? Well this is years later, and there is no way that this woman would know that social security number, but it seems to me that that sort of thing should be in the possession of maintenance enforcement if they have her ex-husband's files. So instead this woman had to start trying to find out what her ex-spouse's social security number was. And this really makes a major backlog as far as dealing with people's complaints.

So those are just some of the little things, I guess, that do cause this backlog as far as people getting the service they need from maintenance enforcement.

Mr. Minister, I understand the budget for the maintenance enforcement office is increasing to 1.34 million this year from 1.1 million last year. How far do you believe this increase will go to addressing the backlog at the enforcement office? And I do understand that it's an extreme backlog.

**Hon. Mr. Nilson:** — Thank you for that question. I'd like to just make a comment about the social insurance number. What the staff do know is that the person who has the best chance of finding information about a delinquent payer is the former spouse or somebody in the family, and so that's why they do make those requests. But they also use the national and interprovincial tracking systems which are much easier once they have some of these numbers.

What I would like to explain is that the maintenance enforcement office has a staffing level of 30.6, so it's 30 plus one part-time position, and the budget is, as you've set out, \$1.345 million. Last year, April 1, '98 to March 31, 1999, the total payments processed through the maintenance enforcement office were \$27.95 million. And we are very proud to say that this past year 80 per cent of the payments were collected, and before this program started the figure was only 20 per cent collected.

So we know that they work hard. We know that possibly we could even get some more money to them, but practically these people are doing a good job, and they are working for the citizens of Saskatchewan.

**Ms. Julé:** — Thank you, Mr. Minister. The federal government is currently considering a shared parenting Act. Can you tell us how this will change custody arrangements if that Act is passed?

**Hon. Mr. Nilson:** — There was a report from the Commons committee I think chaired by the Member of Parliament, Shaughnessy Cohen, who subsequently has died. The federal Minister of Justice, Anne McLellan, through her department is going to respond to that report and to, I think, suggestions from other parts of the country sometime this month. We think the date is May 10, but we're not totally certain, and so then we will see what the federal government response is to one of the issues there being a concept of shared parenting or parental responsibility or, you know, there are a lot of different words to describe that.

And we know that the legislation that we have is now, I guess, already 15 years old, and some of these concepts have been continued to be examined by the courts and by the judges and by people who are caught in the whole web of how you solve some of these problems. And so we're looking forward to the kind of response that the federal minister will take as it relates to this federal divorce custody access law. And we're going to be providing . . . well we already have provided the information that we have received in our consultations within the province, and then we're going to look forward to what the federal minister does and clearly will respond at that point.

**Ms. Julé:** — Thank you, Mr. Minister. I'd just like to pose one more question to you before I turn the questioning over to some of my colleagues.

Mr. Minister, I was informed that the judge in Weyburn would be resigning the end of May — May 31, I believe. And I was wanting to know on behalf of someone who had requested that I ask you whether or not there would be a replacement judge in Weyburn upon the resignation of the existing judge.

**Hon. Mr. Nilson:** — Thank you for that question, and also I'd like to thank the member for giving me heads up that this was a question that she would like to ask either in question period or here.

The position in Weyburn is one that we've been talking to the Chief Justice who manages all of the judges within the province, and I, in fact, was talking to him about that particular position today. And the situation is that as the plans are now we

would be replacing that person, but I'm waiting for the report from the Chief Justice.

**Ms. Julé:** — Thank you, Mr. Minister.

**Mr. Hillson:** — Thank you, Mr. Chairman. Good evening, Minister and officials. With the new land titles Crown corporation, now there is reference to a transfer of assets and liabilities, and I wonder if you can explain what is actually meant by assets and liabilities. What would be included in that?

**Hon. Mr. Nilson:** — The simple answer to the question is that the assets and liabilities relate to assets of the land titles offices and also of SaskGeomatics. And that could include things like leases which are liabilities but they also include, at least since they're often Xerox machines or things like that, assets. One of the liabilities or one of the concerns would be some of the records and any kinds of liability that might arise around these liabilities or around work that's been done within the land titles system or within the SaskGeomatic system, and those kinds of things would be transferred on. But practically they're basically being transferred from one part of government to another so there's no intent to slip out of the government responsibility at this stage.

**Mr. Hillson:** — No, I wasn't referring to that and perhaps I should be more specific as to where I am headed.

My concern is that the new land system, I understand, will cost many millions of dollars and is going over budget. How much will that be and will that be a liability?

On the other hand we know that for many, many years land titles fees in this province have gone into the General Revenue Fund, and I understand they are about double the cost of operating the land titles system. So there is a lot of money which has gone into the General Revenue Fund from land titles fees and I'm assuming that money is gone and spent and would not be an asset, but on the other hand what about the costs of the new land system? How much will that be and will that become a liability that the new Crown corporation will be saddled with?

(2215)

**Hon. Mr. Nilson:** — The budget for the new corporation is on budget as the way it is now and there's no anticipation that it will go over the budget. There's various contingencies held within that. What will happen is that the Crown corporation will end up borrowing some money to have the . . . set up the assets and so that . . . but this is budgeted to be paid off over I think the first 10-year plan for the corporation.

**Mr. Hillson:** — So then can the minister tell us how much he anticipates establishing a new land system will cost? And I think he's already confirmed that that will in fact be a liability of the new Crown corporation.

**Hon. Mr. Nilson:** — The cost to full implementation of the program over the next three years will be \$45.5 million. That's the figure that I had given earlier today when I was asked some questions about that. And this cost will be paid back over I think the next 10 years, the first 10 years of the operation. It's

also being set up so that there are funds that will be paid into the General Revenue Fund out of this. And I think that figure is \$8.5 million a year.

**Mr. Hillson:** — I'm sorry I'm not quite following what the minister last said about the 8.5 million. Is he saying that is a contribution from the General Revenue Fund to the land system?

**Hon. Mr. Nilson:** — The amount of 8.5 million will be a dividend that will be paid from the Crown corporation to the General Revenue Fund.

**Mr. Hillson:** — So my question is the 45.5 million that will ultimately then be financed by future users of the land titles system, is that my correct understanding?

**Hon. Mr. Nilson:** — It will be paid for partially by future existing users. There will also be expanded users. There will be new services. There will be new kinds of products that will be provided with this coming together of the land information through the land titles and with the SaskGeomatics. So some of those new services will assist in paying off this. The money that is used to set up the system will eventually be recouped through the new corporation.

**Mr. Hillson:** — Well when the minister says some of the cost will be financed by users of the system, what do you mean? Where will the rest be financed? Is there in fact another revenue stream besides users of the system? For instance, is the General Revenue Fund contributing to it or as I understood it, users will be totally financing the system as opposed to partially financing the system as the minister just suggested.

**Hon. Mr. Nilson:** — The system will be paid for by the users but there will be some new services other than the existing ones. So that was the intent of my answer to you, was to say that the present users will not bear the full costs of this because there will be some new users who are interested in the new information.

**Mr. Hillson:** — So then the anticipation is that users of the system will finance the costs of instituting the new system plus an \$8.5 million dividend to the Government of Saskatchewan. Is that my correct understanding here?

**Hon. Mr. Nilson:** — Yes.

**Mr. Hillson:** — And would I also be correct then in saying that the millions of dollars which have been collected by the land titles system that have gone into General Revenue and have not been used to pay for the land titles system over the years, that is not an asset that will go into the new Crown corporation. That is General Revenue money that will not be made available to the new land titles systems even though people who have used the land titles system have vastly over-funded it for many, many years.

**Hon. Mr. Nilson:** — Well I was going to answer you simply until you added that last line. Basically over the years, the land titles system fees have paid for the system and provided some surplus to the General Revenue Fund. And that money that was somehow related to previous years — say 20 years ago or 10

years ago — will not move forward into the new corporation as an asset. So that practically we'll be starting in 1999 and moving forward from here.

**Mr. Hillson:** — Mr. Minister, I understand that the Milgaard negotiations are at a delicate stage and so I realize that the minister can't probably say too much on those at this time. But I was concerned the other day that the lead negotiator we've hired — I think you indicated to this House — has been paid so far about \$50,000 and that so far no offer has been made to Mr. Milgaard.

And so I have to ask the minister that surely the information that is needed to make an offer to Mr. Milgaard is all open and public, and it seems very difficult to imagine that there's more information to be gathered in order to come to what the government believes to be a fair offer to tender to Mr. Milgaard. And so I guess I'm just having some . . . I'm not asking the minister to divulge what the figure might be, but I do have to ask the minister, why are we not in a position now to place a figure before Mr. Milgaard? What possible further information could be required here before we give Mr. Milgaard a figure that would then at least bring the negotiations to a conclusion in the sense that the Government of Saskatchewan has made a definite, final, binding offer to him, that then I guess he either accepts or takes what other remedies he may be inclined to take?

**Hon. Mr. Nilson:** — All I will be able to say is that active, productive negotiations are ongoing.

**Mr. Hillson:** — When will we be placing an offer before Mr. Milgaard? Can the minister indicate that? One, has an offer been given to Mr. Milgaard, and if not, when will an offer be placed before him?

**Hon. Mr. Nilson:** — What I would say, if the member wants to listen, is that active negotiations are ongoing right now, and in that process there are many discussions that go back and forth around how you come to a solution, and those discussions have been ongoing for a long time.

But what I would say is that active, productive negotiations are ongoing.

**Mr. Hillson:** — Those negotiations included you, first of all, taking the position that it would be inappropriate for you to meet with members of the Milgaard family and then after the Prime Minister agreed to meet with them that you decide that you could also meet with them. Can you tell us what led you to change your view? Was it the fact that the Prime Minister of Canada was more accessible to the Milgaard family than yourself, or what had led to your reversal on that point?

**Hon. Mr. Nilson:** — I think that what I would have to say is that, under the process that we have arranged between the federal government and the provincial government, is the provincial government ends up taking the lead in gathering the information and attempting to get a solution, and we have been doing that. And in that process it was quite clear that the lawyers would do that work.

When the request came from me to meet with Mrs. Milgaard,

then I responded in a positive way.

**Mr. Hillson:** — You mention that it is the province's responsibility to gather the information, but I guess that comes back to my initial point. Does the minister believe that there is still further information to be gathered, or does the minister agree with me that there can't possibly be anything more to be found out that hasn't already been found out in the decades this case has been going on and the review layered upon review layered upon review that this case has been subject to? Is there anything more . . . any further information possibly to be gathered in this matter that has not already been gathered many times over?

**Hon. Mr. Nilson:** — Our answer is simple. We would never close our eyes and ears to further submissions that the Milgaard family may wish to make. But active, productive negotiations are ongoing, and there's an assumption there that we have enough information to have active, productive negotiations.

**Mr. Hillson:** — Does the minister anticipate that at some point in time an offer will be placed before Mr. Milgaard, and then it will be up to him, which he must either then accept or take whatever legal remedies he may have?

**Hon. Mr. Nilson:** — The member is asking for some information that is part of the active, productive negotiations, and that is all I'll say at this time.

**Mr. Hillson:** — Can the minister indicate how much has been paid to Howard Morton, Q.C. (Queen's Counsel) for his work in the province of Saskatchewan.

**Hon. Mr. Nilson:** — I'm making the assumption that the question around the payment to Howard Morton was for his involvement as Crown prosecutor in the prosecution of Mr. Kirkham, and in that particular situation the amount paid to Mr. Morton was \$121,700.

**Mr. Hillson:** — May I ask if that includes the investigation he did prior to the prosecution or if that only includes the prosecution?

**Hon. Mr. Nilson:** — I think it's for the whole thing.

**Mr. Hillson:** — May I ask if the minister considers that the engagement of out-of-province legal services is something to be undertaken for exceptional circumstances or if this is to be a regular custom of our department.

**Hon. Mr. Nilson:** — The answer to that is that it would only be under exceptional circumstances and in situations that require some out-of-province assistance.

**Mr. Hillson:** — May I inquire as to whether there are any other ongoing circumstances now other than the Milgaard and Kirkham situations.

**Hon. Mr. Nilson:** — There are no other criminal law matters.

**Mr. Hillson:** — Civil then, Mr. Chairman?

**Hon. Mr. Nilson:** — The only other situations involve some of

the trade issues involving the cattle countervail, and then in the Milgaard case. Those are civil matters.

**Mr. Hillson:** — On something quite different, may I ask if the new Youth Criminal Justice Act meets with the approval of our Department of Justice and whether Saskatchewan is of the view that the federal government ought to proceed with the legislation as tabled, or is the minister of the view that it requires amendment and changes?

(2230)

**Hon. Mr. Nilson:** — We appreciate the fact that the federal government has listened to some of the concerns that we've had around the Youth Criminal Justice Act. We're now going through the Bill; some of our officials have been working with the federal officials around the actual Bill. There are a number of problems that are being identified. We're trying to address those, but practically, there are concerns right across the country about the intervention by that Bill into the provincial process, the provincial justice administration and we're trying to deal with those in a positive way so that some of the good aspects of the legislation can be upheld without creating more problems in other areas.

**Mr. Hillson:** — Mr. Chairman, I'm aware of the issue of the funding of services required under the Act, but apart from that I wish to ask if the minister could outline or indicate whether there are any amendments to the Bill that are being sought by the province of Saskatchewan.

**Hon. Mr. Nilson:** — I would like to ask the member whether he wants the two-hour lecture or the four-hour lecture? Because practically there are many concerns that we raised in the federal-provincial-territorial Justice ministers' meetings in October here in Regina. Officials have been continuing to meet. There are quite a number of concerns in a number of different areas. We hold out hope that the federal government will listen to us before this Bill goes ahead so that we can correct some of these.

But I think in this particular context, it would take a very long time to go through all of our concerns.

**Mr. McPherson:** — Thank you, Mr. Chair. I ask you to recognize the clock.

The committee reported progress.

The Assembly adjourned at 10:37 p.m.



## TABLE OF CONTENTS