

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Heppner:** — Thank you, Mr. Speaker. I present a petition signed by the people from Prud'homme, Vonda, and basically in that area of our province. And I read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to provide reliable cellular telephone service in the districts of Prud'homme, Bruno, Vonda, and Cudworth.

I so present.

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I too have petitions from citizens from the Bruno area as well as Peterson; and these petitioners are asking for reliable cellular coverage in their areas. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Prud'homme, Bruno, Vonda, and Cudworth.

I so present.

**Ms. Draude:** — Thank you, Mr. Speaker. I also have a petition to present today for a cellular coverage for Watson and area.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to ensure reliable cellular service to Watson and area by installing a cellular tower at Watson.

People that have signed this petition are all from Watson, Mr. Speaker.

**Mr. Peters:** — Thank you, Mr. Speaker. I have a petition in regards to the high price of fuel. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

And this is signed, this petition is signed by people from Unity and Kerrobert area. Thank you.

I so present.

**Mr. Wall:** — Thank you, Mr. Speaker. I rise again on behalf of people in Swift Current concerned about their hospital. And the prayer could be summarized as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to assist in the regeneration plan for the Swift

Current Regional Hospital.

This petition, Mr. Speaker, is signed by residents in the city of Swift Current. I so present.

**Mr. Weekes:** — Thank you, Mr. Speaker. I also rise to read a petition to reduce fuel tax by 10 cents a litre:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

Signed by the good people from Melfort. Thank you.

**Mr. Brkich:** — Mr. Speaker, I also have a petition to reduce fuel tax by 10 cents a litre:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

As in duty bound, your petitioners will ever pray.

Petitioners are from Davidson and Bladworth. I so present.

**Ms. Harpauer:** — Thank you, Mr. Speaker. I too have a petition with citizens concerned about the high price of fuel. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

The petitioners are from St. Gregor, Humboldt, Bruno, and Englefeld. Thank you.

**READING AND RECEIVING PETITIONS**

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

Of citizens of the province petitioning the Assembly:

To halt plans to proceed with the amalgamation of municipalities;

To cause the federal and provincial governments to reduce fuel taxes; and

To abandon plans to confiscate municipal reserve accounts.

**INTRODUCTION OF GUESTS**

**The Speaker:** — Before proceeding to introduction of guests, hon. members, by other members of the House, with leave of your hon. members, the Chair would like to introduce to you a

large delegation who are currently seated in the Speaker's gallery. There are 22 teachers from across Saskatchewan — 22 social sciences teachers plus people from the Department of Education who are here for the second annual Social Sciences Teachers' Institute on Parliamentary Democracy.

I am pleased to offer our teachers the opportunity to experience and appreciate our system of government. When they return to their classrooms, they will assist their students to understand and participate in the democratic process. The ultimate benefit will be to our future leaders, the students of today.

Many of you here, hon. members, are scheduled to have direct contact with these teachers over the next couple of days as they meet with you face to face to discuss the practice of the institution and how you apply it.

They have already met with the Lieutenant Governor, the Speaker, the Clerks, among others. They will be meeting with the House leaders, with the Chairs, the whips, the deputy ministers, and ministers in the next two and a half days.

The teachers will be completing an assignment to develop new units of study and lesson plans based on their learning experiences here at the legislature. Saskatchewan Education is working with them and will post these lesson plans on their web site so that these resources are available to all teachers in the province.

Hon. members of the House, ladies and gentlemen of the House, I ask you to show your appreciation for their efforts, for the efforts of our teachers who are teaching the future leaders of our province. Please extend a warm welcome from the members of the Assembly.

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

**The Speaker:** — I thank you, hon. members.

**Ms. Draude:** — Thank you, Mr. Speaker. On behalf of the official opposition we'd like to welcome the 22 social science teachers here.

We all appreciate the work that these teachers do for our students, work that always extends beyond the hours, the classroom hours; we know that. The institution here that you're taking is going to be beneficial not only for your own personal development but also for the students, I'm sure.

So on behalf of the official opposition, we welcome you here. And we'll look forward to meeting with you later on.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, I'd like to join with yourself and with the members opposite in welcoming the social science teachers here this afternoon. And they'll be here tomorrow I understand.

And just to add to what has been said by yourself, the teachers' institute is the second annual, and has the support of the Saskatchewan branch of the Commonwealth Parliamentary Association; the Saskatchewan School Trustees Association;

the Saskatchewan Teachers' Federation; the League of Educational Administrators, Directors and Superintendents; the Saskatchewan Council of Social Studies; and Saskatchewan Education.

I'd ask all members to join with me again in welcoming them to the Assembly.

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

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure through you and the to the members of the House, to introduce three guests who are with us today. His Excellency Dirk Jan Van Houten, the ambassador from the Netherlands; the consul general of the Netherlands, Mr. Verdegaal; and the honorary consul of the Netherlands, Mr. De Lint.

As you know, Mr. Speaker, and as members will know, there's a very strong relationship between Canada and the Netherlands going back to, not only the fight against tyranny in the last war, but also the fact that Queen Juliana was in Canada during most of that time.

As a Member of Parliament, and my colleague the Leader of the Opposition will know this too, we saw the tulips come up in Ottawa at this time of year — a reminder of that very close relationship between our two countries.

Mr. Speaker, the ambassador is here to visit a number of commercial activities with links to the Netherlands here in Saskatchewan. And I'd ask all members of the House to welcome them to Saskatchewan.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to join with the members opposite to also welcome the ambassador and guests from the Netherlands. I think our countries have a number of things that we have in common, and the attributes that we saw just lately that the Netherlands has done towards our past-serving armed forces and others, I think draws our countries closer together.

So we would also like to welcome them here today and hope their stay is very enjoyable in the province of Saskatchewan.

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

**Ms. Lorje:** — Thank you, Mr. Speaker. I would also like to welcome the guests from the Netherlands, and if I may, direct a few words in Dutch.

(The hon. member spoke for a time in Dutch.)

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

## STATEMENTS BY MEMBERS

### Women Entrepreneurs' Week

**Ms. Draude:** — Thank you, Mr. Speaker. It is my pleasure to rise in the Assembly today in recognition of the great

advancements being made by women entrepreneurs in our province.

Mr. Speaker, it is becoming more and more common for women to be CEOs (chief executive officer) of companies and of large corporations, and starting their own businesses in record numbers.

I know from experience that an entrepreneur is someone who makes their own opportunities, someone who is willing to take risks, and someone who is prepared to say, I can, when others say, I can't do that.

Women are having great success in many non-traditional fields despite serious obstacles that they have had to face for a long time. Women are not only dedicated workers, they are also great risk takers.

Mr. Speaker, I would like to say to the members opposite the very best way to create opportunities in the workforce for women is to unshackle the Saskatchewan economy from the restrictive taxation and allow the real job creators to go to work. I think they'll be pleasantly surprised to see how many of those people would be women.

Thank you, Mr. Speaker.

**Mr. Kasperski:** — Thank you, Mr. Speaker. Mr. Speaker, I too wish to rise and recognize Women Entrepreneurs' Week.

As the hon. member across the way has just stated that starting last Friday, this week of May 5 through 11 is Women Entrepreneurs' Week in Saskatchewan. This week allows all of us the opportunity to acknowledge the impact that women entrepreneurs have on our economy, and to recognize that women are an increasingly driving force in our provincial economy.

Mr. Speaker, women are making significant contributions to this province's economy. Women are starting their businesses at approximately twice the rate of their male counterparts. In Saskatchewan, women own about one-quarter of all businesses and employ nearly 90,000 people, Mr. Speaker. More and more women are becoming involved in non-traditional fields such as manufacturing and wholesale trade.

This week's activities kicked off with the annual conference of Women Entrepreneurs of Saskatchewan in Saskatoon. Over the past five years, Women Entrepreneurs have provided business information to more than 12,000 women and lent more than \$3 million to new and existing businesses.

I wish to congratulate the organizers of the annual conference for encouraging women entrepreneurs and making it possible for women entrepreneurs to meet and discuss important, business-related issues. I also wish to congratulate the women entrepreneurs themselves who are becoming a dynamic force in Saskatchewan and helping to grow businesses right across our province.

Thank you, Mr. Speaker.

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

### Aboriginal Recruits Graduate Today

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, it is my pleasure to rise in the Assembly today to congratulate 20 Aboriginal recruits who are graduating from the RCMP (Royal Canadian Mounted Police) academy today.

Mr. Speaker, these recruits have gone through months of strenuous and extensive training, and today they will be recognized for all of their hard work. These new constables should be commended for their dedication to upholding the law and promoting peace in our land, and they can be very proud that they will be representing their communities in a very honourable profession.

Mr. Speaker, all of the recruits are from Saskatchewan and they will be posted to RCMP detachments across the province. And it is my pleasure, Mr. Speaker, to congratulate all of them on their tremendous accomplishment and wish them the best of luck in their new appointments. Thank you.

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

### Economic Development in Wynyard

**Mr. Wartman:** — Thank you, Mr. Speaker. I would like to inform the House today, especially the member from Last Mountain-Touchwood, regarding some good news coming out of rural Saskatchewan. The town of Wynyard has an excess of jobs and big businesses booming in the community. The mayor of Wynyard recently stated that they have more jobs than people.

Mr. Speaker, this is due to the expansion of the Lilydale Foods operation. Lilydale Foods is a poultry processing facility that supplies the community with nearly 500 jobs. In fact 83 new jobs were created last year alone. Anticipating continued growth, the town of Wynyard has long-term projects in the works such as a trailer court, apartment block, and water well development.

Wynyard's current boom and success is a result of successful planning and partnership by its citizens. Mr. Speaker, I would like to congratulate the citizens of Wynyard and Lilydale Foods on another success story in rural Saskatchewan.

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

### Youth Business Excellence Awards

**Mr. Weekes:** — Thank you, Mr. Speaker. This year I had the privilege of attending the fourth annual Youth Business Excellence Awards in North Battleford. The Northwest Community Futures Development Corporation sponsors the YBEX awards which were established in 1997 to encourage entrepreneurship education in regional high schools and to bring attention to the resourcefulness of young people in northwest Saskatchewan.

At this time I would like to recognize this year's winners.

In business plan: individual — first place, Melody Hildebrandt from North Battleford; second, Brandi Tiringner from

Spiritwood High, and Jordan McQuaid from North Battleford. Group — first, Scott Maunulua and Jason Head from Alexander Junior High; second place, Mellin Morin, Nerrin Cameron, Marvin Chamakese, Brennon Thomas, and Curtis Bear from the Agency Chiefs Tribal Council Youth Group.

Business venture: individual — first, Joe Desrosier from Spiritwood High School; second, Adam Baier from Macklin School.

Special achievement: service innovation — Micky Allchurch from Spiritwood High School; creativity — Sarah Redman from Moosomin School; youth leadership — Miranda Onofriechuck; business plan development — Melody Hildebrandt from North Battleford; and product innovation — Brianne Baranieski from Hafford Central High.

Please join me in congratulating the accomplishments of these creative young business people.

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

### Chili for Children Annual FundRaising Dinner

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's true that we've made great strides in reducing child poverty, however child hunger is still an unfortunate problem in our society that everyone must strive to overcome. Feeding our children is unquestionably one of the most important responsibilities of our society.

The individuals and organizations that attempt to alleviate child hunger should not go unnoticed. Chili for Children in Regina has been meeting this need by providing hot, nutritional meals three times a week at various schools and community centres in the city for over the past six years. It is an innovating and pioneering program that has attracted national and international attention because one, Theresa Stevenson, saw a need, Mr. Speaker, and did something about it.

This past Friday night Chili for Children held its annual dinner to raise funds and to assist the effort in operating this hot lunch program. This event also honoured many volunteers and supporters who helped make the program a huge success. Without these people it would be difficult for the program to operate.

Mr. Speaker, there is a direct link between the well-being of children and the prosperity of our nation. And by feeding children we are making our province, our community, a better place for all of us to live. That is why our government launched the successful Action Plan for Children in 1993, and has continued to add to that plan each and every year.

Mr. Speaker, programs like Chili for Children are helping to make Saskatchewan a better community and a better place for all of us to live.

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

### Oil and Gas Industry

**Mr. Wall:** — Thank you, Mr. Speaker. The Minister of Finance

and the member for Regina Dewdney were trying to get on Swift Current local radio last Friday, denying that the reversal the opposition got from this government last week regarding the PST (provincial sales tax) in the oil and gas industry was nothing new, that it had been decided prior to the budget.

If this is true, Mr. Speaker, it's important for us to ask who other than the minister and the member knew about this? Not the local Saskatchewan oil and gas businesses. They were busy getting conflicting daily answers from the minister's toll-free PST line, 1-800-your-guess-is-as-good-as-mine.

If they knew of this fact, as the minister claims they should have, why were so many of these companies charging the PST on their April invoices? How about the industry association? Did they know? Well, I'm holding a bulletin from the CAODC (Canadian Association of Oilwell Drilling Contractors) to its members dated April 27 advising their members to charge the PST on everything, based on a lack of information from this government.

In point of fact, it seems that the only people in Saskatchewan that knew of this clarification was the Minister of Finance, perhaps a few psychics in the province, and the member for Regina Dewdney — that vortex of power and influence in the NDP (New Democratic Party) caucus.

But at least the Energy minister had the courage, the next day in estimates, to stand and apologize to the industry for this miscommunication. The Minister of Finance and the member for Regina Dewdney should do the very same thing. I am certain the industry will stifle their laughter at this government long enough to accept that apology, Mr. Speaker.

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

### Yeltsin Democracy Fellowship Program

**Mr. Trew:** — Mr. Speaker, it's my pleasure today to inform the legislature about a fellowship program that since 1992 has benefited our world.

The Yeltsin Democracy Fellowship Program was set up by government co-operation involving Canada, Italy, Germany, and Russia. The Canadian portion of funding came from the Canadian International Development Agency in the form of a trust fund from which the earned interest only is used to fund travel and participation expenses.

The democracy fellowship program was set up to help Russia shift to a market economy. To accomplish this young, bright, well-educated business people come to Canada, Italy, and Germany from Russia. While the fellowship program helps shift Russia to a market economy, we all benefit in many ways.

First, Saskatchewan businesses are taking their share of the world's work. Secondly, Saskatchewan exporting companies earn a better understanding of how things work in Russia. Thirdly, Saskatchewan companies enjoy cultural benefits from the exchange. And finally, businesses like Supreme Office Products get completely fresh ideas and eyes looking at their companies. Congratulations to Supreme Office Products and to Ekaterina Pavlova who is sharing this week with Supreme

Office Products.

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

## ORAL QUESTIONS

### Trade Unions in the Construction Industry

**Mr. Hermanson:** — Well, thank you, Mr. Speaker. Today my question is for the Minister of Labour.

First the NDP tried to give us forced amalgamation; now they are giving us forced unionization.

Madam Minister, the construction industry is calling your proposed labour legislation — that one to replace the Crown Corporation Tendering Agreement — repugnant. They say it's worse than your union preference tendering policy. They say it will undermine the stability of an industry that has been strike free for 20 years. They say you are fixing a problem that simply doesn't exist.

Madam Minister, why are you bringing in this forced unionization policy that nobody wants?

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

**Hon. Ms. Crofford:** — Well, thank you, Mr. Speaker. As much as I'd like to agree with the member that we are on the innovative front of labour law, I'd have to say that this law is the same as it is in every other province in Canada. And the fact of the matter is that very recently the Harris government did a three-month consultation on changing their labour Bill and have decided to leave it as it is, in keeping with the amendments we're proposing.

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

**Mr. Hermanson:** — Well, thank you, Mr. Speaker. Mr. Speaker, under the proposed law, if the NDP's hand-picked Labour Relations Board decides double breasting is occurring, the non-union employees will be immediately unionized. They will be forced to pay union dues. This will be with no vote and no signing of union cards. No one's going to ask the employees if they want to join the union — just bang, you're in the union whether you like it or not.

Madam Minister, how can you bring in a law that will force workers into a union without even giving them a vote? How is that possibly democratic?

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

**Hon. Ms. Crofford:** — Well thank you, Mr. Speaker. First of all I should clarify to the member opposite why there is a Construction Industry Labour Relations Act. And unlike the public sector or other employers where people tend to be employed for long periods of time, in the construction industry people come and go according to projects. So it's not the employee that is unionized in that same sense, it's the employer that becomes certified and then that employer is then a unionized employer. Now no employee is forced to join an employer that hasn't become unionized through an appropriate

certification process.

And as to the members of the Labour Relations Board being hand-picked, I wish I had such powers; but the fact of the matter is they are nominated by the employer and then the employee organizations, and all we do is endorse their choices.

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

**Mr. Hermanson:** — Well thank you, Mr. Speaker. You know I think it's pretty clear to everyone why the minister is doing this. There's a real conflict of interest, Mr. Speaker, over on the other side of the House. Last year the NDP got nearly \$300,000 from the unions. Mr. Speaker, that's a conflict of interest. That's why they want a forced unionization policy.

Mr. Speaker, it's a political payoff to the union leaders who funded their election campaign. Mr. Speaker, it has nothing to do with good policy, it has nothing to do with labour peace, it has everything to do — everything to do — with paying off the union leaders who gave big bucks to the NDP.

Madam Minister, why don't you just leave well enough alone and drop your forced unionization policy?

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

**Hon. Ms. Crofford:** — Well, Mr. Speaker, the questions are getting better and better. I enjoy this. In fact in the interests of accountability I'll disclose even more than that.

I've been supported by teachers, I've been supported by nurses, I've been supported by small business people, I've been supported by people in the arts. In fact I would be hard pressed to find a segment of my constituency where I haven't at least received some portion of support. So the fact that there is some unions that also support me would suggest that they believe in democratic government.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, yes, the NDP got about \$300,000 last year from the unions and now they're bringing in forced unionization. We believe that's a conflict of interest. But furthermore, the Minister of Labour had about a quarter of her campaign funded by the unions, and now she's the one that's bringing in forced unionization. We believe that's a conflict of interest.

Madam Minister, the construction industry is telling you they do not want this Bill. Hundreds of workers — workers — have written you and told you that they don't want this Bill either but you're pushing it through anyway. Why are you doing this? As a political payoff to the people who funded your campaign? Madam Minister, will you drop this forced unionization Bill?

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

**Hon. Ms. Crofford:** — Well, Mr. Speaker, I have to say that there are people in this legislature today that are embarrassed that Conrad Black would give a political donation to the party opposite, but I'm not going to probe too deeply into that because the problem with that kind of a donation is quite

self-evident.

The other comment I might make is that only 20 per cent of the industry in this province is unionized, and these folks are representing this as some kind of an overwhelming situation.

So I think I would just have to say that I don't share the members opposite's views. And if he has some problem with laws that are the same as every other province in Canada, then perhaps he should explain why he thinks our laws should be different.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. I find the logic of the minister particularly confusing because everyone who supports the Saskatchewan Party does so of their own free will.

But, Mr. Speaker, if you want to know why the NDP is doing this, just follow the money. The unions, the unions take their money from their members — it's called union dues — and then they give some of that money to the NDP, whether their members support the NDP or not.

So forced unionization equals, equals more union members — the Deputy Premier likes this — more union dues, and that's what this is all about, Mr. Speaker.

You know, there are a lot of people who are starting to . . . who are withdrawing their voluntary support of the NDP so the NDP has to start extracting more money from people who have no say whatsoever in the matter.

Madam Minister, isn't that the real motive behind your forced unionization Bill?

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

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. Maybe a small history lesson would be in order.

We have had the same laws in this province since 1944. This is not something new and unusual. The right of people to be democratically represented if they choose by the representative body of their choice has been a fundamental part of the economic agreement for many years in this province and in every other province.

If this member opposite is suggesting that they would like to change the rules, that's certainly a legitimate public debate we can have. But democracy has been around for a long time, and it's alive and well in Saskatchewan.

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

### SaskEnergy Contracts

**Mr. Heppner:** — Thank you, Mr. Speaker. The government's idea of choice is about as free as a turkey's choice at Thanksgiving. And I know a lot of those unions give about as readily as the turkey does.

Mr. Speaker, my question for the minister responsible for

SaskEnergy. Last week, Mr. Speaker, we accused the NDP of building a \$114 million natural gas pipeline that this province didn't need. But the minister said the pipeline was an excellent investment and was turning a profit for SaskEnergy.

Well, Mr. Minister, you built your \$114 million pipeline in 1995 — more than two cold winters ago — but the SaskEnergy's revenues in gas transmission volumes have both fallen every year since that pipeline was built, and yet you keep on insisting that that pipeline is turning a profit.

Can you explain that, Mr. Minister? How is it possible that your \$114 million pipeline is turning a profit when SaskEnergy's revenues and transmission volumes have actually fallen every year since then?

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

**Hon. Mr. Nilson:** — Mr. Speaker, as I said last week and I'll say again, we're very proud of this corporation that provides fair, reasonable, and lowest natural gas prices in Canada. They go into projects — as I said before — on the basis that they'll provide a return over the length of the investment. This is a 30-year investment.

What we know is that the original plan was for a return of around 15 per cent. Right now the return is 11 per cent. We know that the return, as set out in Alberta, is 9.9 per cent. We're ahead of that. And so I basically would say is that we will continue to work with this corporation to provide the lowest natural gas prices in Canada.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Well the minister could do a whole lot better for the people of Saskatchewan if he hadn't built that pipeline and put that money toward the rates that the people of this particular province pay.

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

**Mr. Heppner:** — To the minister responsible for SaskEnergy again. You explained last week how SaskEnergy had what you described as solid commitments from natural gas suppliers to use your pipeline before you built it in 1995.

But as it turns out, there were no new commitments. As it turns out, the new contract SaskEnergy negotiated with gas companies came with a back door bailout clause. So when the natural gas market took a dive in '95 — that's the year you built that pipeline — the gas companies used these gaping holes to bail out.

No new gas for SaskEnergy; no new revenues for SaskEnergy. In fact just about the only new thing from SaskEnergy was this pipeline and its . . .

**The Speaker:** — Order, order. Kindly go to your question, hon. member. Thank you.

**Mr. Heppner:** — Mr. Minister, will you confirm that the demand transfer agreement in the contracts you signed in 1995 allowed gas companies to walk away from their gas

commitments and left taxpayers holding that bag?

**Hon. Mr. Nilson:** — Mr. Speaker, in the natural gas transportation business, there are the contract non-renewal clauses. I have a press release in front of me dated May 4, 2000 — TransCanada Pipeline announces that they received contract non-renewals of 1.1 billion cubic feet per day.

Today's paper this morning says the pipeline lobby group from Alberta has gone to the National Energy Board and said, we need some better rates of return because of the contract non-renewals. What we do know is that some of the major competitors of SaskEnergy are having some difficulty around the transportation rates that are allowed to them.

What we know about our SaskEnergy corporation is that their rate of return of 11 per cent around this pipeline is very reasonable. And we're very pleased that they're working and doing things in a way that will provide our consumers with the lowest natural gas prices . . .

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Well, Mr. Minister, if you hadn't built that pipeline, your return on your investment would be between 25 to 30 per cent instead of your measly 11 per cent. So it's just a bad deal on your part.

Mr. Minister, there's only one way to get to the bottom of this. Table those documents. We'd like you to table those contracts. Table your policy regarding the transfer of demand, and table the transmission log dating back to before this pipeline was built. Will you do that today, Mr. Minister?

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

**Hon. Mr. Nilson:** — Mr. Speaker, as I said before, we're getting a very reasonable return on this pipeline.

What I would say is that our export toll prices for our Saskatchewan producers are 25 per cent less than those prices in Alberta. This provides us with the lowest transportation costs . . . rates for our customers in all of Western Canada. We're going to continue to provide that rate. Right now the rate in Alberta is 30 cents per million cubic feet; in Saskatchewan it's 24 cents.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Well now the minister is taking credit for low gas rates throughout the whole continent. Maybe that's why our rates in Saskatchewan aren't as low as they could be. Had you had better contracts, we would have done better on it.

Mr. Minister, of course you don't want to table those documents — because they will show that you blew \$114 million. The contracts will show you made a bad deal. The transmission logs will show the only way that you are meeting the new commitments on this new pipeline is by slashing the transmission on your other pipelines, the ones you had in existence that were adequate. These documents will show your incompetence, your mismanagement, the fact that you did really

blow 114 million taxpayers' dollars.

Mr. Minister, I'm sure Ron Clark is listening intently right now. Will you tell him to come right over here, bring those contracts, bring the transmission logs, and bring your transfer of demand policy so that you can table them in the House, and we can see what money you . . .

**The Speaker:** — Order, order.

**Hon. Mr. Nilson:** — Mr. Speaker, we will continue to have confidence in our people at SaskEnergy. They have provided us with the lowest natural gas rates last year, and we're very confident that they will continue to provide us with very, very good service.

When this pipeline was built, the industry came and said we will not drill in that part of Saskatchewan unless we have some way of getting the natural gas to the market. And the net effect was that there was a lot of drilling in those years. As everybody knows, the North American energy market price for natural gas dropped in the years after that. But even with that drop there was a continued line of earnings for SaskEnergy.

The net effect of actually having that pipeline was that many of our Saskatchewan producers were able to use Saskatchewan gas at very reasonable rates. We were very pleased that SaskEnergy continues to provide very low rates.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. What an amazing bit of logic. Because now he tells us that the problems that exist that the transmission is down is because the price is down. Well I think the consumers of Saskatchewan just realized that their gas prices have gone up. So you need to put those two ideas together. But it hasn't caught on over there that when the prices go down and then they go back up and your transmission is still down, something is drastically wrong — it's drastically wrong.

You were blackmailed, Mr. Minister, you were blackmailed by those producers telling you they wouldn't ship down your pipeline unless you built a new 20-inch pipeline. Those old pipelines, Mr. Minister, are still below capacity — still below capacity.

Will you table those documents that we need — the transmission logs, the agreements, and the transfer agreements — so that we know the amount that you really lost on that, the \$114 million boondoggle?

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

**Hon. Mr. Nilson:** — Mr. Speaker, SaskEnergy continues to provide the lowest natural gas prices in Canada, and they will continue to do that for the foreseeable future. What we do know is that they continue to expand their pipeline system, including this pipeline that they built in '95, so that they can get the gas from the natural gas fields in Saskatchewan to Saskatchewan consumers, also to transport that gas out of the province.

All of these decisions are made within the overall industry. What we know today is that many of the people who are

competitors of theirs are looking for better rates of return because they can't make their companies work at the rates of return they're getting.

We in Saskatchewan are making our company work, providing a return to the people, and providing lowest gas prices in Canada.

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

### Government Funding of Film Festival

**Ms. Draude:** — Thank you, Mr. Speaker. My question is for the Minister of Justice. Mr. Minister, the Queer City Film Festival begins today in Regina. The screenings of the pornographic films, as they are described by the festival organizers, are scheduled for this Friday evening.

The film and video classification regulations raise many questions about whether or not these films can legally be shown in this province. Last week the minister admitted the films had not been classified for showing in Saskatchewan, but he said they'd be sent off for that purpose.

Mr. Minister, when can we expect to hear the classifications given by these films by the BC (British Columbia) Film Board?

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Mr. Speaker, as the member knows and as she says, the BC Film Classification Board assists Saskatchewan with classifying videos and movies. Those 11 questionable movies, Mr. Speaker, are before the BC Film Classification Board at the present time.

The member can be absolutely assured — I give her my absolute commitment — there will not be any movies shown at the film festival that do not comply with our film classification board process or the Criminal Code.

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

**Ms. Draude:** — Thank you, Mr. Speaker. When we get the results from the BC Film Board classifying these films, there's going to be a couple of outcomes.

The worst will result, will designate a film as illegal for showing in Saskatchewan under our regulations. And the very best it can be is it'll be classified as X-rated pornography. Even at its very best rating, the public is questioning why are we spending taxpayers' dollars on pornography.

Mr. Speaker, tomorrow I'll be introducing a motion calling for this government to withdraw funding from this festival because of the pornographic contents of the film. And I would hope that the Premier will allow a free vote from all of his members, because we know that there are members on that side of the House getting calls from their constituents who are asking them, how can you support the spending of taxpayers' dollars on pornography.

Mr. Premier, will you allow your members to stand in this House tomorrow and freely vote on the motion I'm going to present?

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

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Well, Mr. Speaker, I'm not quite sure what it is the member doesn't understand. There will be no films shown at this festival that don't comply with the law.

Mr. Speaker, the films that are not permissible under our process, Mr. Speaker, and under the Criminal Code, are pornographic films, Mr. Speaker. By definition these films will not be shown at this film festival.

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

### Twinning of Trans-Canada Highway

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, it's about three weeks ago now that the proceedings of this House were interrupted by the news of a tragic accident on the No. 1 Highway just east of the 121 junction in the west part of the province. And after that we had a joint resolution of this Assembly in which we appealed to the federal government to take its responsibility for funding that construction . . . need seriously.

And I would like to address my question today to the Minister of Highways and Transportation and ask him, following the resolution that was passed unanimously in this House, what has happened, what have you accomplished, what have you heard, and what have you done in connection with our appeal to the federal government?

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

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. And again I thank the member for the question and also for the co-operation from himself and from members opposite on this important issue.

First of all we of course as a legislature passed on all of the transcripts of the proceedings to the federal minister and certainly to the Prime Minister as well. We've been in contact with the federal minister, Minister Collenette, who is at this time suggesting that they will be reviewing it to see what in fact they can do.

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

**Mr. Elhard:** — Thank you, Mr. Speaker. The response from the federal government often takes some time, but I would like to have a little more concrete action on their behalf, and I would like the Department of Highways and Transportation to initiate a more aggressive stance in that respect if possible.

I would be prepared to discuss with the minister what I personally have done, what the members of our caucus have done, and what members of the public have brought to my attention.

I would like to ask the minister if he has laid out an action plan for his department to pursue this issue very concretely and very specifically. And the other question I would like to ask is: have you dedicated any department officials to this specific project?



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

**Hon. Mr. Sonntag:** — Well specifically in response to your last question, our deputy of Highways is tasked with this specific issue.

But certainly let me lay out again for the member that the Department of Highways, in the absence of federal funding, which is at about 3 per cent right now, has laid out our long-term plan which we know needs to be improved. If we had the ability to generate more revenue, we certainly would be moving this along quicker, but we've committed to doing . . . completing the twinning over 15 years, beginning in 1997. And with respect to that one area that the member's most concerned about, we'll have that completed within the next eight years if we don't get additional funding.

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

**Mr. Elhard:** — Thank you, Mr. Speaker. I was reading through some old news clippings today, and the 15-year plan for twinning that stretch of the No. 1 Highway is now 20 years old. And at this rate, it'll take 30 years to get it done.

I understand the difficulty, Mr. Minister. I understand the limitation on funding. But in view of the crisis that the last accident we had there has provoked, in view of the overwhelming public response to proceeding with twinning it, would the provincial government consider realigning their funding to achieve this situation, this twinning project at an earlier timetable.

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

**Hon. Mr. Sonntag:** — Again thank you, Mr. Speaker, and to the member also for the question. This is obviously a huge challenge as we've said many times. We have more roads here in Saskatchewan than any other province in the country.

It is particularly challenging though when the . . . I'm not sure that the member specifically himself has asked this, but the opposition caucus is petitioning this government, our coalition government to reduce the gas tax on fuel by the equivalent of 10 cents a litre, and at the same time increase spending on highways and dedicate that funding to highways. So it makes it extremely difficult for us to accomplish all of the things that the opposition and the public demand, while at the same time we're supposed to be reducing the level of revenues from fuel and gas tax.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### SECOND READINGS

**Bill No. 30 — The Vital Statistics Amendment Act, 2000/  
Loi de 2000 modifiant la Loi de 1995 sur les services de  
l'état civil**

**Hon. Ms. Junor:** — Thank you, Mr. Speaker. I rise today to

move second reading of The Vital Statistics Amendment Act, 2000. The purpose of this amendment, Mr. Speaker, is to change the way we define stillbirths in the legislation. It's important that our health system is able to record stillbirths when they happen. This allows comparisons with other provinces and provides vital data for research.

The current definition of stillbirth in this province is based only on the criteria of birth weight. All other provinces and territories besides Saskatchewan and Quebec use not only birth weight but also gestational age. As a result Saskatchewan stillbirth data cannot be effectively compared and analysed on a national basis.

The amendment, Mr. Speaker, changes the definition of stillbirth to include two criteria: a gestational age equal to or greater than 20 weeks, or a weight equal or greater than 500 grams. The ability to define stillbirth using both gestational age and birth weight will ensure we have a common definition of stillbirth across Canada.

Quebec recently announced that it would change its stillbirth definition to conform to this common definition. As a result we'll be able to make comparisons between the various provinces across the country. In addition to ensuring national and international standards, Mr. Speaker, the proposed stillbirth definition will also permit the effective analysis of stillbirth data by provincial and federal health agencies across the country.

This will help our government and other partners provide surveillance and interpret perinatal health data for Saskatchewan. This in turn will help us develop better health care services to prevent perinatal deaths. With that, Mr. Speaker, I hereby move second reading of The Vital Statistics Amendment Act, 2000.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, just a few comments before I move to adjourn debate on Bill No. 30. Mr. Speaker, at first blush when you look at the Bill before the Assembly, one of the questions that really crops up in people's minds and certainly I've had individuals already ask me about it.

The minister is talking about stillbirth but I noticed one thing in this province. We've seen a number of abortions in the province actually increasing dramatically. And when you look at the definition that the minister is using regarding stillbirth and the reasons to change the Act to address some of the concerns that . . . and address statistics and the statistical value that is needed, the minister is indicating that we need to change dramatically the size and the gestation period in regards to an unborn child in order to address the concerns of whether or not this is a stillbirth.

Now, Mr. Speaker, it would seem to me that from just my quick perusal of the piece of legislation, one has to ask exactly what the government is really hiding, or what is really behind, and the motivation behind this piece of legislation.

And certainly there a number of questions that we would like to look at very closely and like to address, and get more clarification on before we would just move forward and ask or allow this piece of legislation to move forward. And having said

that, Mr. Speaker, I would move to adjourn debate.

Debate adjourned.

**Bill No. 32 — The Municipal Employees' Pension  
Amendment Act, 2000**

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. I rise today to move second reading of The Municipal Employees' Pension Amendment Act, 2000.

That pension plan, the municipal employees' pension plan, provides retirement benefits to employees of school divisions, urban and rural municipalities, regional colleges, regional public libraries, and designated police officers and firefighters. The plan is governed by the Municipal Employees' Pension Commission.

The municipal employees' pension plan, Mr. Speaker, is on solid ground. It has nearly \$870 million in assets and membership has grown steadily over the past few years. Membership now stands at more than 9,000 active and deferred members. More than half of the 7,900 active members work for school divisions. The number of retired members is steadily increasing. Nearly 2,700 pensioners and beneficiaries are now receiving benefits from the plan in the amount of \$22.3 million per year.

An actuarial evaluation for the period January 1, 1996 to December 31, 1998 disclosed the plan's surplus of \$173 million. The Income Tax Act of the federal government sets a maximum surplus limit for pension plans. The municipal employees' pension plan surplus exceeds this maximum by \$108 million. The municipal employees' pension plan's surplus is primarily the result of higher than expected rates of return and lower than expected inflation rates.

Mr. Speaker, when a surplus of this nature occurs and it exceeds what is permitted by the federal government, steps must be taken to deal with that surplus or else the pension can lose its status as a pension plan under the federal Income Tax Act, which then jeopardizes the ability of the plan members to make tax-free contributions to their pension plan under the federal Income Tax Act.

Over the past year, the plan's commission has heard from many active and retired members. A survey of all plan members, pensioners, and participating employers gave the commission a clear message of how the surplus should be used and how other issues should be addressed.

The most common suggestions for using the surplus were increased pensions, provide earlier retirement dates, and provide protection from inflation. This is sort of a good news Bill for these members of this pension plan, Mr. Speaker, because essentially what we need to do here is legislate how to take the surplus and get benefits out to the members and retired people.

The Pension Commission is asking this legislature for amendments to the pension plan Act that will use the planned surplus to improve benefits under the plan and improve the administration of the plan. The proposals consider the concerns

of members, share the surplus fairly among all members, and protect the long-term financial health of the plan.

To use the accrued surplus of \$108 million, the commission proposes to provide indexing of pensions with respect to service earned before 1999. Through this Bill, the commission proposes to improve the pension formula for the period January 1, 2001 to December 31, 2005, and provide members with the earliest retirement dates allowed under the Income Tax Act.

Mr. Speaker, these amendments will allow members to retire sooner with larger pensions and with the added benefit of protection from inflation. So clearly, the plan is doing fairly well.

These improvements accrue, Mr. Speaker, at no cost to members, employers, or Saskatchewan taxpayers because they're paid for out of the accumulated surplus which is the problem — if you can see it as a problem, it's really a benefit — but that's the situation that we're dealing with.

This Act provides additional benefit improvements to the plan's members. Members will now be able to increase their pensions through voluntary purchases of service. Members will also benefit from more options upon termination of employment.

This Act also enables spouses of members to waive their rights to survivor benefits, providing plan members more flexibility for designating survivor benefits.

A great number of the plan's members work less than full-time hours, Mr. Speaker. This Bill provides non-permanent and part-time employees the opportunity to begin earning pension credits sooner by allowing these employees greater access to the plan.

Furthermore, this Bill will allow employees of school divisions and regional colleges to earn one full year of early retirement eligibility service for each school year worked. Changing the method used to credit contributory and continuous service for employees working less than full-time hours and/or less than 12 months per year makes it easier for these employees to take advantage of the plan's early retirement opportunities.

This Bill, Mr. Speaker, also provides members with more flexible termination options and affords them the opportunity to contribute to the plan for periods of approved leaves of absence.

Mr. Speaker, I hereby move second reading of The Municipal Employees' Pension Amendment Act, 2000.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, responding to the Bill, Bill No. 32, first of all I would like to indicate that I think what the steps the government is doing certainly, as I understand from the minister, as a result of federal legislation, we have to change this legislation. And it seems to me this is an ongoing thing. And I think maybe what we need at the end of the day is maybe some dialogue with the federal government to adjust some changes that would allow plans like this to continue to grow.

Because if what the minister is saying — and I believe it to be correct — the municipal pension . . . employees' pension amendment . . . or pension plan is working very well on behalf of its members. In fact it's working so well that the surplus is continuing to grow, which, Mr. Speaker, for those of us, anyone who's putting money aside for a pension, the idea is to see that fund grow so that you would be able to see a time and day when you'll have a decent size of pension or a worthwhile pension in order to retire.

(1430)

And, Mr. Speaker, given the motivation we see coming out of the federal government, certainly the federal Minister of Finance, one has to wonder whether or not we're going to have the real benefits of the Canada Pension Plan in the future. And so I personally believe that it's important that individuals take the time to start beginning to plan for their future.

And so having said that, we can appreciate where the minister is coming from and the intent of the legislation, and we understand that.

Mr. Speaker, as well, the fact that this legislation allows people even on part-time to begin planning for their future and to make contributions to a pension plan, that will work on their behalf. And it certainly sounds and it seems that the individuals who are managing this pension plan are doing a very good job on behalf of their members.

Mr. Speaker, as well of note, I should just mention that individuals who have been in municipal pension plans, or these forms of pension plans, in the past and have moved into government employment positions, and I believe I've also contacted the minister's office in regards to one case in particular . . . But certainly people in the past who have moved, and through circumstances may have missed the opportunity to transfer their funds — and the minister was talking about taking early retirement — I think it's important as well to acknowledge the contributions made in the past, and when you've changed employment to a public sector, of allowing employees the opportunity to transfer what was contributed through the municipal plan and allow that, a fair transfer of that, even after the fact.

Certainly we've seen it take place in the past where people have oversight or failure to receive required notice, have been able to move what was continuing to collect in the municipal employees' plan into public sector plans.

And so, Mr. Speaker, I say that because I know that we've . . . I think the minister is quite well aware of the fact that there have been requests coming to his office going back a number of years.

But that aside, Mr. Speaker, we want to acknowledge that what is being done in this piece of legislation is to ensure that this plan continues to work on behalf of its members and indeed continues to use the contributed . . . contributory funds to build for the future well-being of the employees who are contributing to the plan.

Mr. Speaker, it would seem that this is a quite a simple,

straightforward piece of legislation but it would be appropriate for the opposition to indeed take the time to review it extensively before we move in detail through the Bill, and having said that I would move adjournment of debate.

Debate adjourned.

## COMMITTEE OF FINANCE

### General Revenue Fund

#### Post-Secondary Education and Skills Training Vote 37

**The Chair:** — And before I call the first subvote I remind members that this department was last before the committee on April 19. Also before I call the first subvote, I'll invite the minister to introduce his officials again.

**Hon. Mr. Hagel:** — Thank you, Mr. Chairman. I'll reintroduce officials who were here on April 19. To my left, deputy minister, Neil Yeates. Behind Mr. Yeates is Frances Bast, senior policy advisor, finance and operations branch. Beside her is assistant deputy minister, Lily Stonehouse. And seated back behind the bar are Brady Salloum, the executive director of student financial assistance, and Margaret Ball, associate director, facilities planning unit.

And, Mr. Chairman, on April 19 there were a couple of questions that the hon. member for Last Mountain-Touchwood asked for which I committed the answer, and I'd just like to send them over to . . . I guess it would be to the member for Kelvington-Wadena, okay.

#### Subvote (PE01)

**Ms. Draude:** — Thank you, Mr. Chair, and welcome to the minister's officials. It's nice to see you. I'm looking forward to some of the discussion we'll have today, and I'm going to be centring mostly on student loans today. There will be other questions, but that's the questions I'll be, I'll be asking you about.

Mr. Minister, I know that from speaking to the president of the universities that there is a huge challenge to recruiting students to universities nowadays, and there's . . . because of the mobility of the students and their ability to access information and their love to travel, they . . . students will travel right across the province and out of the country to receive the education that they, that they want. And I also know that it's a challenge to the university to retain the professors that will attract students as well.

So my first question, Mr. Minister, is can you tell me what percentage of our high school students actually attend university here in Saskatchewan?

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member. It's approximately 24 per cent of our high school students here in Saskatchewan attend one of the two — University of Saskatchewan or University of Regina.

**Ms. Draude:** — Mr. Minister, Mr. Chair, can you also tell me what percentage of these students take out student loans then?

**Hon. Mr. Hagel:** — Mr. Chair, it would be between 35 and 40 per cent of these students in attendance at university would take out a student loan in a given year.

**Ms. Draude:** — Thank you, Mr. Minister, Mr. Chair. Could you also give me the same information for the technical schools? What percentage of our high school students attend technical schools from grade 12, and what percentage of them take out student loans?

**Hon. Mr. Hagel:** — Mr. Chair, it's a little more difficult question to ask because of the way that statistics are accumulated. There are some 5,000 students at SIAST (Saskatchewan Institute of Applied Science and Technology) in a given year. About a quarter of them would be older students, the non-traditional, out-of-high-school, into SIAST.

It would be approximately 30 per cent — if we're off, it's probably a little bit less than 30 per cent — that would require student loans. The reason it's just a little difficult to be precise is that Statistics Canada records based on programs which require a grade 12 entrance, and not all the SIAST programs require a grade 12 entrance.

So it's just a little bit difficult but as I say, 30 per cent would probably be a bit on the high side but not terribly far off.

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you for your answer. And I just have one more question to ask you that's more for my own information — and maybe it would have been more appropriately put to the university when I was there — but could you tell me what percentage of the university students are Saskatchewan residents? I know that we have a lot of students coming in from outside the province and from outside the country, but I was just wondering if you have an idea of how many that we can bank on from Saskatchewan.

**Hon. Mr. Hagel:** — Mr. Chair, it would be at least 90 per cent of the Saskatchewan university students who are natives of Saskatchewan.

**Ms. Draude:** — Thank you, Mr. Minister. Mr. Minister, there's very little doubt that access to post-secondary education is really of serious concern to many students. The high cost of tuition is something that is deterring away some of our students, which is sad.

What steps has your department taken to ensure that the tuition fees will not rise again? I know that the millennium scholarship is something that we talked about earlier and if you would like to again discuss that, I would appreciate some more concise information on that. Just tell me exactly where it's going to, and what else are you doing to make sure that the tuition rates stay within reach of most of the students in this province?

**Hon. Mr. Hagel:** — Mr. Chair, I think what the hon. member is referring to is really a phenomenon which occurred in the previous fiscal year, in the 1999-2000 fiscal year, where the budget before us is the 2000-2001 fiscal year.

In the '99-2000 fiscal year as we discussed in the previous time the department estimates were before the committee, there was, after the millennium scholarship resources were made clearly

available, with the approval of the Millennium Scholarship Foundation, at that time an additional \$7 million that was made available to the two Saskatchewan universities with the express objective of using the revenues to keep tuitions under 2 per cent, which in fact the universities did.

In the fiscal year that's before us, in the estimates, the committee that we're reviewing at this moment, that additional funding to the universities has been continued, and then in addition to that there has been a 4 per cent increase in operating grants to all of our educational institutions including, of course, the universities.

And I would think that related specifically to your question having to do with tuition, that that would be the budgetary matter that would be most directly related.

(1445)

**Ms. Draude:** — Mr. Chair, Mr. Minister, our office hears very frequently from students who are concerned about the amount of student loans that they do get. Now we do understand we're using the word loans; it's not money that is often forgiven over . . . at least not very much of it is often forgiven. And yet the students are often forced to either work part time or sometimes even discontinue classes because they just can't afford their education.

Mr. Minister, being that this is actually a loan, not a grant, how is the amount actually determined that it takes . . . that students are supposed to be able to live on. We know, especially with rural students, that their travel from home, the fact that they have to buy all their food in the city, that everything costs them a whole lot of money. How do you determine how much money a student is going to get to take a class?

**Hon. Mr. Hagel:** — Mr. Chairman, I think, judging by the tone of her question, the hon. member will be pleased with the information and the response to her question.

First of all, just in direct response to her comment and the question that not much of the loan is forgiven. In fact I think the hon. member will be pleased to know that for students who are at most in need, the Saskatchewan student loan would certainly be among, some I think would say, the most student sensitive in the nation.

Just by way of example, in the fiscal year that we've just completed and dealing with the student loan year that's by and large just wrapping up now, there were some \$60 million in Saskatchewan student loans. The hon. member will recognize that when a student applies for a loan, it'll be both Canada and Saskatchewan broken down at approximately a 60/40 basis, where about 40 per cent of it is Saskatchewan student loan.

And in the fiscal year just ended, the student loans granted were approximately \$60 million of Saskatchewan student loan, and of that, some \$25 million has in fact been forgiven.

In the budget before us and the estimates that we're dealing with now we are forecasting that the amount of Saskatchewan student loan to be forgiven through bursary and the like will probably be closer to \$30 million.

So that is a pretty . . . a significant investment in access to post-secondary education through the student loans that is happening in the province of Saskatchewan. It happens as a result of . . . largely as a result of a formula introduced in 1998, the bursary in 1998, at which point students who are borrowing based on need — and I'll just get into that in a moment — in excess of \$180 per week find the amount that they are needing to borrow above and beyond that \$180 per week figure become bursary and not required to be paid.

It's reflecting a philosophy that's intended to ensure that public resources are best used to ensure that our citizens who are wanting to get involved in post-secondary education are not deterred from doing that on the basis of financial resources. And therefore, to state the obvious, the greatest safety net support, I guess you want to call it that way, would extend to those who are of the lowest income and greatest need.

Student loans are calculated based on assessed need and there is a formula that's used. It is applied to both of Canada and Saskatchewan student loans, which subtracts from the allowable education and living costs which will be specific to each individual, from that the students and/or the student's family financial resources.

So that as you correctly say, hon. member . . . if I may through you to the hon. member, Mr. Chair, as the hon. member correctly says, student loans are not grants; they are loans. Some of it does in fact turn into a grant for those who are the highest in need, but certainly everyone approaches it from the point of view that it is a loan.

And so assessed need minus available resources then result in the student loan. In determining the needs, related to the student loan, things that are taken into account are income, assets, and expenses of students. And if applicable, the income, assets, and expenses of the student's spouse or the income of the student's parents, guardians, or sponsors. So depending on their individual circumstances those become the factors that come into play in determining precisely how much of a student loan is a student eligible to receive.

**Ms. Draude:** — Mr. Chair, thank you. Mr. Minister, I just have one specific question about the loans themselves. When they talk about vehicles, and I know students are allowed a vehicle, anything over a certain value of a vehicle is not considered allowable as far as I can remember. It seems to me it's something like \$5,000. If a vehicle is worth more than that, they're supposed to sell this vehicle or they're supposed to dispose of it and use the money towards their education.

Now, Mr. Minister, when we have students from rural areas that have to make long trips in over the roads that we've got here in Saskatchewan, it's usually a lot better if we have a vehicle that is dependable — something that we know when our students are going to leave home they're going to get to the university.

Now does it make any sense to you or is there an opportunity to actually change this level or this value of vehicle worth so that our students aren't punished for having a different vehicle or having one that they don't have to spend all their money on repairs for?

I guess my specific question is, will you be looking at this part of the regulations to make it more flexible or allowable for a student to have a good vehicle while they're at university?

**Hon. Mr. Hagel:** — Mr. Chair, the hon. member is correct in referring to the trigger amount related to the value of the vehicle at \$5,000.

It's a difficult item for the province to review in isolation because in fact it is a regulation with the Canada student loan as true across the country. It's not specific to Saskatchewan. And on an ongoing basis, and that's happening actively these days, we are asking the federal government to be reviewing a number of criteria.

But I don't think that there's realistically any possibility of us being able to change this criteria in Saskatchewan without Canada agreeing to change the criteria Canada-wide.

**Ms. Draude:** — Mr. Chair, thank you. Mr. Minister, I am pleased to hear you say that this is one issue you're bringing up with the federal government. I'm sure the federal Liberal government will look at rural Saskatchewan's problems and say maybe this is something they should be looking at.

Because it is one of the main things that students talk to me about. And I have found a number of students who are actually even given a vehicle from grandparents or whoever, and they find they have to sell this vehicle so that they can get their student loan. And I think it's something that's really quite unfair.

Mr. Minister, I know that when students find that the loan that they have been approved for isn't enough, they have an opportunity to go through the appeal process. Could you give me an indication of what that appeal process . . . how long it takes and what it actually, what all the functions of that appeal process are?

**Hon. Mr. Hagel:** — Mr. Chair, the appeal that a student will bring will be to the student financial assistance branch of the department, initially. And it would be really quite usual for that appeal to be resolved within two to three weeks.

How long it takes will again have . . . will be influenced significantly by complications and whether there needs to be a verification of information, that sort of thing. If a student appeals to the student financial assistance branch and is not satisfied with the response there and wishes to appeal it further, then it can go to an appeals committee which would deal with it typically in no more than another two to three weeks.

It's recognized by the department that when students are making appeals, that these oftentimes have financial strain and stress related to them, and we make it a priority to deal with it as expeditiously as we possibly can.

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you. If there is a . . . if a student does appeal, what percentage of the students that appeal actually have a different ruling when their case is heard by the appeal committee or the original appeal process?

**Hon. Mr. Hagel:** — Mr. Chair, of the appeals that are handled

by the branch, the student financial assistance branch, about three-quarters of them are satisfactorily resolved at that stage, I'm pleased to say. And then, as I said earlier, the student who wishes to appeal that can appeal to the appeals committee.

You may be interested in knowing that that's not a frequent occurrence, as a matter of fact; that in 1998-99 there were only 57 appeals to the appeals committee which is down substantially from three years earlier when it was 223. So there do seem to be . . . there's a definite trend in reductions of appeals to the appeals committee. Of those who did, 86 per cent appealed successfully to the appeals committee.

(1500)

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Mr. Minister, a question that comes up quite often I believe for a number of the MLAs (Member of the Legislative Assembly), and possibly even on the government side, is that to qualify for a student loan you're in, it goes by income. And I mean you know as well as we do how it works but I've had a number of inquiries lately where we have both parents working — probably as we would describe them they would be middle-income families — but don't qualify for student loans.

And I think what we're doing here is creating quite a hardship for a number of families now because maybe the cut-off is too low, remembering that this is student loans and it's not a forgiven grant of any kind.

And I think that the people that have contacted me, and I'm sure there's many others all across the province that have this same problem, is that yes, they're making a decent wage for what many people would say, but at the same time if they have one, two, maybe even sometimes three children that are in university at the same time, that I feel we should be maybe looking at this.

Because it's really causing hardship for a number of these families who are working very hard, both father and mother, to make a living and put these kids through school when it wouldn't be all that hard, I don't think, to change the regulations on how students qualify for student loans. And I don't think it's actually a cost to government the way that student loans are worked anyway.

I was just wondering, Mr. Minister, have you had this concern brought to you and would it be something that we would look at in the near future?

**Hon. Mr. Hagel:** — Thank you, Mr. Chair. To the hon. member for Saltcoats, this would certainly be no surprise that you would raise this subject and it's a subject that I had raised with me a number of times, particularly when I spent a good part of January travelling around the province of Saskatchewan with 15 public meetings, and talking with students and family and others — educators and taxpayers. But among students, and particularly among families, the point that you raised was not uncommon.

I would want the hon. member to know that this is a matter of significance to the minister. Again, many of the criteria related to student loans are not readily changeable because they don't fall within the jurisdiction of Saskatchewan alone.

And the criteria related to incomes and expenditures and the balance and the formula that would affect Saskatchewan students would be the same as it would affect students in other provinces across the country. And again, it would be one of those items that would be changed nationwide.

Following the public hearings we have been dialoguing with the federal government on the matter of student loans and reporting to the federal government our concerns that we heard being raised here and encouraging revision — first of all reassessment and then revision — of the criteria to update them in order to do what we can to take those public resources and use them as prudently and effectively as we can in order to support access to post-secondary education.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. Just to carry on a bit, Mr. Minister. I think some of the problems that this causes out there . . . as you know, in my past life before I came in politics, I was a farmer. And I had three children that went through university and we qualified for student loans for each one of them and we're very grateful.

But the minute you go into the urban centres where in most cases we have both members of the family are working, struggling hard — I know in some cases they have four children, one or two are getting into the university system — but are working very hard to make a living.

And because I'm a farmer and, you know, a number of farmers out there may say, well I don't know why he's arguing this way. But we found it pretty well automatic by being a farmer that we qualified for a student loan, the way our income and income tax showed through.

But these same people who probably were no better off than we were — in fact maybe working as hard or harder than we were, you know, in many cases — but had no extra dollars. And their kids come along, to get to the point where they want to go to university, the parents want them to go to university, but in some cases it's impossible for these kids to go. Or if they are, you know, the parents find a way to get them there, it's a real hardship on these families.

And I think at some points there it even creates bad feelings between urban and rural people again because we feel that it's accessible to us and we agree it should be accessible to them, but in many cases it isn't because of the regulations we have in place.

So I understand you have the concerns there and I would hope that we would follow this up very strenuously and maybe we could make changes down the road to even the field up for all of us.

**Hon. Mr. Hagel:** — Mr. Chair, I appreciate the hon. member's points which I, I certainly see as being very credible. And maybe just to respond because I . . . There really wasn't a question I think, more a statement of concern is what I heard you making. And I first of all want to acknowledge that and perhaps just respond to that.

There will be a number of things that will come into play here and some of them . . . maybe just using your example that it

may be relevant to make note of because it would be my judgment that although it is always legitimate to say that the Canada student loan program should be under review — and is — it's also I think important to acknowledge that there are some things that happen through the system about which I'm not at all critical, I think are operating for the intended and appropriate reasons.

When looking at a circumstance . . . For example, if I may use the one you raised, I think you said yourself where there will be more than one son or daughter attending post-secondary education at the same time, it's worthwhile noting that according to the student loan criteria and the amount of available resources to support the student in meeting expenses, that if there are two students, for example from the same family, that the expectation of the family is half of, half of one for each of them or if there were three, a third of one for each of them. So that there is an attempt to try and make the rules realistic to the realities faced by families, which is one of those things that gives me a sense of encouragement when we're providing feedback to the federal government for review because it does . . . they do seem to operate with that as a, as a guideline.

A couple of other things I may mention, or maybe two or three other things. It may as well be, for example, that someone who is living in rural Saskatchewan and is going to a campus in one of the, say the two or four largest cities, that in fact their expenses may be higher because of virtually . . . certainly built in there is the cost of living away from home, which will perhaps make it a little more likely that a rural application would get approved simply because expenses are higher.

Balance that off with the important role that the regional colleges play in our system. And I was just releasing last week the review of the regional college system in my response to that. And I recognize the regional college system as an extremely important institution, or series of institutions in our province to bring the campus to the student in rural and northern Saskatchewan in order to, among other things, address the accessibility and affordability factor. So I would just want to acknowledge that.

And finally, it would be one of those things that I would compliment the federal government for doing. In recent times, the hon. member will be aware I'm sure, of initiatives that the federal government has taken to provide the ability to shelter taxable incomes in order to set aside funds to be saved for students to be applying to post-secondary education in the future.

And I think it's fair to say that that would, I think, would meet with the approval of most Canadian taxpayers, as support for families to plan ahead as much as they can, and to assist in the process of planning ahead, and therefore hopefully reduce significantly, and maybe even in some cases eliminate the need to be going into debt as a result of experiencing post-secondary education.

So I recognize the hon. member didn't have a specific question, but I think he raises a number of very relevant points, Mr. Chair, that are important to our province and many people in our province, and I quite acknowledge, both who live in rural and urban parts of the province.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I appreciate your concern.

I should maybe clarify one thing, and the member for Arm River brought it to my attention and I probably wouldn't want to go home if I don't qualify this, is that there are a number of farm families that also don't qualify. I was leaving the impression that all farmers qualified. It's maybe just the poor farmers like me that qualified, and the good ones maybe don't. So I thought I'd better clarify that, Mr. Speaker, and just showing you how much I really need this job.

Mr. Speaker, I also was wondering on the student loans themselves, how many of these are in default, say for a given year, say this last year? And how many of them are not being collected at the present time?

**Hon. Mr. Hagel:** — Mr. Chairman, before I directly answer the hon. member's question and commenting on his comment which I'm sure he'd be disappointed if I didn't . . . which may of course stimulate him to comment on my comment and his. But willing to run that risk I have absolutely no doubt, Mr. Chair, that the hon. member is engaging in the practice of running his farm as effectively as possible. And I will simply leave . . . I will avoid making any comment on his job security or the relevance of this job to his personal income.

But more seriously, Mr. Chair, coming to the question that the hon. member asks, the number of students in default is a little bit difficult to be precise but the most recent measurement of that would be in November of 1999, so just a few months ago, at which point in time there were 14.6 per cent of the students were in default.

Now the reason I say it's a little bit difficult to be precise, what I'm meaning by that is that there are 14.6 per cent of the students who are not making payments on their loans at that particular point in time. However it would be virtually certain that not all of those would be completely lost because there are efforts made to support and continue to recover that. And so therefore it is really a difficult question to be precise as . . . If you were asking the question as to how many will end up not paying, it'll be a number substantially lower than that, but difficult to be precise with you.

**Ms. Draude:** — Mr. Chair. To the minister, thank you very much for your answers again. You indicated that there were further efforts to ensure that some of this 14.6 per cent of the student loans that are in arrears will be collected. By that I imagine part of that is your taking student loans to collection agencies. Could you tell me what percentage have been sent to a collection agency? And who is the collection agency that's doing the work for the government at this time?

(1515)

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member. At this point in time there are 31 cases per month of student loans that have been referred to the collection agency Equifax. A student loan gets referred to Equifax if there is no record of either payment or contact by the student with the student loan for a period of four months or more.

**Ms. Draude:** — Mr. Chair, Mr. Minister, what percentage of the money that Equifax collects do they get to keep for themselves?

**Hon. Mr. Hagel:** — Mr. Chair, Equifax will retain approximately 20 per cent of what they collect.

**Ms. Draude:** — Mr. Chair, again to the minister. So of these 31 cases per month that are referred to Equifax, how many of them do they actually get to collect . . . how many cases a month approximately do they get to collect the money from?

**Hon. Mr. Hagel:** — Mr. Chair, I don't have that information available to me right at this point in time. If the hon. member would like, then I can make it available to her.

It will also be, in terms of current lender financing, through the Royal Bank of Canada that loans would currently be held. And we don't have statistics available on Royal Bank's action which Royal Bank takes.

**Ms. Draude:** — Mr. Chair, Mr. Minister, are students notified beforehand that their loans would be turned over to a collection agency?

**Hon. Mr. Hagel:** — Mr. Chairman, it may be helpful to the hon. member just to know the whole process that goes through when a student finds themselves in default of their student loans.

When there is . . . a student loan payment is overdue by a month, then a letter is sent advising the student that a payment has been missed. If it's overdue two months, then a second letter is sent advising that two payments have been missed. A final notice letter is sent when three payments have been missed. And then a default notice letter is sent when four payments have been missed. And then finally — and this would be in response to your question — they would be advised that it is being referred to a collection agency.

When a demand for payment letter is sent after a borrower breaks a repayment arrangement previously agreed upon, there will be attempts to make telephone calls to make contact as well in the process, and also students may or may not be aware that the repayment of student loans can be put on hold for up to 18 months in total of their Saskatchewan student loan. And so that would be something that the student would be advised of as well. The real objective is to make the contact with the student and work together with the student to find a way to assist the student in order to be able to ultimately keep his or her obligations for loan repayment.

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you. Once the matter has been referred to a collection agency, then does the minister have any control of that loan at any time after that? Meaning that we often as MLAs get phone calls saying, I've got this letter from a collection agency. I'd like to be able to deal with them but they tell me it's now in the hands of a collection agency. I can't talk to the minister any more.

And from what I understand, dealing with the collection agency isn't easy. I would imagine that talking to the minister is something . . . at least it would be a person that they would be responsible to. I'm wondering if this is something that you have

dealt with and if it's something you're considering?

**Hon. Mr. Hagel:** — Mr. Chair, I think the member is really quite accurate in her assessment about the flexibility. The protocol that the department will have with the collection agency is such that once it is referred to the collection agency, then it becomes their matter and that's largely why — as I just outlined to you in response to your previous question — the department really works hard to try and get ahead of that to make the contact with the student in order to prevent it reaching that point. And as I say, including with that ensuring that they are advised and encouraged to take advantage of all interest relief options available to them including, of course, the 18 month interest deferral that's available to them.

**Ms. Draude:** — Mr. Chair, Mr. Minister, of course they don't have the six months interest free period that they did have last year. I guess that was gone after this year's budget, but we'll discuss that at another time.

Mr. Minister, can you tell me how much money Equifax earned, if I can use that term loosely, from collection of student loans in the last fiscal year?

**Hon. Mr. Hagel:** — Thank you, Mr. Chair. First of all, just a quick reminder to the hon. member that the six month interest relief period doesn't come in — the shifting of that to become harmonized with the federal Canada student loan — doesn't occur until the new student loan year which is in August. So it still is in place, as a matter of fact, for students who are graduating from our schools right now.

On response to your specific question, we don't have that available here with us today and I'll get that information for you.

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you. At the same time, if you don't have the information available to you right now, could you also find out how much money the government had to basically write off because of delinquent student loans in the last fiscal year. Do you have that information available?

**Hon. Mr. Hagel:** — I'll provide that to the hon. member as well, Mr. Chair.

**Ms. Draude:** — Thank you, Mr. Minister. While you and your colleague, the Minister of Education, travelled around the province earlier this year, it was my understanding that your objective was to gain a better understanding of access to post-secondary education. Could you tell me what . . . there was one or two major findings that you had, that students indicated were a barrier to education. Could you give us an update on that, on your findings please?

**Hon. Mr. Hagel:** — Thank you, Mr. Chairman. In response to the hon. member's question, I would have commented on some of these . . . on a similar question in the previous time we were before estimates, so I'll be brief. I won't be quite as detailed as I was at that time. I know that that won't upset the hon. member. But, Mr. Chair, it was an interesting and valuable experience to have spent some time talking to people who are concerned about access to post-secondary education from a very real and



pragmatic point of view.

The message that was heard, more than I had anticipated actually, was that particularly when we got outside of the four largest cities, but really when we got outside of the two largest cities, Regina and Saskatoon, we heard repeatedly that the biggest barrier in terms of financial . . . biggest financial barrier in terms of access to post-secondary education is the cost of living away from home. And that came up in a number of kinds of ways and expressed very loudly.

It was because of that that I came away from the hearings recognizing the very important role that regional colleges play in our post-secondary education system here in Saskatchewan.

It may be worthwhile noting for the interest of the hon. member and others who care about these things, that the regional college system is unique in the nation. When it was introduced back in the early '70s, in excess of a quarter-century ago, it really was sort of a radical sort of notion that you would have educational, post-secondary educational institutions whose objective was not to build a significant campus that people would come to, but that the philosophy was that the, at that time called, community colleges would bring the campus to the student.

And that's a philosophy that's alive and well in Saskatchewan still today in the regional colleges and still to this day continues to be unique in the nation: that our regional colleges are not credit-granting bodies, but they serve as brokers in many ways to determine what the post-secondary educational needs are at the local, in the rural and northern parts of Saskatchewan; and then to the best of their resources, as numbers will warrant, to find the best vehicles to bring that education, post-secondary offerings, supported through processes like Saskatchewan Communications Network, SCN, as well as of course professors or instructors coming and delivering directly.

And when we looked at all of that, that's what led this minister to feel one of the things that we need to start investing more in in our province and that's before the . . . it's included in the budgets before us now, is the area of technology-enhanced learning. So that as we are better able to use technology to more effectively and with a broader range to bring the campus to the student, so too we're responding then in a direct way to the cost of, you know, the financial barrier, about the cost of living away from home.

And so in the budget that we have before us, regional colleges' operating grants are increased by 4 per cent, double the rate of inflation, and the technology-enhanced learning budget was bumped up from just a quarter of a million dollars to in excess of \$1.6 million to give greater emphasis.

And so a lot of that is really a response to the message we heard over and over, as I say, particularly outside the two larger cities, that the biggest barrier's the cost of living away from home.

There was of course reference to tuition. And we will be, in Western Canada, we will be very comfortably compared to other provinces in Western Canada in terms of the tuitions that we have in our province. But it's with that in mind, going back to one of your earlier questions, that the funding to the university, but also SIAST and the regional colleges, was all

increased by 4 per cent, double the rate of inflation, to address that barrier as well.

(1530)

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you for your brief answer.

Mr. Minister, I appreciate your indication that the regional colleges is something that has piqued your interest and I believe the interest of many of the students around the province. In my constituency I'm fortunate to have St. Peter's College which is unique in itself, and one area that we'd like to discuss a little later.

But at this time I just have one question before I turn it over to some of my colleagues. Could you indicate what the average debt load is for a student over a four-year period, or a course completion area if you'd rather in that terms.

**Hon. Mr. Hagel:** — Mr. Chair, in direct response to the hon. member's brief question, another brief answer, even shorter than the one before.

At this point in time the average student debt load when they graduate is \$12,700. That's down from previous years. And we would forecast that with the millennium scholarship now in place, as well as the bursary enhancements that I referred to earlier being put in place two years ago here in Saskatchewan, that that will likely be reducing, I'm pleased to say.

And so I think that will . . . oh, it should probably also be noted, because I know you were asking about Saskatchewan student loans, that when a student is looking at their debt that they graduate with, that approximately two-thirds of that debt will be owed to the Canada student loan. And approximately a third of that will be owed to the Saskatchewan student loan.

So it would be fair to say that the average student graduating in Saskatchewan would have about \$4,000 owing to the Saskatchewan student loan.

**Mr. Brkich:** — Thank you, Mr. Chair. Mr. Minister, my question has to do with SIAST in Moose Jaw. It's to do with a particular course there — your electrician course, electrical course. How many do you offer in that, and how many students are enrolled in that right now?

**Hon. Mr. Hagel:** — Mr. Chair, I don't have that specific a detail on a program by program basis at each of the institutions, but if the hon. member would like, I can certainly get that for him.

**Mr. Brkich:** — Mr. Minister, I think you have 12 enrolled. I can give you that answer right now.

I would like to know, how long is your waiting list? Can you answer me that?

**Hon. Mr. Hagel:** — Mr. Chair, again I don't have that specificity of detail available to me but would be happy to get it for the hon. member. Also, it would be helpful in being able to respond, could you tell us which specifically — is it one of the

electrical programs specifically that you're asking about?

**Mr. Brkich:** — Mr. Chair, Mr. Minister, it's an electrician's course. Another would like to know is how long is your waiting list? I've had a constituent apply to it, and he . . . they just told him he would be on the waiting list, but they wouldn't tell him what order. So it's hard for students to make plans. Like if he's 14th he won't . . . he may just go keep working out for a few months until next year, but he's 4,014th, he better start looking somewhere else. And he was quite perturbed that they wouldn't let him know so he could make plans.

And if you could let me know is how many people right now are on the waiting list?

**Hon. Mr. Hagel:** — Mr. Chair, as is more often than we wish the case, some questions are a little difficult to answer at the best of times.

One of the reasons it may be in this particular course difficult to give your constituent a precise answer is that if this is an apprenticeable program, and it may very well be, then it operates on a continuous intake basis. And therefore the precise time at which there is an opening available will be . . . won't be determined by a pre-determined set date, but will be determined by the progress of people who are registered within the program.

**Ms. Julé:** — Mr. Chair, Mr. Minister. Mr. Minister, I have a question surrounding the SIAST Woodland Campus in Prince Albert and the operations therein.

One of my constituents went to Prince Albert to attend a course in carpentry. Now on February 25 last, Mr. Minister, 12 people wrote . . . 12 people in that carpentry class wrote an exam. Eleven of those people failed the exam. Only one person passed.

And my constituent has brought some interesting things forward for me to ask you. And one of the things he pointed out was that the course was taught in metric; however, my constituent estimates that 60 per cent of the exam was based on the imperial system. The exam was new and my constituent's class was the second class to write that exam. Now my constituent understood that in the past, students had a choice to write the exam using either the metric or the imperial system.

And one of the other concerns that he brought forward was that the class were tested on information that they were never taught, okay. So after the class had finished their exam, they wrote a letter of complaint and they did get a reply. However there was nothing definite offered.

He was told that he could put in an application to rewrite the exam again in June. Now a total of 7500 hours is required to write the exam and my constituent did have 8500 hours so he may apply again. However some of his classmates do not have that required time so they won't be able to reapply.

There is also the incidental, and to some people I guess that are struggling financially, there is . . . the other factor is that there is a cost of a hundred dollars to write the exam. And there is still outstanding the problem of metric and imperial and the

information that was never taught. So my constituent would like you to comment on this.

And I guess my question to you is, who monitors, who scrutinizes just what kind of exams are put across? And also just who is looking into whether or not the content of the exam is conducive to what has been taught or, in this instance, whether the exam content was in the imperial system rather than the metric or the metric rather than the imperial?

And I was wondering, Mr. Minister, if you could look into this situation and possibly contact the campus to get some of these things straightened out?

And I too would be very pleased if you would do something to assist these 12 people . . . or actually 11, I guess, who failed the exam through no fault of their own. I mean I think you would agree that when the rate of failure is that high, that there should be some extra consideration given to these people.

**Hon. Mr. Hagel:** — Mr. Chair, I want to thank the hon. member for the question and acknowledge that she's also written me a letter on the same subject just recently.

I think the . . . Just to come to the answer first and then I'll just make a comment if I may. This is something I'll want to look into. I'm not in a position to be able to give a precise answer here today but will look into it. In fact that was stimulated with your letter, and the process is underway and I'll want to do that and we'll get back to you.

Just by way of possible explanation, it would appear that the program the hon. member is talking about, Mr. Chairman, is an apprenticeable trade. And in that case the exams would be drafted and subject to the approval of the Apprenticeship and Trade Certification committee. And that is . . . those standards are driven by the industry.

So it may be that in this particular case, and I certainly do acknowledge that 11 out of 12 not having successfully written the exam is a matter for concern, that it has to involve some collaboration and discussion and communication between both SIAST and the Apprenticeship and Trade Certification Commission.

So we'll follow through on this and get back as quickly as we can.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, I would acknowledge, yes, that I did write you a letter on behalf of my constituent. However, these people are awaiting some answer and so I hear from them more than once and so this is why I brought it up today.

The other reason I brought it up, Mr. Minister, was because there was a similar situation to this from a constituent about two years ago pertaining to a different course. However, it was again pointing out the problem of exam content not reflecting the content of the course. And so I think it's really imperative on your part and your department to ensure that all of this is . . . all of this . . . the content as such is conducive with what's in the exam. And it's a matter of fairness to those people that are taking the course.

Mr. Minister, I've written you another letter that I also have had from more consultation with my constituent and they seem to be impatient with receiving the answers to some of their problems. So I've written a letter . . . rather received a letter from Ms. Colleen Schedlosky of Humboldt. She received a total of 293 . . . (inaudible interjection) . . . Pardon me? Colleen Schedlosky. She had received a total of \$293 in a provincial training allowance. And that was granted to her for the period of April 20, 1998 to July 3, 1998.

(1545)

Now after nearly two years she has been asked to repay this amount because she claims that they told her it was since determined she was not eligible. So her question is of course, if she wasn't eligible, how come she was deemed eligible two years ago? And why, after two years, are they asking to reclaim this money?

I know that there is another assessment done as far as the family's income and the kind of monies they have coming in. One of the things that happened in that time period was Ms. Schedlosky's husband had to take money from holiday pay at his job in order to buy their children eyeglasses I understand. So whoever was assessing for the provincial training allowance took that amount into account that he had received more money, but they did not take into account that that amount of money was used for glasses.

Now regardless, this was after the fact. And it seems so unfair to me that people are granted an allowance, and especially an allowance of \$293, which was helpful but nonetheless not a very great amount, and then are told two years later it's . . . Like she's wondering, what's up. She's wondering if the government is just trying to draw in more money at their expense or what is really going on here.

So I really do take issue with this because I do see the logic and the concern of my constituent in this case. And I would really ask that whoever does the reassessment should be, you know, weighing both sides of the story here — what their costs are for their family as well as what their contributions . . . or the contributions they receive through their salaries or whatever.

So if you could just comment on that, Mr. Minister, I would appreciate it.

**Hon. Mr. Hagel:** — Mr. Chairman, I thank the hon. member for raising the question which, as she correctly says, she did bring to my attention earlier. And then I responded on April 27 to you with a copy to your constituent. I don't know if you have seen the response yet or not.

But anyhow, the significance here is that the issue that you raise related to your constituent relates to the need to have income verification, and I understand that there was a fair lapse of time before the information was provided by your constituent which extended the amount of time in order to deal with this much more than would be usually the case.

However, I would say to the hon. member and through her to her constituent, that if there is a medically-related extenuating circumstance that hasn't already been known and been taken

into consideration, we would be very happy to have that reconsidered. And I simply don't know whether the information you've provided here is something that's in addition to what was previously provided.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, we'll keep on working on this together, and I will be in touch with you regarding the extra information should there be more forthcoming.

The point that was made to me is there was evidence given of costs as well as income, and the costs were not taken into consideration when this assessment was made. So that's the point I bring about and it's a point of unfairness if in fact that is true, and I have no reason to believe it is not true.

Mr. Minister, I'm not too sure whether or not it is your department that should be answering my next question, but in the provincial budget address it was stated that there was increased funding for the skills training benefit and a new forestry training strategy. So is that funding coming out of your department for the forestry training strategy?

**Hon. Mr. Hagel:** — Mr. Chair, just one final comment related to your constituent, we'll take another close look at that and I commit that to you.

And the answer to your question you just asked is yes.

**Ms. Julé:** — Mr. Minister, I'm just very curious about this, and because I don't have the details I'd like, I was wondering if you could just expound for me a bit on how the funding will be used for that skills training benefit and if you could tell me how the skills training benefit will actually work. What are the criteria for eligibility and who will be eligible? You could start with that.

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member, maybe the second part of that first. Who does the skills training benefit apply to? It applies to Employment Insurance recipients. And this is something that's relatively new here in terms of the provincial context as it comes about as the recently signed Labour Market Development Agreement that Saskatchewan signed with the federal government.

And it brings to the provincial jurisdiction then, some of the services that you would have maybe traditionally referred to more as through the Canada Employment Centres and things of that nature.

But what the skills training benefit provides is not the wage insurance benefit — that is paid through employment insurance. What it provides are benefits that are related to tuition and the costs of training, that sort of thing. And so I'll wait until . . . I think you have some other questions that you'd like to ask.

**Ms. Julé:** — Yes, I'd like to ask if there is money from the province going into this training strategy or is it all federal money?

**Hon. Mr. Hagel:** — The skills training benefit funds come to the province from the federal government.

**Ms. Julé:** — Thank you. And, Mr. Minister, I would appreciate if you could give me some clarification on the one-time tax credit for post-graduate students. Could you please give me some details on what kind of tax credit will be issued to post-graduate students?

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member, I can't refer you to the Act because it hasn't been introduced yet but will be shortly. And that will get us to the detail.

But in a nutshell, the post-secondary graduate tax credit will be available to post-secondary graduates in the year 2000 who have completed a course of studies of six consecutive months or more or its equivalent. And it will be claimed through the income tax system and will provide a benefit of \$350 in reduced Saskatchewan tax payable for the graduate who's claiming it.

**Ms. Julé:** — Thank you very much. That's a very precise answer, thank you.

Mr. Minister, I just wanted to ask also what the status is of the joint facility in Humboldt between the community college and Humboldt Collegiate. Now I know that there have been some classrooms added so that the regional college could offer more spaces, I guess, and more classes could be there for students.

I'm wondering if there is any other funding that is yet to come to that facility as far as the construction project or any other funding that, that they may yet await from your government?

**Hon. Mr. Hagel:** — Mr. Chair, the project the hon. member refers to is a project related to the basic education program and brings together Carlton Trail Regional College and Humboldt Collegiate Institute. The total expenditure funded providing . . . excuse me, the total funding provided for that is \$958,000, and the project is completed.

I was very happy to attend the official opening, and I know that for people in Humboldt it's . . . well it was an exciting day. But more importantly they see it as an excellent facility which will provide a, a synergy I think is fair to say, between the collegiate and the, and the college. It's becoming more characteristic of regional college relationships with high schools or institutes, you know, around the province.

And so the direct answer to the hon. member's question is that there is no more obligations related to that. The project is concluded.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, I want to thank you wholeheartedly for your responses and I also want to thank your officials. And I apologize for not welcoming them when I stood today but I want to thank them very much for coming and for providing assistance that you need.

And there are other hon. members from this side of the House who at another date will be, I'm sure, putting forth more questions to you. Thank you.

**Hon. Mr. Hagel:** — Mr. Chair, I'd just like to thank the hon. member for Humboldt and several of her colleagues for their questions today. And I look forward to continuing the estimates unless, of course, they decided they'd like to vote them off now.

But in the absence of that, I'll defer to the Government House Leader.

**Mr. Toth:** — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, and to your officials, I have a question and it depends whether it'll translate into two or three, depending on your answer.

But the question I have is regarding student bursaries. And I'm not exactly sure how much input you have regarding bursaries or the bursary program; but one of the concerns that has been brought to my attention is the fact that if you get a bursary, say from the University of Regina or from the university of Saskatoon, in order to qualify for that bursary you must go directly to university.

And I find that there are a lot of young people who find that, maybe they need a year to raise some funds so they can go to university, or just are not quite prepared, or find it challenging just to move right from Grade 12 and would like to have a break. And yet the bursaries are tied to immediately going into further education.

(1600)

What I'm suggesting, Mr. Minister, is that it would be appropriate, it would seem to me, to at least have a three-year lead way that a person . . . if you qualify for that bursary, you have within three years to take advantage of the bursary. And that gives you the chance to raise some funds for yourself, maybe work a year.

Just this past year, for example, I've got a student who came to see me who has had two years under their belt now in education. But they find that they're . . . financially they're being strapped even with the bursary and were thinking of taking a year just to build up some funds to complete their education. However if they take the year, then they lose access to the rest of the bursary.

And so I'm wondering, Mr. Minister, what your thoughts are on that? Whether it's something that could be pursued in discussions with the universities, considering the fact that most of the money that they receive comes through public funding? So I'm wondering if you could give me a view or whether or not there's been any discussion that has taken place to address this concern.

**Hon. Mr. Hagel:** — Mr. Chair, I guess we weren't done and so I look forward to more conversation here.

As the hon. member may be aware, it will often be the case that when the universities are providing bursaries, that they're providing bursaries through funds that have been raised through donations that they seek for that purpose, and therefore would quite legitimately be entitled to determine what the criteria are.

However, I have noted the hon. member's recommendations and I've made a note of it and I will commit to the member that I will pass it along to both of the universities — the suggestion that it be something that be made available, if I remember your precise recommendation, for up to three years.

**Mr. Toth:** — Thank you, Mr. Chair. Mr. Minister, I would appreciate that. Because I think . . . it would seem to me the fact that the funds are there, and with some discussion, we should be able to find a rationale that assists students who are planning to further their education and have qualified for, but need that period of time to really establish themselves and kind of look ahead too.

One of the problems they do face is, you're finished grade 12 and you're still not exactly sure where you want to head. And you don't want to really be using money in a program that may not be a real benefit to you. So I'm looking forward to response in the near future, or whenever possible, as to some of the challenges of what can be done in this regard. Thank you, Mr. Minister.

**Hon. Mr. Lingenfelter:** — Mr. Chairman, I move the committee report progress.

**General Revenue Fund  
Highways and Transportation  
Vote 16**

**The Deputy Chair:** — I'm going to invite the Minister of Highways and Transportation to introduce his officials.

**Hon. Mr. Sonntag:** — Thank you. First of all, seated immediately to my right is our deputy minister, Ron Styles. To my left is Barry Martin, the assistant deputy minister of operations. Seated directly behind me is Carl Neggers, the assistant deputy minister for policy; and just to my right and behind me is Don Wincherauk, the assistant deputy minister of corporate services.

**Subvote (H101)**

**Mr. Elhard:** — Thank you, Mr. Deputy Chair. I would like to thank the minister and his officials for attending the House again this afternoon. The last time we met it was under difficult circumstances and it was a much abbreviated visit, and we hope that we won't have any recurrences.

And in view of the fact that there are many questions pertaining to the Highways financial and budgetary areas, several of my colleagues have asked an opportunity to present questions. And I would like to turn the floor over now to one of my colleagues. Thank you.

**Mr. Bjornerud:** — Thank you, Mr. Chair. And I also want to welcome the officials here today.

Mr. Minister, I think I could probably shorten my questions up by just saying that every highway in my constituency is in terrible condition, and sit down and leave it at that. But I would like to individualize some of these highways, Mr. Minister.

We have a little town of Bangor, village of Bangor out there, to No. 9 Highway, that was a highway that was previously oil-surface and has gone back to gravel. But the calls we are getting — that this is one of the highways that is full of holes and in very poor condition.

Another one, Mr. Minister, I'd like to talk about and I think

deserves some time because of the traffic load on that highway and I think it would be a lot more traffic on that road if it was in better shape, but your department, I think it was two years ago, from Wroxton to Kamsack, resurfaced about half of that highway. And it was in dire need of that at the time and that was a great improvement; but kind of bewildering to me is why we left the other half of that highway and up to this point not gone back.

And I was wondering, Mr. Minister, what the reason for leaving that part of the highway, the other half of that highway, and not going back; and when we are going back to fix that, Mr. Minister?

**Hon. Mr. Sonntag:** — To the hon. member, it's just very simply a matter of funding. We recognize the concerns that he has obviously. But the reason that it wasn't entirely finished was very simply a matter of funding, and our intent for the coming year is simply to maintain it as best we can.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. But I guess it's . . . Again I say it's very puzzling to me, because the work you are doing from Kamsack towards Canora is on a highway that I would say is far superior in surface. I've been on that highway a number of times and that road didn't seem to me to be nearly as bad as one from Kamsack south on the portion that hasn't been done.

In fact, Mr. Minister, I'd go as far as to say the highway south from Kamsack is actually dangerous. And I think I've said this before in the House here, that when we have a rain out there it's just like your vehicle is hydroplaning on this water that's in the tracks out there, that I would hazard to say that they're at least four or five inches deep in some spots, along with the holes that have developed in that highway. That highway out there from Kamsack south is in terrible, terrible condition.

And I think many of the taxpayers out there are wondering why. It's like repairing half of a chain where half of the links are brand new, half of the links are wore out, and the whole chain really for that matter then is still useless because you don't want to even drive down it. I believe that highway, the traffic flow would be far heavier if we fix that highway from . . . totally from one end to the other.

Mr. Minister, I want to mention a few other highways out in my area that we've had a number of complaints on, one being No. 80 from Churchbridge to Esterhazy, especially to the K1 mine. It's really just like the surface of that highway is wore out. It's going to take a lot of work, and I think the longer we leave that highway to fix it, far more expensive to fix.

Also No. 8, Langenburg south to the Junction of 22. From 22 to Spy Hill has been rebuilt in the last — oh, I don't know what it was — four, five years ago, and is a fairly good section of highway. But from Langenburg out to Junction of 22 is in very poor condition.

Another highway, Mr. Minister, and it was one I was over Sunday night and it's actually becoming very dangerous, is No. 15 Highway from No. 9 crossover to No. 16. And there's been portions of this resurfaced and repaired and actually standing up far better than I thought they would this spring, but there's

sections that have probably never been actually more than just the odd hole filled in it. And it wasn't that many miles, Mr. Minister, and I don't think it would, you know, be a big section that needs to be addressed.

But I'll tell you the situation I had Sunday night is that a vehicle passed me and there was actually pieces of pavement flying up, that I would — you know, I'm not exaggerating — I would guess that were within probably two inches in diameter. And there's a safety issue out there as well, and I'm sure people will bring this to the Highway department, the crew out there to look at. But I would hope maybe you would mention it to them too, Mr. Minister, because sooner or later somebody is going to get hurt on that piece.

Another issue, Mr. Minister, I'd like to talk about and I've had a number of calls and you may as well, it deals with the issue of the . . . (inaudible) . . . of the Highway 16 travelling through Churchbridge. And as you know, Mr. Minister, I think you're aware that the highway runs not directly through the centre of Churchbridge, but very close to that proximity. And a number of the school kids have to cross that highway every day — probably every day of the week for that matter — because the rinks are both on one side and a number of the facilities that they go to every day of the week are on the other side of the highway.

The concerns that have been brought to me . . . and people realize there's no quick solution here. I think the speed limit through there is 60 kilometres an hour. And I don't want to stand here today and let you think that I know the answers of what could solve the problem because I don't. And most of the calls I've got, I think most of the people calling can't push a button and say, this is what you need out there. As we know in many cases people will call us and say, oh this would fix it.

No one is really saying that. They're saying, we have a real concern out here because, as you know, there's been a number of accidents out there. There's been the odd kid hit on a bike and that out here in the last year or two, and I'm not sure what the answer is. Some have suggested maybe we should try and improve the signage. Others have said that the traffic is actually not slowing down to the 60 kilometres an hour.

And I'd just like your response to that, Mr. Minister, if there was some suggestions you had maybe, that we could do to deal with this problem because I know where these people are coming from. There's been a number of accidents have happened at that intersection. It's wide open.

I go through there a number of times per year myself, and I'm not just sure what the answer is, but I think before we do have another very serious accident there, maybe you know whether . . . I think there's even flashing lights at this point, so it's not that there isn't something there to warn the traffic. For some reason the number of the traffic vehicles going through are not heeding the signs that are there.

(1615)

**Hon. Mr. Sonntag:** — First of all I have to say that I've learned something here today. I actually . . . I was always of the view that the hon. member did have the answers for these

things, so now I'm going to have to figure some of these things out on my own as well I guess.

Let me say generally though that in the spring of the year, right now, is obviously the time of the year when you see the most damage. We've had the full winter with all of the breakup and very little time to have done the repairs that need to be done. So the most exaggerated time of the year when most of the damage is done is right now.

I want to say with respect to the . . . I think it's the highway you were talking about with respect to Kamsack and Canora, that is actually a structural pavement. And I know we often get questions about structural pavement. Why are you repairing roads that are obviously . . . look like they're the best roads in the province? It's largely because of the investment that we've made in those roads. We want to ensure that our investment in those roads is maintained.

And quite often there will be cracks that are sub-surfaced that we can't see but our engineering department has monitored that and has detected that it needs . . . that our value for . . . for the dollar invested it makes sense to do the repair right now even though there's the . . . the surface may not look like it needs it. So for minimal amount of money invested it will maintain that investment for some number of years into the future.

Also I appreciate the concern that you've raised with respect to the pavement broken up and at times causing a safety issue. Again this is the worst time of the year for that without a doubt and we do have crews to the best of their ability monitoring the roads on a regular basis to clean up any breakup that does occur.

And lastly we . . . if the issue of the Churchbridge intersection has been brought to our attention, we apologize but we're not aware of it. But what I am prepared to do is to ensure that a maybe . . . we do safety audits in areas sometime, and certainly we're prepared to do that in that particular area if that would be of assistance.

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Minister, and to your officials just a couple of questions here related to Highways 48 and No. 8. Mr. Minister, you are probably aware of the fact that some construction has taken place on Highway No. 8, north of 48, up to the Pipestone Valley, and then just last year south of Moosomin to the valley.

And there's about a stretch I'm guessing right now, it could be about 7 to 10 kilometres, and just wondering, Mr. Minister, what the plans are and if there's any . . . are there any plans in place to complete that section of road so that you've got a very good highway from No. 1 down to Highway No. 48, or whether that section through the valley there now is just going to be left for a while. It's becoming very poor. As my colleague indicated, it's getting beaten up and certainly it's an issue, I think, should be addressed rather than just having a short section between two sections that have been upgraded and really have been a major improvement to Highway No. 8 south of Moosomin.

So I'm wondering, Mr. Minister, if you could just kind of give me an idea of what Highways' plans are for that section of

highway?

**Hon. Mr. Sonntag:** — Okay, first of all the south end of the road that you refer to, the section of road that you refer to was actually done under CAIP (Canada/Saskatchewan Agri-Infrastructure Program) funding. So that's how we accomplished fixing that one. The north end, as I understand it, was just completed.

Now both of those sections, and actually in my response to the previous member's question as well, these are . . . both sections are what we define are called structural pavement. So with the six to eight kilometres in the middle which are still thin membrane or TMS, thin membrane surface, obviously our plan would not be to leave, in the middle of structural pavement, a section of road as TMS. Our plan is clearly, in the short term, while it's not on this year's planning to be done this year, our intent in the very short term is to ensure that that as well is upgraded to a structural pavement.

**Mr. Toth:** — Mr. Chair. Thank you, Mr. Minister. Mr. Minister, I can appreciate the fact that it's probably not in this year's budget, especially when we look at the capital construction being . . . actually losing another \$3 million this year. And one begins to wonder when we're ever going to get some of these roads addressed.

But while we're talking of No. 8 between No. 1 and Highway 48, Highway 48 itself from Kipling east to the junction of No. 9 and then certainly from the No. 9 right through to the Manitoba border, specifically from the area of Fairlight to Maryfield, and then Highway No. 8 just south of Fairlight, I've had a number of complaints in the past while, actually past two, three weeks. And my colleague the member from Saltcoats was talking about some of the problems of the highways in his area.

Highway No. 8 south of Fairlight, individuals have been running into major car problems. One of the problems is flying pavement actually not just creating a crack on a windshield but actually breaking windshields. Individuals have also called who have had their fuel lines pulled apart as a result of the broken pavement there, Mr. Minister. And I'm wondering, Mr. Minister, what plans the department has to address Highway 48 and Highway 8 in that southeast corner of the province.

I say that, Mr. Minister, because I believe when you . . . if you were to look very carefully at Highway 48 — and I know Mr. Martin would be aware of this as well, having served in that area — but Highway 48 when you come in from Manitoba you've got excellent highway right up to the Saskatchewan border.

And I have had a number of people comment about the fact as you're coming west from Virden on this beautiful highway in Manitoba and you hit the Saskatchewan boundary and we've got this big sign that says Saskatchewan Naturally, and the comments from people are yes, it looks like it's natural all right, we're going back to where we were about 50 years ago.

But, Mr. Minister, if you look very carefully, when you look at economic development, and your government has talked a fair bit about economic development, you look at economic development, we look at tourism, and Highway 48 and

Highway No. 8 serve two purposes as well. Both Economic Development and departmental officials are quite well aware of the fact that we've got crossroads 8 and 48, the Pool high terminal there, and that's one of the reasons that we're going to have to work extensively to upgrade the highways in the very near future, because of the heavy traffic flow with grain flowing on it.

So, Mr. Minister, what I'd like to know is if your officials and if you can give us a commitment to some firm progress or work on both of these highways? And I know I could go at them in pieces and extensively address a number of the concerns there, but I'd just like to know exactly where we are and what plans are being put in place to upgrade those highways to address the fact that they can be a real benefit? A good highway system there, a real benefit in the areas of tourism and economic development in that part of the province.

**Hon. Mr. Sonntag:** — Okay. You raise a number of questions and issues and I want to try to respond.

First of all, with respect to the amount of funding on the capital side. In actual fact the amount of funding reduction was 3.5 million which you referred to, was directly related to the federal government's reduction in the CAIP funding. That's the Canadian agricultural infrastructure program.

We actually partially backfilled that so in fact the province's contribution to capital construction has actually gone up while at the same time the overall reduction . . . There is a reduction; you are absolutely correct, but it's a direct reflection of a reduction in the CAIP funding from the federal government.

With respect to . . . And we often get this raised with us with respect to how roads affect tourists coming to Saskatchewan. First of all, I would I think dispute that. While certainly it's critical that we maintain the infrastructure, the numbers would not reflect that at all. In fact we have an increase in the tourism growth coming to Saskatchewan. It's been exponential growth year over year in the last number of years.

So while it's critical, certainly the criticism that we receive sometimes from the public that says that tourists, once they've been here, won't come back and we're going to lose tourist numbers, doesn't seem to be reflected in the tourist numbers that we see each year.

With respect to the two roads that you have directly referred to, they are certainly of importance. We acknowledge that. We are right now working with the area transportation planning committees to determine what are their highest priorities within the area that you've described. And certainly we'll wait to see what they recommend with respect to highways, which we anticipate, I would believe in the very short term we would know what their highest priorities are within the area that you described.

**Mr. Toth:** — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, when you talk about tourism, I think you mentioned about the fact that tourism has been up. And that doesn't necessarily reflect the fact of increasing majorly in our area. I think when you're talking tourism, you're talking all of the province of Saskatchewan.

And I'm not saying we're losing a lot. But I'm saying we could certainly, by upgrading that access road, it would improve the amount of tourism into that area of the province. Because I know that a number of people find that in order to arrive at say the Moose Mountain area from Manitoba, it's much more convenient to come in south to the Carlyle area, or No. 1 and then proceed north or south on No. 9 respectively. And so, Mr. Minister, certainly that's an area that needs to be addressed.

The heavy haul, I don't think you can argue with the fact that when you've got high throughput terminals, you've got the United Grain Growers has established a high throughput elevator in the Redvers area. You've got 8 and 48 crossroads at the junctions of 48 and No. 8, and then the MTL (Moosomin Terminal Limited) on No. 1. So there's a fair bit of heavy grain traffic and movement on that highway as well as the tourism area.

So, Mr. Minister, I would certainly trust that we can sit down and arrive at a long-term plan. Because I'm not expecting that it's going to be done overnight. We've got a fair number of kilometres that need to be addressed in there, and some of those . . . most of that would mean major construction, not just sealing off the top there, because that won't address the concern there. You'll just have ongoing breakup of the pavement.

(1630)

So I would encourage you, Mr. Minister, to have your department look very closely and develop a strategy to address the construction of these roads in the near future with a plan. I believe the public would certainly say, well we've got a plan in place and it looks like we're really going someplace.

Like you talked about the . . . what is it — \$250 million to upgrade the two major highways in this province, and, well we haven't seen a lot as yet. But begin to move on it, and really set a stage out there — that's what the public is looking for and they're not expecting things overnight.

So, Mr. Minister, I'm asking if it's at all possible to come up with a significant plan to address those two highway systems. Thank you, Mr. Chair.

**Hon. Mr. Sonntag:** — Well let me say in general, obviously we agree with the member on his remarks with respect to economic development and tourism. Anything that we can do to improve those roads will obviously improve the economy in that area and will assist in things like tourism.

With respect to plans, we have laid out . . . and I agree as well that the public I think doesn't expect us to accomplish everything in one year and I think they do prefer a plan to be laid out. And that is partly why in the absence, largely the absence of federal funding, we've laid out a plan over 10 years to spend \$2.5 billion.

Most recently out of the election we committed to spending a billion over four years. Starting this year, we've spent one-quarter of that. Based on the projections, it probably will actually exceed that.

And in the discussions we've had most recently in this

legislature with respect to the issue of twinning, as well — I know it's not what the public would desire right now, but obviously, again in the absence of funding from any other areas, specifically the federal government — we have laid out a plan to twin the two major Trans-Canada Highways, 1 and 16, over the next 15 years.

So I agree entirely that it's important that we do lay out a plan for the public of Saskatchewan.

**Mr. Brkich:** — Mr. Chair, Mr. Minister, officials, I have . . . well many questions about all the highways in my constituency. But right now I'll start with the worst one, which is Highway 15 from the town of Kenaston west to Outlook.

It is basically destroyed in that area. There was a serious accident I believe last fall where two vehicles were going down there in broad daylight, and they met and one was thrown in the path of the other just from the roughness of the ruts. In that area we've had numerous, numerous complaints. Everyday there's phone calls over this particular stretch of highway.

I'm going to ask you, what are your plans in this particular stretch of highway for this year?

**Hon. Mr. Sonntag:** — I think specifically, to the member, on the section that he is referring to, that is from Kenaston west to Highway No. 19, we are planning a resurfacing project there of almost \$2 million this year. And the tender we believe will be going out in the fairly near future for that particular stretch of road.

**Mr. Brkich:** — Mr. Chair, well thank you. My constituents will be happy that you're going to do some work on that stretch because it is . . . it's glad it's being addressed because somebody is going to be killed on that stretch in the near future if it's not being addressed. So I will pass that message on to you and probably save your office maybe a lot of phone calls coming up.

One of the concerns I have on that highway because there have been various vehicles damage to them . . . I've had a constituent phone that he . . . a piece of pavement was broke off and his vehicle was damaged. And it was not flagged because he approached SGI (Saskatchewan Government Insurance), went through that, and they'd said well if it's flagged they don't pay damage.

Now in an instance like this where it wasn't flagged — and he has proof that it wasn't — and they're still not paying, whose responsibility is this? Does it come back to the Highways department for a section of . . . Basically it was a piece of pavement about a foot by a foot that broke loose as he was driving through, come up and damaged his vehicle.

**Hon. Mr. Sonntag:** — Let me say generally, in policy, this has been the practice in years past and continues to be. On a section of road, if it is unmarked and has shown to cause, with proof, vehicle damage, we are certainly prepared to — and it would not, and in that case usually SGI apparently does not, would not cover it if it's been unmarked — we would be prepared to entertain a claim if the individual so chooses.



**Mr. Brkich:** — Mr. Chair. Okay, I'll basically I'll forward you his claim here. I have all the information. I'll either do it either later today or tomorrow morning. I'll come to your office; we can discuss it.

On . . . we did so far pretty good on Highway 15. Let's talk about Highway 42. It's basically between Eyebrow and Keeler. Are you planning any work this summer on that stretch of highway?

**Hon. Mr. Sonntag:** — On the stretch that the member refers to, we certainly recognize that it is severely distressed. And while there isn't anything contemplated for complete rebuilding of that right now, we are doing what we would describe as above average maintenance so there will be deep structural patching. So there'll be sections that'll probably actually be dug up and with clay put in, to ensure that the places where there is repair done, it's not just surface but it's also subsurface.

**Mr. Hermanson:** — Thank you, Mr. Chair, and welcome to the minister and his officials. Can't let a chance to question the Transportation minister go by when you come from Rosetown-Biggar constituency, and when you drive on almost every highway in Saskatchewan. At least, I should say, try to drive on every highway in Saskatchewan. I hit a spot near Eyebrow the other day, at about 60 kilometres per hour, and wondered if I was going to be able to keep my CVA (Central Vehicle Agency), CVA vehicle on the road. It was just preposterous. And they've been trying to fix that hole which is about 100 feet long and gets ruts about a foot deep in it every week. And I see them losing the battle there at the community of Eyebrow.

The highways are a huge concern to the people of Saskatchewan. It doesn't matter whether you live in Regina or Saskatoon or if you live out in rural areas, you do use the highways of this province. And it doesn't matter if it's . . . whether it's No. 1, the Trans-Canada or the Yellowhead or a secondary highway, the quality of our highways leave a lot to be desired.

Mr. Minister, a couple of years ago — and this was before you were the Minister of Highways, when your predecessor was the Minister of Highways — there was a road and rail meeting in my community of Beechy, Saskatchewan, and they were determining the possibility of short lining the CN (Canadian National) rail line from near Saskatoon, down through Beechy, and also west through Eston.

And there was a member, a member from the Highways department speaking on behalf of the Department of Highways at that meeting, and he made a comment that I've never forgotten and it's concerned me. He told me that secondary highways in Saskatchewan were not designed for truck traffic. And he's talking about heavy truck traffic. He's talking about B-trains. He's talking about the, you know, the big loads.

He said that they were not designed for this traffic and seemed to indicate to the public at that meeting — and there was, you know, 2 or 300 people at that meeting — that trucks really had no business being on those highways. They weren't designed for them.

And now, Mr. Minister, as you know, even if the rail line did stay in — and there is a good possibility that it may not if they can't reach an agreement with CN rail — but even if the rail line continued to haul grain out of that area, there is still a need for heavy truck traffic.

There is still a need to move machinery, to move fertilizer, to move livestock, to move specialty crops in a timely fashion on a highway that's safe. The highway under consideration, I think at that time, was Highway 342 from Beechy to Kyle but it's applicable to any secondary highway in Saskatchewan.

I'd like to know if the Government of Saskatchewan has changed its position. And when it's designing, when it's repairing, and when it's constructing secondary highways in Saskatchewan, are you designing them now for truck traffic, realizing that truck traffic is a fact of life in Saskatchewan and in our economy?

**Hon. Mr. Sonntag:** — First of all let me say to the member, as the former minister responsible for Sask Property Management and CVAs, I want you to be sure that you're looking after our CVAs. And also, as the member from the constituency of Meadow Lake up in the northwest corner of the province, I too have the opportunity to travel a lot of the provincial highways and I know that many of the concerns that you raise are legitimate.

I think specifically the short-line that you're referring to is the West Coat Road and Rail. And I guess I would have to concur with what our department officials said, and that is that many of the roads that were constructed some years ago were in fact not designed for the traffic that they now are being asked to bear.

And as an example, this number . . . You may have heard us use this before in the department, but we estimate right now just the transition from rail to road of goods, from road to rail in the last few years, is now costing our department and the province about \$50 million a year additional by way of increased road costs.

And on a budget of \$250 million annually right now you can see that that's a substantial amount. And we estimate in the very near future, if the continued abandonment continues at the rate it is, it probably will cost us about \$80 million a year additional, above and beyond what we're currently spending.

Having said that however, we are working with the area transportation planning committees to ensure that in the future the roads that we are designing and building are in fact designed and built for the traffic that obviously will be travelling across those roads in the near future and well into the future. I shouldn't say to the near future but into the long future.

(1645)

With respect, particularly in an area that you might be interested — that's Highway No. 342 — we actually have a partnership between the department and the RM (rural municipality) to upgrade that road to a standard that does accommodate some of the heavy haul there. So we do understand that the roads have to be upgraded. We are certainly not telling the trucking companies, and farmers for that matter, that we don't believe

that they should be travelling on those roads. We have a huge challenge in trying to upgrade the roads to the standard that the public will need into the future.

**Mr. Hermanson:** — Thank you for that answer. And I would just point out to the Minister of Transportation that in the last election campaign in fact we suggested an extra \$50 million was needed for the Department of Highways, above what was currently being spent by the government. I think you've collaborated the fact that we were right on the money in suggesting that.

And the longer you wait to put forward those additional funds, and I recognize there are a few more dollars this year than last year, but we are still behind where we need to be in funding highways. And it makes the repair costs accelerate, and the potential of reaching the target budget required to actually improve our highways becomes more and more difficult the longer you wait to increase funding for highways.

I also am aware of the arrangement on repairing Highway 342 between the RM and the Department of Highways. But I would point out that the finish, the surface that the Department of Highways, your department, put on Highway 342 after the RM had built the grade, is already deteriorating, less than one year after the construction was completed.

And that brings me to my second question, and I'm sure you've answered this in years previous, and your predecessors have probably also tried to answer the same question, but I want to hear myself from you as the minister. And that is, what is the rationale to keep filling these potholes year after year after year, to see them re-emerge year after year after year. And having, you know . . . maybe I'm recently an MLA, but I'm also a Member of Parliament and I've travelled Saskatchewan for years, and the same highways seem to get a little worse every year. And this filling the potholes is a losing battle.

Do you, first of all, recognize that in your department, and if you do recognize it, what are you going to do to turn that around. Because it's costing the taxpayers a lot of money and it's causing the drivers of Saskatchewan a lot of grief to have to fight this pothole epidemic year after year. And it seems to be longer periods of time with more and more damage to their vehicles on more and more highways. It's unacceptable. It's a losing battle. It's costing our economy, I would dare say, millions of dollars now in lost productivity and damage to vehicles.

I talked to one of my constituents who lost an axle on his trailer hitting a pothole on a Saskatchewan highway. Now even if your department did reimburse him for that — and I don't think you have — but even if you did, the expense of lost time, inconvenience, perhaps an accident that causes bodily harm, is serious enough that it warrants a new direction from your department. And I'd like to hear what new directions your department might be taking to solve this problem and these problems once and for all.

**Hon. Mr. Sonntag:** — Let me say again, first of all, several things. We recognized the . . . I mean we recognized the concerns that you raise with respect to road damage. But it really is a matter of cost-effectiveness. If we had the dollars to

reconstruct all of the roads certainly, probably that is what we would do if it made sense.

But to maintain roads and to do the maintenance and repair is much more cost-effective. Although it might not be the thing to do for long term, it certainly is the only affordable thing that we can do short term. So that's the explanation as to why we continue to do maintenance and repairs.

Some of the things we have done — and recognizing that concern though — some of the things we've done obviously this year, you've acknowledged that there was an increase in our budget of fifteen and a half million dollars, which is actually a 6.6 per cent increase over last year, and well above the average departmental increase and well above the rate of inflation.

As an example in the last . . . since 1996, recognizing that concern, we've increased the department's budget by almost 48 per cent. With respect to the area of road maintenance or preservation, I should say, there has been an increase this past year of almost 12 per cent — acknowledging the very concerns that you raise.

**Mr. Hermanson:** — You didn't quite answer my question. Yes, I know you have to keep filling the potholes every year. But I've seen highway construction.

I think of the highway north of Beechy to Dinsmore, Highway 42 and Highway 342. I think of many other highways where you've actually done reconstruction. You've tore up the old coat, you've put on a new layer of asphalt, and yet within about two years the potholes are there just as bad as they were before the construction was done. That's got to be hugely costly to the taxpayer and we're not getting any benefit, because we've got the pothole filling crews back out there two years later.

Why don't you change your policy so those highways are fixed once and for all properly? Isn't it far less cost to the taxpayer to do it once right than to do a half — better not use that word — a halfway job and have to repeat it two years later? Or put up with potholes for five or ten years, and then redo it again? And more potholes. Like there's no winning this battle.

**Hon. Mr. Sonntag:** — To the member. First of all, unfortunately in Saskatchewan with the weather conditions that we have and the winters that we have, we have yet to design a road surface that is pothole free. It doesn't matter . . . some roads obviously, the higher standard you'll see potholes not nearly as soon, but you will eventually see potholes on roads in Saskatchewan, every single one.

And with respect to your specific question about whether or not we should build roads to a very high standard to avoid the maintenance and repair and why don't we do that, if we were to go to what we described as an AC surface which is an asphalt concrete surface, you can add on an additional \$80,000 per kilometre, which is nowhere near the cost of what we spend in maintenance on an ordinary per kilometre of road in any number of years.

So while it might be much more desirable to drive on a surface that has an asphalt concrete surface, it's simply really a matter

of cost-effectiveness of whether the people of Saskatchewan can afford a road like that. And until we get additional funding from somewhere, it just unfortunately isn't an option.

**Mr. Hermanson:** — Well thank you. That's an answer, but I don't think it's a good enough answer.

The people who drive those roads, who have to put up with the repair on their vehicles — and it costs them in some cases hundreds, perhaps thousands of dollars a year in extra maintenance costs — I believe, want you to re-look at some of your economics. And they are not convinced and neither am I convinced that filling potholes and crack filling year after year after year is more economical than doing it right the first time.

Also you talk about the weather here, but the weather here isn't a whole lot different than it is in Alberta or Manitoba. And I suggest to you as a minister — you drive some roads, particularly ask you to take the highway from Medicine Hat to Empress which basically goes through nowhere. All it does is bring shoppers from Saskatchewan into Medicine Hat to do their shopping. And this is secondary highway country — excellent highway — and far better than once you hit Empress. And I believe you go to Burstall, and if the member from Cypress Hills correct me on that, where suddenly you're on a goat trail again. Same weather on both sides of the border, Mr. Minister. So that answer really is not acceptable.

Last thing I want to mention is the first Highways minister in the NDP government was a former member for Rosetown-Biggar, Berny Wiens. And Mr. Wiens had this idea that he was going to return our secondary highways to gravel. And I think he was going to start with the highway from Rosetown to his own community of Herschel, and he got told in short order that that was unacceptable.

But it seems like in a very quiet manner this government is trying to return secondary highways to gravel. It has happened from parts of Kenaston to Nokomis and Highway 15; parts of Highway 44 from Loreburn to Davidson, from Elrose to Dinsmore; from — and I can't remember the number of the highway — from Riverhurst up to Birsay. Many highways that were dust-free are now gravel roads again.

And I would ask the minister what percentage of roads does he anticipate, of paved roads, surfaced roads, will be returned to gravel over the next two years?

**Hon. Mr. Sonntag:** — First of all, just let me say if the member is comparing Saskatchewan's roads to Alberta, I think he makes my point, that whether or not it's cost effective, Alberta's budget for highways is about a billion dollars a year for just a fraction of the number of roads that we have here in Saskatchewan.

So if the member is suggesting that we should spend that amount of money in Saskatchewan in that it would be cheaper than the maintenance, I guess I would have to respectfully disagree ... (inaudible interjection) ... Well it would be desirable again to have very high quality roads everywhere in Saskatchewan. It's simply a matter of affordability.

The committee reported progress.

## BILL WITHDRAWN

**Hon. Mr. Lingenfelter:** — Mr. Speaker, before we adjourn today I would move by leave of the Assembly and seconded by the member from Regina Victoria:

That the order for second reading of Bill No. 11, The Electronic Information and Documents Act be discharged and the said Bill now be withdrawn.

I so move.

Motion agreed to.

The Assembly adjourned at 5 p.m.