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EVENING SESSION

COMMITTEE OF FINANCE - SOCIAL SERVICES - VOTE 36

ITEM 1 cont'd.

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Chairman, Mr. Minister, last Friday, the outline - I want to go back to the Walter Chester case for a few minutes. You had outlined and read a letter on five points where you said that Walter Chester was suspended from the correctional institution. There is a first part to that letter which had not been read into the record that you never referred to and we've been arguing the point that Walter Chester was suspended because he was found guilty of the assault charge. I would like to read into the record, Mr. Minister, the first part of the letter and see if it deals fairly. It is pretty well outlined in there that the man was suspended and demoted because of the assault charge and, in all fairness, I hope that the members on the other side of the House do listen. It was a February 16th letter and it was addressed to Mr. Chester and says:

Further to my January 27th, 1977 letter, the review of the charges against you have been completed and in view of the court's February 11th findings of guilty on the assault charge, I am taking the following action. While you are suspended from December 29th, 1976 to February 11th, inclusive, and effective Monday, February 22nd, you are transferred to the Prince Albert probation unit. You will maintain your present salary level until March 21st, 1977 at which time you will be demoted to a social worker 2, probation officer at a salary of \$1,061 a month. Please report to the probation supervisor, Dave Simpson, during the morning of February 21st.

While my decision to suspend and demote you is based on the conviction of the assault charge of February 11, 1977, I have also reviewed your work history and find that it confirms my decision. In fact, a review of the past performance indicates that management has had long-standing concerns about your willingness to follow established policies and philosophies of the correctional centre. Specifically, my concerns include the following.

And that was the five following points, Mr. Minister, that you have read into the record. All along you have been denying that the assault charge and the court ruling had nothing to do with this man's demotion or your department destroying that individual.

In the Moore Inquiry on page 65, it has been read to you before, there is a deputy minister advising that the decision to transfer was based on the finding of guilt and further that the review of Chester's past performance showed that management had long-standing concerns about his willingness to follow established practices.

Moore goes on to say:

I am satisfied that had Chester not been found guilty of the charge he would still be in the employ of the centre.

It is drawn out pretty loud and clear in the Moose Inquiry that they felt that it was the

charge that demoted Walter Chester and probably a personal vendetta. Looking at it, it was probably your opinion at that time to show the inmates that you were going to take charge of the institutions in Saskatchewan and used Mr. Chester as a scapegoat for it.

On the five points that you outlined, Mr. Minister, I am just going to run through them. On the one, the second one, you said in April of 1973 he had received an official reprimand for issuing guns to staff contrary to the policy of the centre. In most of the rules and regulations of the centre it says that the administrator or his designate will be in charge of the centre. At night the administrator or warden or whatever he was called at that time was not at the centre and Walter Chester was in charge. This noise riot at the time had been going on for three days and during those three days the administrator had been in. I know many of the people who live alongside of the institution and the yelling and the screaming was bothering everybody. He issued arms and put guns on the outside of the building and the noise subsided shortly after that. In this statement it sort of looks as though he went ahead and did this all on his own. Mr. Minister, at that time the city police were involved with that; they were notified of it. They got involved because there were also many phone calls made at that time. I realize that the administrator of the centre was not there at that point. So it wasn't as though this man took his men and put them outside just on his own hook. He had some cause to do it; he did it and the noise subsided.

There was another one, in number 3, where Mr. Chester is aware of our standards, that one does not verbally or physically abuse inmates. This was after Mr. Chester apparently verbally abused an inmate. The reason that this inmate had been verbally abused was because that inmate had just finished with his jackboots that he was wearing, had kicked in the side of a guard and skinned his face up pretty bad. Mr. Chester was called at that time to do something about this. I suppose speaking the language of the heart in an institution like that he probably did use a little vulgar language which is understood in an institution. He was called because the inmate had refused to strip or to enter the cell and he had been brought to move the inmate in. I think that at that point Mr. Chester was probably doing right and had good cause but he had been charged with verbally assaulting an inmate.

Mr. Minister, there are five items that you have put on paper there, sort of knocking an individual who had served the province for about 23 years as a conscientious, hardworking, dedicated civil servant. Because you or your department or some of your officials felt that this man couldn't cope with the new changes in the philosophies of the centre, I feel he was centred out and demoted and fired and destroyed by you and your department. Judge Moore has given Mr. Chester some very high recommendations in the report. At the start of this letter, Mr. Minister, it was outlined very clearly that the assault charge was the reason for the action - was the main reason. Going through the report, you have read it and I have read it and we don't have to read it into the record, it states it loud and clear that again, it was the assault charge that brought about and sort of capped off this. It goes in on page 67 where it says that Mr. Thompson had involved himself actively in the proceedings, showed poor judgment and there was no need for him to call on the chief of police. It goes on to show that some of your officials did dig into the legal area to see if Mr. Chester, when he was found guilty but had an absolute discharge, Mr. Minister, is concerned your department that they wouldn't be able to stand - wouldn't have anything to stand behind to get rid of this man.

I feel and I have always felt (you know my feelings on it) that this man has been taken to the cleaners by the government and it is rather surprising because this is the government that stands up and fights for the little man. They are always standing up

and fighting for the little man and here they have got a 23 year veteran in the civil service who has worked hard, who has dedicated his best years of his life to this and the whole government turns around and takes him on and he can't be heard.

Mr. Minister, I would ask, as was asked here the other day and turned down by your government - they of course voted it down because of the lack of compassion for an individual and you set out to destroy an individual and make an example of somebody in your department or in your government who is straying away from what you think the philosophy should be. I believe that at this time you should take another look at Mr. Chester's reinstatement. Have him reinstated and quit hiding behind the process of arbitration or conciliation or whatever; accept the Moore report and have the man reinstated.

I don't go as far as the Liberals did on Friday of endorsing and saying that you've got the best program in Saskatchewan, or in an institution where you happen to stumble on some recreation program that is working, that it should be pushed and you should have more canoeing and more golfing and more fishing and more exercises like that. That happens to be their policy. It may be a policy that is popular with physical education teachers but there are not that many of them in the institution working there.

I suggest that you have another good look at the Walter Chester case. I hope, Mr. Minister, that you can come up with an announcement saying that this individual has taken his beating, that you have used him as a whipping boy long enough and probably attack the problem that you have created in your department, the same as you would if it were some big company the size of your department that is picking on some little individual and he couldn't fight back.

I just wanted to get that on the record, Mr. Minister, that there was more to that letter and there were some reasons for these five points. With that I will just leave it to the Minister to reply to.

HON. H.H. ROLFES (Minister of Social Services): — Mr. Chairman, I really have no intention to reply. I think I made my statement last Friday. I indicated that if an employee feels he has been aggrieved or she feels that she has been aggrieved, they have the grievance procedures before them as per the collective agreement and I think that's the option that Mr. Chester should follow.

MR. J.G. LANE (Qu'Appelle): — I have a couple of comments generally on the correction system. I frankly don't like the way your department handled that matter and I certainly made that clear to you. I think that you blindly are following what your officials have told you on it and I think that the man was treated harshly and unfairly. I think as well in general terms that you know that you and I have a very basic difference in philosophy on the correctional centres and as you have said Friday, we agree to disagree. We believe that the correction should be taken out of the Department of Social Services and if not a separate department at least under the Department of the Attorney General. We believe that there should be a greater emphasis on behaviour modification as opposed to the process that you have embarked on, to have a great deal of leniency and a pat on the back and oh boy, we sure hope you do well and good luck when you get out there and if not, well come on back.

We also believe in a much greater emphasis on the work programs within the correctional centres. We know that our approach is going to be more costly; we

recognize that and we also are fully cognizant of the fact that our approach is going to require more trained personnel, so when we say these things, we recognize those areas as well.

However, Mr. Minister, one area where I think you have been shirking on expenditures to the detriment of the correctional system, is of the fact that not only do you use correctional officers as guards, you also use outside agencies. I placed an order for return and received it the other day and I read into the record the fact that outside agencies were used as guards and the three outside agencies consist of the Canadian Corps of Commissionaires, The Royal Canadian Mounted Police and Metropolitan Security Investigators. Now the breakdown of the expenditures on each was, for the Canadian Corps of Commissionaires, \$9,735; for the RCMP \$369.00; and for the Metropolitan Security Investigators the sum of \$125,452. I apologize, there is also the Associated Fidelity Investigators, which under a separate return No. 75 were paid the sum of \$76,216.94. Now the interesting thing about the return is that when we deal with the Canadian Corps of Commissionaires we have criteria established. They must be members of the Commissionaires, they select men who are stronger and younger for escort duty. But for the security firms who are hired as guards, the criteria are that they are employed by a professional security agency which is licensed, the men there are bonded. In other words we don't as qualifications men who are younger and stronger, and we don't have the physical qualifications for the outside security firm. Now I think that it's a bad practice to not have some pretty stringent requirements as to the physical capabilities of the outside agencies, if you insist on using them. I refer, for example, to Conrad Fisher, an elderly man who was hired as a part time security guard, who was kidnapped in an incident in the Regina Correction Centre. Now there is a man who I've seen who is not physically capable of dealing with many of the criminals in the institution. I think the minister will agree with that. In fact, many of these people are simply not physically capable of dealing with hardened criminals. Secondly, they are not trained to deal with inmates. We have a massive expenditure, as I have given the figures, for 1976. January 1, 1977 to November, 1977 of just about \$250,000 going on outside agencies, the only one of which that has any kinds of criteria established for some sort of physical capability is that with the Canadian Corps of Commissionaires. Would you not admit that in fact your lack of control over this or watching this has caused problems in the institution, one of which has led to the kidnapping of Conrad Fisher?

MR. ROLFES: — Mr. Speaker, generally speaking, no, I do not agree with the member. First of all, when he says that we should interview them and screen them as to whether or not they are physically fit to deal with prisoners, I am told that they never physically deal with prisoners. They simply walk prisoners.

MR. LANE (Qu'Ap): — Boy, are you out of touch.

MR. ROLFES: — O.K. you had your say. You can get up again and speak again. For the most part these people - we could I suppose have a TV zeroed in on prisoners and do it in that fashion but I think a few years ago that was unacceptable. We have turned now to the hiring of individuals to simply watch those who may have suicidal tendencies and, general speaking, they have no physical contact with prisoners whatsoever. So I don't agree with the member for Qu'Appelle. Now he says they should have more training. Certainly, I would agree with him that I would love to have the best qualified people we can find. But if we are going to hire these people then we are going to have to spend a lot more money. I just don't think at this particular time that that is the best way of spending the public's money.

MR. LANE (Qu'Ap): — I think, as we get deeper into the philosophy of correctional centres of the government opposite, that in fact you are doing a lot of things on the cheap, one of which is dealing with the actual guarding of the prisoners. I think we have just had an admission that the government is not prepared to spend more funds. I suggest to you that unless you are prepared to spend dramatically more funds on guarding the prisoners and increasing the staff and the capabilities of the corrections officers, you are going to have further problems in the correctional centres and they are going to be more severe than they have been to date. I suppose one could give you a little piece of advice and that is go out and start asking some pretty hard, tough questions as to who is guarding whom, and not just simply watching over people with suicidal tendencies. They actually have to deal with these people. I think if you didn't learn anything from the kidnapping of Conrad Fisher then it is a pretty sorry day in the correctional system in Saskatchewan.

Now we have been through a debate earlier as to an actual or accurate recidivist rate in the province and I think we came to the conclusion at that time that there simply was not one. I think at that time too, I admitted to you that I am fully aware that an actual and accurate recidivist rate would not necessarily reflect how well the correctional system is doing but could just as easily be a reflection of increased police enforcement.

However, I think the public deserves and certainly there must be one for your system to start to monitor its effectiveness. We must have some system to start to decide how effective the correctional system is in Saskatchewan and to date we don't have one. I would like to know the minister's views as to when he will be able to supply this Assembly with an actual and accurate recidivist rate. Secondly, I gave notice to the minister that I would be asking him for some information for, first of all, the total of the temporary absences, other than to family, given in the last year and secondly, the actual work temporary absences that were not supervised within the last fiscal year.

MR. ROLFES: — The short answer to the member - I think we discussed the recidivist rate before 7:00 o'clock. We did start on April 1, 1976 to gather some data and I think maybe by next year we will be able to give you some kind of data, that would be two years now and we would be able to by next year, I suppose, give you some idea. But it would be a very rough one again. I think it takes a fairly long period of time, as the member knows. On the ones on temporary absences, I'm told that this will take a couple of weeks to put together. We just don't have that information. We can get that for the member but it will take us a couple of weeks to get it.

MR. LANE (Qu'Ap): — Well, frankly I'm surprised that that's not a current statistic that the department would be monitoring. I would think that if we're watching over the correctional system, that that's one area you would want to watch pretty closely. I'm assuming I have your undertaking that you will supply to me, as soon as available, the total of the temporary absences and I prefer by each correctional centre. I'm sure that's the way you would keep your records anyway, other than the family. Then I would like to know for each correctional centre, the actual work, temporary absences that are not supervised, and the length of time for the ones that are not supervised. I would like to get my questions off in item 1, if the minister agrees.

MR. ROLFES: — Would you speak into the mike?

MR. LANE (Qu'Ap): — Mr. Minister, I would like to shift to a different topic. The minister has had some administrative problems with the day care centres and I'm referring to

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one in particular, to the Bo-Peep, Glencairn . . .

MR. ROLFES: — You are difficult to hear.

MR. LANE (Qu'Ap): — You've had some difficulties with the day care centres. I think you heard the question. Have there been any other day care centres that have run into similar problems as that Bo-Peep Glencairn Day Care Centre which has had numerous difficulties. Have you had other day care centres where there's been a shortage of funds or a lack of accountability of funds and if so, which ones? And would you itemize for us the amount of moneys involved?

MR. ROLFES: — Could I just ask the member exactly what he means by the words, 'shortage of funds'? Do you mean, would they like to have more funds?

MR. LANE (Qu'Ap): — Funds not accounted for.

MR. ROLFES: — Oh, O.K. I don't think that there are any others . . . not that I'm aware of, anyway.

MR. LANE (Qu'Ap): — If there are, you will advise me again. On the matter of the establishment of the verification unit, as your predecessor well knows, I had a long dispute with him, as to the accuracy of the input into this system, as opposed to the accuracy of monitoring the payment of assistance after the individual was deemed eligible. I note that on the return, in 1977, there were 1,177 SAP cases reviewed by the verification unit which works out to roughly one-fortieth of the cases . . . and I'm being a little generous. First of all, can you tell me, are all of those spot checked? And secondly, does the rate which would indicate, and I'm not sure of the exact answer . . . whether the number of cases certified would total 257 according to my calculations. Now would you, first of all, tell me if that is for the year 1977 and, secondly, would you tell me how you random check the cases to be verified?

MR. ROLFES: — The 1,177 are all field . . . Staff actually went out in the field and verified those.

MR. LANE (Qu'Ap): — But they are all random selected?

MR. ROLFES: — The bulk of them are random selected but some of them are referred. They may be referred by a third party. They may be referred, for example, by the member for Qu'Appelle (Mr. Lane) or they may be referred by a third party but the bulk of them are random selected.

MR. LANE (Qu'Ap): — O.K., my next question was, on the return as well, we indicate 257 indicated a change, the change being the number of cases verified and determined ineligible, and the number of cases verified and determined eligible for more benefits. Is that 257 total for 1977?

MR. ROLFES: — Yes.

MR. LANE (Qu'Ap): — So we are looking at approximately an error rate, if the 1,177 are roughly at random and I think most of them would be randomly selected, of over 20 per cent.

MR. ROLFES: — I think it has to be made very clear that these are adjustment rates.

There is just no way that one can say, O.K., that was an error because there could be many factors involved. The circumstances could have changed for the person on staff; there could have been an addition to the family; there could have been a person who has moved, and there are so many things that are involved. You cannot just say, just because that was the figure, O.K., there is 20 per cent error. In fact, for the total verifications that have been done for 1977 up to the present time, 8,941 have been done. The error, as the percentage of cases verified, is now 10.6 per cent but the dollar effect, as a per cent of the benefits paid is 3.69 per cent.

MR. LANE (Qu'Ap): — What do you mean by that?

MR. ROLFES: — Well the actual dollar is involved. You take the total number of cases and the total number of allowances. It is 3.69 per cent.

MR. LANE (Qu'Ap): — O.K., you can supply me with the figure of what that means in total dollars but I will accept the minister's undertaking to supply that to me. I have raised in the past as well, that there are some studies in the United States which indicate that the vast majority of changes in the status of the recipient recur or occur within the first month.

I would like the minister, and again, he can undertake to supply them to me if he doesn't have them readily available, and that is the number of verifications that have been done which were done within two months of the initial application, if any . . . (inaudible interjection) . . . You don't do them that soon?

MR. ROLFES: — Up until now we have not kept those statistics.

MR. LANE (Qu'Ap): — Well I'm going to strongly suggest based on another jurisdiction, that that be statistics that now be kept.

Secondly, do you keep statistics as to the number of changes in recipient status as a result of marital, either re-cohabitation or separation - are you keeping those statistics? Again, in other jurisdictions that has been found to be one of the major areas of problems, that for example, and I have given you that state of New York, there were some pretty great savings by simply requiring the recipient to re-apply every three months. Now that increased the paper work but in fact, dealt more accurately with those situations, mainly marital situations that are in a great deal of flux, many of which are devised to obtain more assistance.

I suggest to the minister that perhaps one major suggestion he may take to improve the public acceptability of our assistance program, is the idea of a welfare ombudsman. Again, this has been tried in other jurisdictions so that the average citizen, if he sees an actual, or believes that there be an abuse, he has one officials in the Department of Social Services who would have the right to review the particular matter; confidentially deal directly with the individual and get an answer back. That has proved effective in other jurisdictions as taking some of the public perception that there are massive abuses and I would urge that particular suggestion to the minister most strongly.

MR. ROLFES: — First of all I would like to indicate to the member that we are experimenting with and hope to implement in the very near future, a reporting back system which is basically what we do with FIP right now, and that is to have a cheque stopped. We are considering it on a monthly basis but I think we want to see how it will work before we make any commitment that that's the way it will continue. If we find that we can shift that to a quarterly basis, then I think we should have a look at that.

The suggestion of an ombudsman that the member makes is not a new one and is something that we haven't totally rejected but I think it must be kept in mind that in Saskatchewan, those who feel that they have been aggrieved, again have the welfare rights people whom we do fund, that they can go to. We have the legal aid system and certainly, the most important that I want to mention is that we do have appeal boards and people can use those appeal boards.

Fourthly, there is absolutely nothing to prevent people who feel that there are public abuses or that there are abuses that people can't report these and they do. Let me tell the member that many people do report them and we do report back to each individual who does report. But very often these people will say, I want you to check into so and so but I don't want my name mentioned or have anything to do with it, or no, I don't want you to report back, I just want to make you aware of it. I want you to look into it. I will get a letter, very often I will get a phone call and I assure the individual that I will look into it and if they want me to report back, I will do so.

MR. LANE (Qu'Ap): — Well, that only deals with those people who are perhaps personally a little more aggressive than are prepared. You know there is a great silent majority out there who don't like to do that. If they had some symbol or individual that they knew that in confidence they could write to - these are not the people who are out to get anybody; they just feel that they see an abuse, it could be a perceived abuse, but in fact they want it cleared up. I think the fact that these people have been sitting out there for years without any outlet is causing part of the problem of the assistance plan being accepted by the public. I stand by the belief that if we can correct the abuses, the same amount of money is going to go to increase the amount of assistance to those not abusing the system and I think it's to their advantage to have that system corrected.

I note from your monthly statistical bulletin and I now have February's. I don't know if there has been a more recent one, but there has been some fairly dramatic increases in the number of, for example, unemployed on assistance. I realize the difficulty with what we call partially employable. I see under the heading unemployable that we are looking I believe at over 14,000 and that includes permanently unemployable of 10,000 and temporarily unemployable at 4,089; now that's a number of cases.

Now, does the minister have any statistics as to the length of time that either the temporarily unemployable or the permanently unemployable item or segment has been in that category? There has been a pretty strong indication that in some areas we have generational welfare. I would like to know if the minister or his department is keeping records as to the length of time individuals were in the category of unemployable, being temporary or permanent.

MR. ROLFES: — No, we don't keep the actual data but it's our estimate, approximately two months.

MR. LANE (Qu'Ap): — You mean after two months we can designate people to be permanently unemployable?

MR. ROLFES: — No, if they are permanently unemployable, they are permanently unemployed. I mean that's what the work permanent means. I just ignored that from your question because I didn't think it made any sense and I went to the temporarily unemployed.

MR. LANE (Qu'Ap): — I want to know if you have any departmental statistics, for example, on the temporarily unemployable, you say after the average of two months. What about the permanently unemployable? No statistics?

MR. ROLFES: — No.

MR. LANE (Qu'Ap): — No statistics, so we just take them, we just make them permanently unemployable.

MR. ROLFES: — I suppose we could take it off our files, but we don't keep them available to us. It would take us many, many man-hours of work to take them off the files.

MR. LANE (Qu'Ap): — I agree that it would but it seems to me that if we are going to come to grips with a pretty severe social problem, we had better know what we are dealing with, if we have got to know whether we are dealing with people that have been permanently unemployable for ten years or five years. That's a lot different than somebody that we have such designated as permanently unemployable. Are we looking at generations? I think that we have to have those statistics and, frankly, I'm shocked that your department doesn't have them. Because how are you going to deal with the problem until you have identified it? All you've done is said, all right, you are permanently unemployable, you are going on the permanent roll, you are there for the rest of your life and we wash our hands. You are now a statistic; we've got happy little programs; we don't know whether they work or not but we haven't solved the problem - which is precisely what I've been saying for five years.

MR. ROLFES: — Mr. Chairman, I just want to comment on that. I think if you look at the monthly statistics you will find that the majority of those will be senior citizens. I don't know why we would want to keep track as to whether or not they are permanently unemployed because they will be permanently unemployable. I think what you are simply saying to us is that we hire more staff to do what? You know, it just doesn't seem to make sense to me to keep statistics for the sake of having statistics.

MR. LANE (Qu'Ap): — You know, you say that the majority of them are senior citizens but I'm just going by your own bulletin where age and disability, age 60 years or over, there is a number of cases, 3,624. When I look at the permanently unemployable number of cases of 10,104, I'll tell you something that the majority of those are not senior citizens. I think what you are just trying to feed us is highly inaccurate and you are not really paying attention to what's going on. I suggest to you that there is a lot more to it than that and that we have another example of the inability of your government to really identify the particular problems in order to come to grips with them. You bring in FIP (Family Income Plan) which was one of the most mismanaged when it was introduced and that's been dealt with in Public Accounts in the past. That was just done as a social program originally to get money out of the hands of everybody prior to a provincial election. It took a massive clean-up to get that one straightened around after it was administered. You didn't even have an audit when it was set up. I suggest to you that you are proving exactly what many people have been saying and that is that you've identified problems that people are permanently unemployable; we don't know for how long; we don't know how to deal with them, so we just have them in a category. We'll have a happy general little program, when in fact we are going to have to have, in order to solve some of these problems once and for all, some very specific, perhaps personally devised, programs in order to get these people off the poverty cycle. You know that is precisely why I can say in good faith that, in fact, we've got the same number of people on assistance today as we have had in 1955. We've spent literally

billions of dollars and we haven't really solved the problem.

MR. ROLFES: — Mr. Chairman, first of all I am not going to get into a long debate with the member because I think he is taking two tables, table 2 and table 3, and he sometimes talks on table 2, sometimes talks on table 3, and he is, I think, mixing up the two. If you talk on table 2, then you will find - I don't know where you find your 10,000 and some individuals with earning capacity on those either one to six on the bottom.

MR. LANE (Qu'Ap): — I'm not . . .

MR. ROLFES: — On table 3, yes. You are including many of the ones in age and disability on table 2. That's why I said most of those are senior citizens that you are talking about. That's where you are making your error.

MR. LANE (Qu'Ap): — I'm not going to get into a long harangue either but I can see the age and disability of 3,624 and then I see the total of permanently and temporarily at 14,193. Now even taking the 3,624 out of that I still see the vast majority not being those over age 60, out of your figures. I suggest to you that in fact most of them are not senior citizens.

Now, one final question, if I can get the statistics. You have reasons for assistance. You have ill health. I would like you to supply to me the number of cases of ill health that have been receiving assistance for more than one year. I would like to know the number receiving assistance for disability that are also receiving workers' compensation and I am trying to determine there, so that we can consider the adequacy of workers' compensation, if we are requiring them to go on welfare, if they are even related. I am sure that the minister would be able to get those figures for me. Then, on the question of personality problem, I get the age-old one that I know is embarrassing for the government, the previous minister has admitted that there are people receiving assistance because work doesn't agree with them and that comes under the heading of personality problems. But it doesn't agree with a lot of people. I suggest to most members that that is a personality problem that should be dealt with in another manner. Would you tell me or supply the information as to personality problems because of whatever the psychological problem that - there is a name for it - of inability to cope with work or to like work.

MR. WIPF: — Mr. Chairman, Mr. Minister, I am afraid you are in so much trouble that you are just going to have to resign and turn that post over to the member for Quill Lakes or someone because you are not answering our questions. Mr. Minister, I understand that at the present time in your department, you are taking a look at remodelling or revamping your department and re-planning your department. Is that what is happening now? What are your long-range plans? How long do you plan to take to redirect your department? Which parts of it are you working on?

MR. ROLFES: — The short answer to your question is, yes. We are making changes and basically it is to improve the management aspect of the department and it will probably take about one year to bring it about, it does take in a fair number of divisions.

MR. R. KATZMAN (Rosthern): — Mr. Minister, could you inform me, near Saskatoon they are talking of building a new correctional institution. Could you indicate where it is and why you moved it from the first location that you were going to use?

MR. ROLFES: — I haven't moved it at all. It is going to be in northwest Saskatoon. The

decision hasn't been made but I believe it is somewhere around 60th Avenue about a half a mile - I'm talking general terms, about half a mile east of the Idylwyld Drive, that highway that heads north.

MR. KATZMAN: — Did you say 61st?

MR. ROLFES: — Yes.

MR. KATZMAN: — Well, the first indication to the people of Saskatoon was that it was going directly across the road from the chemical plants.

MR. ROLFES: — That was CFQC's report, not mine.

MR. KATZMAN: — So the exact location is 61st Avenue, half a mile east of Idylwyld Drive, basically? What side of the road? Is it north or south of 61st?

MR. ROLFES: — South. I believe it is south.

MR. L.W. BIRKBECK (Moosomin): — Mr. Chairman, I just have one short question for the minister. Mr. Minister, it pertains to two people who are approximately 58 years of age, but let's say that they are under the age of 65 years. They are married and they are both incapable of working because of ill health. The two people that I speak of are entitled to all of \$287 for the two of them to maintain themselves on in our society. Now, Mr. Minister, do you feel that that is sufficient for two people of that age to maintain themselves in today's system at all? Do you really feel it is?

MR. ROLFES: — Mr. Chairman, it may not be sufficient but I can tell the member that in 1972 they would have received half of that.

MR. BIRKBECK: — Mr. Chairman and Mr. Minister, I am not too concerned with what they were receiving back in 1971 as I am not too concerned about the remarks by the member for Quill Lakes (Mr. Koskie) who feels that it is a nothing matter. It is of no concern. It does not matter. I tell you that two old people, 58 years old, are incapable of making their own living in our society and surely deserve more than \$287 a month for the two of them.

Mr. Minister, I would expect that you would be very open to meeting with me and discussing this matter and coming to some way of resolving this problem. Surely you can agree with me on that.

Item 1 agreed.

ITEM 2

MR. WIPF: — Whom are you training?

MR. ROLFES: — Staff.

MR. A.N. MCMILLAN (Kindersley): — Mr. Chairman, under what subvote does your work with the Community Services Program come?

MR. ROLFES: — 25 I believe.

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Item 2 agreed.

Items 3 and 4 agreed.

ITEM 5

MR. C.P. MACDONALD (Indian Head-Wolseley): — Just a couple of questions, Mr. Chairman. Can the minister tell me what now are the rules and regulations in relation to farmers qualifying for the Family Income Program?

MR. ROLFES: — The three basic things are assets of \$100,000 and less income, last year's income, and the number of members in the family.

MR. MACDONALD: — Can the minister tell me, how does the department calculate Land Bank in relation to the assets? In other words, if a man farms a section of Land Bank land is that included as assets?

MR. ROLFES: — If he is renting it, no.

MR. MACDONALD: — All right, Mr. Minister, that is exactly the point I want to make. How can you turn around and give that advantage to a man who happens to be on Land Bank land with no capital costs and no sacrifice in the past in comparison to a man or an individual who owns his own land. Let me give you an example. A young farmer, 30 years of age, farms one section of land. He happens to have four children. The young man happens to have spent 10 years of working, night and day, to pay for his land. At the end of the 10-year period, at this particular time, he now has assets of \$101,000. That particular individual happens to own a certain portion of equity in the section, some of the machinery, perhaps his buildings or what ever the assets that you normally include. He's got \$101,000. In the next farm, is another young man, 30 years of age, with four children. Exactly the same. He owns a quarter section of land. He rents seven quarters from the Land Bank, of the same kind and quality of land. All of a sudden, you have in this situation, the poor guy that went out and bought his own land, struggling all his life to pay it. He's got \$101,000 of assets. The other fellow in the next farm, he happens to have, maybe \$50,000 worth of assets that he owns. But he happens to farm five or six quarters of Land Bank land. Now, how can the department justify this? I happen to know that this situation does exist, not on farmers next door to each other but in very close proximity. I'd like to hear the minister's justification for this kind of a thing.

MR. ROLFES: — Mr. Chairman, I just want to say to the member that I find it rather difficult to believe your example but it may be true. That if someone is farming a section of land, oh, no, he said six quarters. He owns one and rents six. For that person to be eligible, it must be very marginal farmland if he qualifies for the Family Income Plan. It's a profit and loss situation based on income. As I've said, the second one was last year's income and I find it somewhat difficult to believe that individual didn't have a larger income than \$5,500.

MR. MACDONALD: — Let me tell the minister that it was in an area where there was some hail last year, or anything, or whether it would be marginal land or not. Let's just take two farmers. Don't tell me . . . there's all kinds of farmers . . . who didn't have a quota for long periods of time this winter. Forget my example because it does happen to be five or six quarters. Let's take another example, owning one-quarter and renting three-

quarters or a section. Their income should be based on relatively the same land for production purposes. Therefore, they should be able to sell it for the same amount. The one farmer may still be paying back on his land. Therefore his interest and capital debt retirement would be far in excess perhaps of the rental payments for the land being rented from the Land Bank. They both have families. Their incomes were both below your standard. One happens to have assets in excess of it, because he happens to own his own land and made his own provisions and the other man on the other hand happens to be renting good old state land from the NDP and he qualifies. That happens to be a fact in a situation. I'll find the names of the two examples and give them to the minister after.

MR. ROLFES: — I, first of all, want to say to the member that it doesn't make any difference from whom he is renting the land. The same thing would apply. It doesn't necessarily have to be Land Bank land. It can be land rented from Art Thibault. It wouldn't make any difference. Same thing. Or he can rent land from Sonny Anderson. It would be the same thing. It's not just because as you tried to indicate that it's because he's renting land from the Land Bank, therefore he is qualified. I can accept your argument. There is an argument that you can make, from your point of view. Except that, I suppose if we didn't have an acid test and we had it that people could have so many debts to pay because they may have bought two quarters of land . . . had to make all these payments and when they showed their net income, they simply didn't have sufficient income to keep them going. Consequently, they would be eligible. That's why the acid test was put in to prevent that abuse from happening. I can agree with the member that there may be a point that we should look at. I am quite prepared to take his suggestion under advisement.

MR. MACDONALD: — Thanks very much, Mr. Minister. I'll just make one other comment. You must recognize that today the Government of Saskatchewan is the major land owner in Saskatchewan. Today, there are 100,000 acres that were not available for renting just a few years ago. The Family Income Program is a relatively new one . . . You have no concept, you knew the concept of the abuses with the farmers the first couple of years it was in operation. You tried to rectify that but the biggest single error is the fact that the state, it's not there for anybody to rent land and make the same amount of money as somebody else with the same sized family and because one happens to be struggling to pay for it, that one should qualify and one doesn't. But very few people today can rent land from a private individual without a large amount of assets. First of all, if I get a section of land I'm not going to rent it to someone unless he's got good equipment, who has got an A1 tractor and has got an A1 combine. Really when you start saying he is going to rent it to anybody that really cancels out the vast majority of any individuals renting land who don't have any assets. All I'm saying is that the major corporate in this particular set of circumstances without question is the Land Bank. I urge the minister to take a very close look at it. I'll be writing him a letter within a month and asking him if he has made a decision on this particular thing because as I say, it is something that certainly should not go unchecked and that the department should have an immediate look at it.

Item 5 agreed.

ITEM 6

MISS L.B. CLIFFORD (Wilkie): — Mr. Chairman, Mr. Minister, we asked last year what the overpayments were in each one of subvote 5 and 6 and they were almost \$1 million in each one. What are the overpayments now in each one of these areas?

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MR. ROLFES: — Yes, for FIP there aren't any but for SIP 1977, \$45,532 so far this year. That's the outstanding right now for SIP, \$45,532.

MISS CLIFFORD: — Can you tell me then, does this include the amount that was paid back on last year's deficit or how much of this close to \$1 million last year that was overpaid, how much of that did you get back?

MR. ROLFES: — This is strictly for 1977.

MISS CLIFFORD: — Well, how much of the \$1 million last time in the estimates when we were discussing this there was \$900 and some thousand, how much of that by the end of the year did you get paid back?

MR. ROLFES: — The outstanding for 1976 is \$459,000.

MISS CLIFFORD: — What methods are you using to try to recover this money?

MR. ROLFES: — They are contacted, future entitlements, each one is contacted and we right them and then if they are entitled for future FIP payments it is taken off at that time.

MISS CLIFFORD: — What changes have you made in your evaluation then in the system to ensure that you don't have additional overpayments? In other words you must have found that there was some problem there to have close to \$1 million that was paid in overpayments, right now you have \$45,000, have you made any changes in evaluating the people who apply? How are you going to ensure that we don't lose another \$450,000 as we did in 1976?

MR. ROLFES: — There were several measures taken. First of all we certainly were continuing with the cheque stub return as we were in the past. But one of the major things was that the benefit year was changed to the fiscal year. In other words, we were three months behind in payment, so that at the end of the year when we had reconciliation we had at least three months to play with. That was the second thing.

The third thing was that we increased the employment expenses so that when it comes to the end of the year - we had an opportunity here to give the individual the advantage of increasing his employment expenses. What we actually did was, we reduced their income through an employment expense. In other words, at the end of the year, we are able to give ourselves some leeway so that if somebody is over \$50, first of all we are three months behind in our payments. Secondly, he is allowed an employment expense so that can be subtracted.

The last thing we did was that we made absolutely certain that everybody got an information kit which explained the program in detail to them. There was no excuse for anyone not understanding the program and knowing exactly what they were eligible for and how they would qualify. I think in those three or four ways, we certainly have been able to cut down the outstanding payments.

MR. E.C. MALONE (Leader of the Liberal Opposition): — It is apparent that you have cut it down significantly and that is fine but I still want to go back to 1976. You indicated that there was approximately \$1 million in overpayment under FIP.

MR. ROLFES: — I said \$459,000.

MR. MALONE: — You said \$1 million of which you have re-collected about one half. Now firstly, the half that you re-collected, how was that done? Was it by deductions on future payments or was it demanding that the money be repaid by the people who received it and they sent it back to you?

MR. ROLFES: — Either cash or entitlement to date . . .

MR. MALONE: — And the other half, presumably you have just written it off now, have you, \$.5 million?

MR. ROLFES: — No.

MR. MALONE: — Well what are you doing? You have just told us that you wrote the people. You've cut it off . . .

MR. ROLFES: — The individual is entitled to next year. He still owes us money for 1976. We can still recover. So if you owed us in 1976, \$1,000 and we could only recover from you \$500 during that year, we can continue to recover in 1978-79 if you are entitled. Now if you are not entitled, we have a problem. We have to collect it in cash or some other way. That's true, there is a problem there.

MR. MALONE: — That's right. That's what I want to talk about, the problems. Now how many people, how many cases are involved in that approximate \$.5 million that hasn't been re-collected by you? That is, how many people are no longer eligible for FIP who were overpaid in 1976?

MR. ROLFES: — My people tell me that we haven't got the information here. We have it available but not with us here. We can make it available to the individual if he wants it.

MR. MALONE: — I just dislike the idea of writing off the \$.5 million and I want to pursue it with you. You show me how you are going to get this money back if the people are no longer on the FIP program. You have no way of getting it back. At least you have no - you haven't indicated to us that you really want to get it back unless they are still on the FIP program.

Now I suspect that there were many people who were ineligible who received payment. Some of those people acknowledged their mistake and paid the money back but I suspect, from what you have told us tonight, that there are a great number of people who haven't paid it back and you are doing absolutely nothing to collect that money.

MR. ROLFES: — Well I think again, that the member has to remember that last year my officials tell me that we did collect \$200,000 in cold cash from people who felt that they were overpaid. I think that those who were entitled, we will certainly be able to collect from those people and those who are not entitled, we will have to attempt again to see if we can get them to pay. Thirdly, if that doesn't work, I think I am going to have to look at some way of possibly asking the government to write it off.

MR. MALONE: — You realize what you are saying though. There are obviously enough people honest in the province that paid back \$200,000. Presumably you roped them and said to them, you were paid in error, send the money back and these people said, yes, we were paid in error and they sent the money back. But there is a bunch of other

people who really don't care. And what you are doing is penalizing the honest people by collecting their money back and those people who really don't care about it, you are doing nothing to them whatsoever. Don't you see that there is perhaps just a small injustice there, Mr. Minister.

Now I suggest to you that it may not be appropriate for you to go to the courts at this particular time, but I suggest to you as well that if you don't keep pressure on these people, you are just writing the money off and by so doing, you are penalizing the honest people that paid back the overpayment.

MR. ROLFES: — I think the member makes a good point but I think that is again not peculiar to our program, we can look at other programs right across this country. I know the members will say, well, gee, don't look at what problems other people have, solve your own problems. And I know, I knew you would say that. So I said it for you. What I am simply saying is that we have attempted, we are continuing to attempt to collect overpayments and our record isn't that bad when you look at the total number of dollars that has been paid. Our record is pretty good and if you compare it to other jurisdictions, pardon the expression, it's darn good.

MR. MALONE: — Your record is awful. Come on, let's face up to it, minister. What you did is you had \$1 million overpayment; presumably somebody in your department identified the people who had been overpaid. You wrote them all; you said, you have been overpaid. On some you requested the money be paid back because they are no longer eligible under FIP. A certain percentage of those people voluntarily paid the money back to you. A certain other percentage of the people are having the money deducted from future payments. But I suggest to you that there is a substantial number of people or cases or however you refer to them, that are just laughing up their sleeves at you. And they are laughing for good reason because you have just presented them with \$500,000 and you really don't care whether it comes back or not. Now I want from you before your estimates are over, just how many people we are talking about. Are we talking about 200, 20, 500? Surely you have some indication as to how many are involved.

MR. ROLFES: — My officials again tell me we don't have that information but we can run it through the computer and get it for you.

MR. MALONE: — No. I'm not going to hold up these estimates but surely, Mr. Minister, that is not a question that you didn't expect. We pressed you on this last year, I believe I pressed you two years ago on this. Now, surely it's not asking too much for you to come into your estimates and know in a general way how many people are ripping off the Government of Saskatchewan under FIP. Now that's exactly what is happening. And surely it's not improper for us to bring it to your attention at this time. Obviously you have not got the information; I'm not going to told up the House by asking you to stand your estimates until you get it, but I assume that you will be writing to me within the next day or so with the information that I have requested.

MR. ROLFES: — Agreed.

MR. MALONE: — As a result of this mess coming to your attention, did anybody lose their job within your department or were any disciplinary actions taken with personnel within your department?

MR. ROLFES: — No.

AN HON. MEMBER: — Any suggestions, Ted?

MR. MALONE: — Yes, I can give you some suggestions. That's number one suggestion.

All right, on the senior citizens benefits, would you explain to me, minister, the difference between payments under item 8, Saskatchewan Income Plan Senior Citizens Benefits and the item under public assistance, item 4, Assistance for Aged?

MR. ROLFES: — One is SAP and the other is SIP. One is Saskatchewan Assistance Program and the other is Saskatchewan Income Plan.

MR. MALONE: — SAP is federally funded I assume, all right, and the other is not.

MR. ROLFES: — Partially.

MR. MALONE: — To what extent?

MR. ROLFES: — Next to nothing, it's almost completely provincial.

MR. MALONE: — That's what I asked you. All right. Does anybody receive SAP who doesn't receive Family Income Plan?

MR. ROLFES: — All those 65 and over get both but the age here starts at 60 under the subvote 4, that age starts at 60 but all those 65 and over get both.

MR. MALONE: — Surely that is not right. I mean you have to have some income qualification to get either one, everybody over 65 doesn't get it.

MR. ROLFES: — I am sorry, I took for granted that they were getting OAS, GIS or partially GIS.

MR. MALONE: — How many people are eligible and are receiving senior citizens benefits?

MR. ROLFES: — 34,000.

MR. MALONE: — The reason I asked the question is that my information is there are approximately 58,000 in Saskatchewan receiving GIS. Now how come those that are receiving, some obviously are receiving . . .

MR. ROLFES: — After you receive an income of more than \$599 I believe, you no longer get any SCB. It is on the graduated scale of GIS.

MR. MALONE: — You say there are 34,000 under senior citizens benefits (SCB). Now, you just a moment ago said in effect you had written off \$.5 million. I suggest a lot of those people that are receiving SCB would be very interested in getting some of that \$.5 million, if it became available for disbursement - if you recover it. I was going to get off this point but just let me say this to you. You wonder why people hold the Department of Social Services and Welfare, in general, in disrepute. You wonder why people have some feeling of animosity towards those who are receiving social services. You wonder why a lot of people feel that those on social services are ripping off the government. You know that I know the vast majority aren't. But when you allow things

like an overpayment of \$.5 million to just go by the boards and not do anything meaningful to try to re-collect that money, how do you expect the people of Saskatchewan to feel about all of these programs that you have, most of which are worthwhile? I suggest to you that when you allow that amount of money to remain outstanding you bring the whole department and all the programs in the department into disrepute. People simply don't understand how these things can happen. If you were to go out on the street and say to somebody, well we overpaid \$.5 million and we are just going to write it off, they are going to tell you you're crazy. That's not how they run their day-to-day affairs in a business or on a farm or in their home or whatever. So I suggest to you, Mr. Minister, if you want to get your department back into good repute and all the people who work for you and all those people who deserve and are entitled to social assistance, to get them back into good repute, that you start making some meaningful efforts to try to re-collect this money. Until you do so, people are going to be looking at welfare recipients and social service recipients with a very jaundiced eye because they hear of \$.5 million being spilled and just forgotten about. How do you expect them to feel when you get up here and say, well, we'll have to write them a letter or we will have to write it off a year from now.

MISS CLIFFORD: — Mr. Minister, I just have a couple more questions on this. First of all, you stated that last year, well in 1976, we had almost a \$1 million overpayment in SIP and in SAP. You also said that right now there are no overpayments left in SAP. How did you collect them differently than you did in SIP? Why are there no overpayments in one area and not the other? You must have collected differently.

MR. ROLFES: — I didn't say that, Mr. Chairman.

MISS CLIFFORD: — Well, I am sorry. I asked you two things. I said that there was close to \$1 million in each one of these programs' overpayments when I asked you last year in estimates.

MR. ROLFES: — The member asked me, what were the overpayments in SIP and what were the overpayments in FIP. I told you there were no overpayments in SIP and I gave you the figure for FIP. You never asked me what were the overpayments in SAP?

MISS CLIFFORD: — Oh, I am sorry. What were the overpayments in SAP then?

MR. ROLFES: — Last year \$675,339 outstanding. The same policy applies for collecting of overpayment.

MISS CLIFFORD: — I am sorry. Would you repeat that figure?

MR. ROLFES: — \$675,339.

MISS CLIFFORD: — How much of this do you expect to collect? Are you also planning on writing this amount off if it cannot be collected?

MR. ROLFES: — I hope to collect all of it.

MISS CLIFFORD: — How much of this amount have you collected then, since the last estimates?

MR. ROLFES: — \$1,045,534.

MISS CLIFFORD: — I am sorry. I am not trying to belabour this but last year when I asked you about the overpayments in estimates you said that there was under \$1 million in each one of these programs, overpayments at that time. Was that figure incorrect because you said you have collected over \$1 million in overpayment and you still have \$675,000 left? Now, how much was there really in overpayments for the year 1976?

MR. ROLFES: — Last year we gave you a figure, I believe, of \$1,161, 750. We had recovered \$688,437.

MR. MALONE: — Is there \$1 million outstanding, approximately?

MR. ROLFES: — No, for 1976 . . . For the two years, yes, there is a little over \$1 million outstanding.

MR. MALONE: — You say for the two years. Do you mean we are getting a situation of three months being added on that you talked about in . . . I am sorry . . . As I understand it from last year, there is a million dollars outstanding overpayment in SAP. Is that correct?

MR. ROLFES: — \$250 a year.

MR. MALONE: — Well what are the years? What years? Last year and the year before?

MR. ROLFES: — 1976 and 1977.

MR. MALONE: — How much in 1976 and how much in 1977?

MR. ROLFES: — Well, 1976 I just gave to you. The net overpayment for 1976 was \$473,313; 1977 was \$675,339. We are attempting to collect those.

MR. MALONE: — You have collected all but \$1 million to date, approximately. You have got \$1 million here; you have got half a million in FIP; \$1.5 million outstanding.

MR. ROLFES: — Yes.

MR. MALONE: — O.K., on the \$1 million under SAP, how many people are still receiving assistance?

MR. ROLFES: — We will have to run that through the computer for you.

MR. MALONE: — While you are doing it, would you find out how many people are involved?

MR. ROLFES: — Yes.

MR. R.A. LARTER (Estevan): — Mr. Chairman, I would like to ask the minister one question. Can errors of this magnitude happen right now in 1978 again?

MR. ROLFES: — Well, Mr. Chairman, of course that can happen. The Leader of the Liberal Party says, well you would not do this in business. I have seen many businesses, where the federal government and provincial government pour in millions of dollars particularly through DREE, go up, belly up, in a year or two. I don't think the federal government ever collects \$1 of that, ever. I just wonder how much is still owing in

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income tax by people, if the federal government ever collects all their income tax. I don't think they do. Mr. Chairman, you can look at our records and our records are pretty good when you look at the total number of dollars involved.

MR. LARTER: — Mr. Minister, you don't want to put yourself in the same league as that lousy government we have down east, do you? O.K., then.

MR. ROLFES: — But the government isn't excluded from that either.

MR. MALONE: — That was a valuable contribution from the member for Estevan. Let me ask you this. These are federally funded programs. I'm not sure what the proportion of money is but it's from the federal government. As I understand it now, it's just a grant. It's not tied to anything; they just hand you the money. What checks do they have to see whether overpayments are made and what you do to recover those overpayments? The question I'm getting at is, are you in danger of losing federal funding because of the overpayments that you're not re-collecting?

MR. ROLFES: — Absolutely not.

MR. WIPF: — One question on this, Mr. Minister. In collecting these overpayments, do you go about that by calling the client in or letting the client know? How many of these cases have gone before court and how much has it cost you through the court process, do you know, to collect this money?

MR. ROLFES: — None.

MR. KATZMAN: — Mr. Minister, when you're making arrangements for payback on these - if people have offered to pay back are you pretty easy to deal with over a period, say if they ask for 12 months to pay back, and they want to pay back \$5 a month? Is that fine if that covers the amount?

MR. ROLFES: — In most cases we have been able to work out a fairly satisfactory arrangement, I think. But on SAP I think that it has to be understood that most of these people don't have any money. That is one of the reasons why you don't take them to court; they don't have any money to begin with. Secondly, if they are still entitled to SAP then you just take a percentage of their entitlement.

Item 6 agreed.

Items 7, 8 and 9 agreed.

ITEM 10

MR. KATZMAN: — Mr. Minister, is the runaway problem at Kilburn Hall still as bad as it has been over the past few years?

MR. ROLFES: — I don't know exactly what the member means when he says, is it as bad as it always has been in the past. My recollection is that it never has been a bad one, never has been a bad situation. What do you mean? How many people do you call a bad situation?

MR. KATZMAN: — A situation where people who are supposed to be staying there are

missing for weeks on end and until the policemen bring them back, that is the type of thing that I am . . .

Item 10 agreed.

Items 11 and 12 agreed.

ITEM 13

MR. WIPF: — Mr. Chairman, Mr. Chairman, in the correction services here, Mr. Minister, you have increased your staff by 13 and doubled the budget from last year. Could you give some explanation of that? The biggest increase in there has been in 'other expenses'. Could you elaborate on that, please?

MR. ROLFES: — It is the psychiatric centre in Saskatoon.

MISS CLIFFORD: — I have a couple of questions on the correctional services that I didn't get in on the last day. The first one is, I wonder if your department has endeavoured to make some sort of an arrangement with, for instance, the social workers that they could do some sort of an internship program, a more extensive one at any rate, with the correctional centres and with the boys' homes that would help alleviate some of the shortage of staff and yet give them an opportunity to get some experience. Now, if you are doing this already, which I am sorry if I don't know, are you considering expanding on this?

MR. ROLFES: — Yes, through the School of Social Work there are a number of people who work in various positions in our department while they are going through their course, including corrections.

MISS CLIFFORD: — Is this a select program, just very few doing this or do they all have the opportunity to work in a program like this if they wish to?

MR. ROLFES: — I am told that everyone who goes through the School of Social Work must have a field placement sometime through his course but not all of them, of course, go through corrections.

MISS CLIFFORD: — One final question. Are you doing anything in the correctional centres to separate the hard core or the more serious offenders in one area so that they do not negatively influence the other ones that are perhaps in for lesser sentences. If so, how are you doing it?

MR. ROLFES: — I think, as I indicated the other day on Friday, that we do have some problems with our present facilities. I am told that Regina does have a first offender unit but we don't have one in Prince Albert. The new facilities will allow us to do that much more easily.

MISS CLIFFORD: — Is there not a method by which you can just rearrange certain areas? I know you can't get any additional space in Prince Albert, but can you not rearrange them to different sections?

MR. ROLFES: — They are attempting to do more of that in Regina but the Prince Albert facility, I don't know if the member has ever been in the Prince Albert facility, really doesn't lend itself because it is so wide open and it really doesn't lend itself to that. I suppose we

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can take it under advisement but we certainly, again, in our new facilities will be able to do this and we will do it.

MISS CLIFFORD: — Briefly, I would hope that you would look seriously at that consideration, even arranging them into the different blocks. I have toured all of the facilities in Saskatchewan at one time or another. So if you would look at that perhaps that would solve part of the problem that we are having now in the correctional centres.

MR. WIPF: — Mr. Minister, you said that the largest part of the budget was for the psychiatric centre in Saskatoon. Is that in conjunction with the federal centre at the university there? The other question I was going to ask you is, how many of your custodial staff people over the last year or two have gone into any training in counselling? Do you have many of your custodial staff going into the counselling training? When I refer to the counselling training, Mr. Minister, I am also wondering if there are any going into the school of social work into that whole are?

MR. ROLFES: — First of all, all new people take one week in their first year. There are a number of options open to people. If the member is satisfied I will just give him a copy of this, otherwise I have to read the whole page to him, O.K.?

MR. WIPF: — Mr. Minister, are there many of your correctional staff taking this course? Do they stay with corrections? Are you finding a flow of them going over to the social worker area or your counselling area?

MR. ROLFES: — Not that many.

Item 13 agreed.

Item 14 agreed.

ITEM 15

MR. WIPF: — Just one here, Mr. Minister, the increase in staff, that is the new custodial staff that you have hired. What is the ratio of custodial staff to counsellors, out of that increase of 25 there?

MR. ROLFES: — All custodial.

Item 15 agreed.

Item 16 agreed.

ITEM 17

MR. WIPF: — Mr. Chairman, you have a very small increase in your budget this year in this area. Is there any plan at the present time to open up more community training residences?

MR. ROLFES: — One in Yorkton.

Item 17 agreed.

Items 18, 19 and 20 agreed.

ITEM 21

MR. BIRKBECK: — Mr. Chairman, Mr. Minister, just one question. I see you have not increased the allowance in this particular item. I wonder if you have any plans to increase funding for day care centres in the province?

MR. ROLFES: — We have increased the renovation grants as the budget has indicated from \$100 to \$200. We have also increased the supervisory grants for handicapped individuals from \$50 to \$150 per month. The last thing we did, there is \$500 for equipment every year.

Item 21 agreed.

ITEM 22

MR. BIRKBECK: — Mr. Chairman, Mr. Minister, under this item, would this be for people who are looking after say, their own parents or a family in their own homes?

MR. ROLFES: — Those are for special care homes, nursing homes.

Item 22 agreed.

ITEM 23

MR. BIRKBECK: — Mr. Chairman, Mr. Minister, why have you decreased the allowance for construction of special care homes? (I wonder if the Attorney General might keep it down, so the minister behind him might hear the questions which I am attempting to ask him.) If you are in a hurry to get through the estimates, well then you just keep quiet and we will ask our questions quickly.

Mr. Minister, I wonder then might you be prepared to answer my question with regard to the allowance that you are making for construction of special care homes? Are you going to continue to decrease the amount of funding for special care homes, when in fact, communities are submitting requests for funding for the extension of such homes and hospitals and the like in their communities?

MR. ROLFES: — Mr. Chairman, here again, I think it has to be remembered that, first of all, Saskatchewan probably has the highest number of special care beds anywhere probably in North America. We have to have a serious look at what the implications may be 20 or 25 years from now.

Secondly, we have just announced a home care program to provide services in the community. That doesn't mean that we say absolutely no to all requests. Where there is a high ratio of special care beds already, we try to convince the communities that maybe they should have a look at other services and have a look at the long range implications of building more special care beds, which may well be empty in four or five years time. We have communities right now that find it very difficult to fill their level I and II beds because of the community services that are being offered and have indicated to us that they would like to convert those to level III. We are having a look at that right now.

MR. BIRKBECK: — Well just very briefly then, Mr. Chairman, Mr. Minister, is it because

of the special care homes which you are going to be placing into service that you have a reduction in the funding under this particular item, or what specifically is the reason for having reduced the funding under this item?

MR. ROLFES: — I told the member already that we have probably the highest number of special care beds anywhere in North America. Well, if you have the highest number of special care beds already surely one can anticipate that you are not going to continue to build beds. We already have communities that can't fill the beds they have right now. Consequently, I think, it is reasonable to expect that the demand for extra beds will decrease and that has happened over the last few years. Besides that, we have increased our budget for home care, which should help the communities to meet their needs for senior citizens, other than through special care beds.

MISS CLIFFORD: — Does the minister not agree though that although we do have a high number of beds per population as compared to other provinces, we also have one of the highest populations of senior citizens in Saskatchewan?

MR. ROLFES: — Well have the highest number of beds per senior citizen, not population. If you take 1,000 senior citizens we probably have the highest number of beds in North America, certainly, I think in Canada.

MISS CLIFFORD: — Well, I would like to suggest to the minister that although the home care program is going to alleviate many of the problems, I still feel that we have to look realistically that it will not solve all of the problems you think it will.

For instance, the member for Shaunavon mentioned that people who moved away from their home to go to another nursing home facility lasted on the average of about 22 days. Now that is a serious figure and you suggested that perhaps you should walk slowly when you are looking at nursing home construction. I am suggesting again that maybe you better re-evaluate that position. Besides that, I would like to know where you plan on having any new construction. Have you pinpointed different areas to have new construction in the coming year?

MR. ROLFES: — Generally speaking, Prince Albert is one area that we are seriously looking at. We, I think, have approved some beds for Fillmore; we have approved some beds for Hafford and we are looking at the northeast area of the province, where the number of beds compared to the rest of the province is lower than what we think it should be. So we are looking at those areas.

MISS CLIFFORD: — In your estimated budget and in a news article that was quoted in the Leader Post, you said you were planning on spending about \$1.6 million in the nursing home construction. At about \$22,000 per bed, that would take in about 72 nursing home construction. At about \$22,000 per bed, that would take in about 72 beds. Now, let's say if you are planning on construction for about 72 more beds in the province, how many of those are yet to be allotted to different areas? What I am trying to find out is, have you allotted them all? Have you pinpointed where all the construction is going to be or is there some that may be available for other areas?

MR. ROLFES: — Mr. Chairman, I think each area as they apply must show us that there is a need. A survey of need will be taken and they must demonstrate that there is a need. Not just a need for now or for the ensuing few years but I think we have to try and project that into the future. If you are going to spend \$20,000 to \$25,000 per bed I just don't think it's fair to burden our future children with beds we maybe might not need in 10 or 15 or 20 years. In any case I think we have to walk slowly upon this. We are prepared to

look at requests that come in but I can't tell you just where they will be built. These are ones that we are looking at right now. Have all 72 been committed? No. I'm not sure that only 72 will be built, there might be more or maybe less.

Item 23 agreed.

Item 24 agreed.

ITEM 25

MR. MCMILLAN: — Mr. Chairman, a couple of brief questions to the minister. I would like to ask you first, what the general objectives of your community services program are?

MR. ROLFES: — The three types of programs that are covered under this subvote are personal social services provided through individuals by organizations or agencies other than the government, I believe. Secondly, the senior citizen activity centres of which I think there are about 270 in the province. Thirdly, the home care program, part of that is also covered in this subvote.

MR. MCMILLAN: — So, if a community undertook a project which was designed to alleviate many of the social problems in a community and undertook to initiate the program themselves, and did much of the work themselves, and then applied to you for permanent funding of one sort or another, if they didn't fit into one of those three slots then they wouldn't even be considered for permanent funding. Is that right?

MR. ROLFES: — Well, they may not be considered.

MR. MCMILLAN: — Well under what circumstances. I'll give you the particulars here. You may know the organization I'm speaking of and I'm somewhat baffled with the department's apparent reluctance to get involved with respect to funding in this project because in 20 weeks this project may very well collapse as a result of a lack of involvement from you people and perhaps the federal government. This is the Danny Fisher Centre in Kindersley and I hate to bring up a specific problem to you here in estimates but this problem is a characteristic of a failing in your policy and not necessarily a ...

MR. ROLFES: — They got a funding for it.

MR. MCMILLAN: — You have approved a 20 week ESP grant for it and I commend you for that. That's a good piece of work and that will help keep that operation going for 20 weeks but their problem is a long-term problem. Their funding is done in 20 weeks. They have a permanent set of facilities there. I assume there are other communities in the province that have the initiative to start programs like this, too. They are dealing primarily with drug abuse, whether it be alcohol or other drugs, and they are undertaking to have educational programs for the young people and for other people. A treatment centre for people to come in and there is no question, in the long run, they will play quite a significant role in alleviating any of the social problems in that community. Yet they can't get permanent funding from your department under community services and they are baffled. My question to you is to point out that there may not be a slot in your department in which you can place them on permanent funding now and I would like to urge you to consider establishing a spot for that operation.

MR. ROLFES: — Mr. Chairman, I think the way the member describes the project to me now, the way you have described it to me in the past, I think permanent funding must be either sought from the federal government, if that's what he is suggesting, or from the Alcoholism Commission. I don't think that that is part of the permanent funding organizations that come under the Department of Social Services.

MR. MCMILLAN: — The problem is, you see, in understanding. You may have a role you can play here. I hope you don't approach every project with this reluctance. They don't fit the Alcoholism Commission slot neatly because they do education and they do some rehabilitation. If they ever do qualify under the Alcoholism Commission it is after they have been funded permanently for two years by somebody else. So there is maybe a catch 22 here. I'm under that impression. There is no way in the next two years they can get funding from the Alcoholism Commission. We have applied to non-MUD and are pursuing that actively; we may get some funding from there but it doesn't look good. This project is designed and operated with tremendous input from the community and volunteers to try and help alleviate some social problems in the community and they are not getting any assistance. Your program here, at least in name, they thought was a program they might well turn to for some financial support in order to continue this operation and they haven't received any. They don't fit into the Alcoholism Commission slot yet, because they are not a detox centre. They don't fit into the non-MUD thing, because they don't do research primarily. They just don't have a home yet. The Department of Social Services is the best bet for them to apply to and they would like to see a little - at least from the ministerial position - at least a favourable response, rather than the immediate out of hand rejection because they didn't fit into the pigeonholes you have now.

MR. ROLFES: — Mr. Chairman, if I had immediately rejected them, I wouldn't have okayed an ESP grant. The comment of the member is somewhat unfair.

MR. MCMILLAN: — But they fit your ESP pigeonholes quite nicely. You responded as you should. They now have 20 weeks funding. But the ESP grant was not designed to provide permanent funding for organizations providing a social service or a community service. So that isn't the answer. It has been a great help to them, it has kept them open for the past year and it will keep them open for the next 20 weeks. They appreciate that. But their problem is permanent funding. There apparently is no pigeonhole for them there and they would like to create one. I am not prepared to go in there with a drill or a hammer and chisel and try to do it. I would like to do it by appealing to the intent of the department as a whole to help solve social problems, to try and create some assistance for them.

MISS CLIFFORD: — Could the minister tell me, then along the same line, what is the difference between items 24 and 25? In other words, would they have qualified under the grants for social services organizations?

MR. ROLFES: — No, not alcohol related treatment centre.

MISS CLIFFORD: — I understand that when I ask you this, it was in the vote before, but what is the difference between someone that would qualify under the community services and someone that would qualify under the social services organization?

MR. ROLFES: — Subvote 24 is provincial organizations and the other one is for local

organizations.

MISS CLIFFORD: — O.K. I just have a couple of brief questions about your home care program. When this is set up, particularly the nursing care in the community, when you get the whole organization set up, have you considered running the home care part of the program out of a hospital, for instance, having it based in a hospital?

MR. ROLFES: — The local boards would decide that.

MISS CLIFFORD: — But as far as you can consider it, you would say that it might be feasible to run it out of a hospital if the local board decided that was the way to do it?

MR. ROLFES: — Yes.

MR. MCMILLAN: — I would like some answer from the minister, either one of three things, I suppose. Are you prepared to reconsider your position with respect to permanent funding for organizations that do provide a valuable community service but that don't fit into any of your existing programs? Did you want me to repeat the question? Are you prepared to consider establishing programs for organizations at the community level which provide valuable community services but which don't currently qualify for funding under any government department?

MR. ROLFES: — Yes, sure we will.

MR. MCMILLAN: — O.K. What would be the criteria upon which you base that consideration? What would you be looking for? I would like to know why you won't give this project any further consideration?

MR. ROLFES: — Mr. Chairman, I think the member indicated several times when he was describing the project, he was saying they were doing some education programs, doing some rehabilitation as far as drugs and as far as alcohol are concerned. I think both of those education and alcohol do not, strictly speaking or in a large part, come under by department. I think the Department of Social Services simply can't be the catchall for programs that should maybe be funded by other departments. I said I would take it under advisement but if he wants me to give him a commitment here tonight, I am just not prepared to do that.

MISS CLIFFORD: — Mr. Chairman, one final question. I am sorry I forgot to add this to the question before about home care. Let us say that the home care service is run out of a hospital if the board wishes to do so. And the reason why I am asking is, in my home town the Meal on Wheels is run out of the hospitals. So let us say that they do incorporate this. Now, what about dressings and different types of things that will have to be used for home care, whether it be treatment for diabetics or this type of thing. Out of the hospital they could be had cheaper because they are purchased there in bulk. In the same manner, for instance your department, once the board decides where they are going to run it out of, if it were the hospital they pay or fund half a person who worked out of a hospital or a person, one position, depending on that type of instance.

MR. ROLFES: — I think again that would be up to the local board. They can apply the dollars as they see fit. You know, there are a certain number of dollars involved and we are leaving that flexibility up to the local boards to decide. By the way, nursing care is free and I don't know just why that would limit them. There is no cost to the consumer as far as the nursing component is concerned any way. So I don't think it would make any difference.

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Items 25 to 33 agreed.

Social Services Vote 36 agreed.

Supplementaries agreed to.

COMMITTEE OF FINANCE - MINERAL RESOURCES - VOTE 23

MR. CHAIRMAN: — I wonder if the minister wants to introduce his officials and we will get started.

HON. J.R. MESSER (Minister of Mineral Resources): — Mr. Chairman, I have my deputy minister, Mr. Bob Moncur, Mr. Keith Laxdal, assistant deputy minister of revenue and administration, Mr. Ken Arndt, the chief accountant.

ITEM 1

MR. E.C. MALONE (Leader of the Liberal Opposition): — There are a number of things that I would like to say on this particular department, but before doing so, and while I am making my remarks, I wonder if the minister would have one of his officials ascertain for me, from his records, the approximate average price per barrel of oil in Saskatchewan - average ball park figure - for 1974-75, 1975-76, 1976-77, 1977 to the present, if possible, the average price in those fiscal years.

One really doesn't know where to begin, Mr. Chairman, when we come to the Mineral Resources department. I understand that the Premier spoke at length today, in his annual speech to the legislature, about the great development of minerals in Saskatchewan, the past little while.

MR. ROMANOW: — A great speech.

MR. MALONE: — I will be dealing with this in a moment, Mr. Attorney General. I think it has some very interesting figures in it.

But under the reign of the present minister, which started about one or two years ago, we have seen almost a lack of development in Saskatchewan of mineral resources with one possible exception and that is the uranium industry. I may say to the minister, when I look at your report for SMDC, which we will, I gather, be talking about tomorrow morning in Crown corporations, I note that the effective date of that report is March 31, 1977.

Obviously, in Crown corporations we are not going to have much of an opportunity of examining the records of SMDC on a current basis, so I want to caution the minister that we intend on asking a number of questions in his estimates on uranium development in Saskatchewan. I notice under the Heritage Fund estimates that there is an estimate for SMDC, which the minister will be dealing with and I want to warn him that we will be questioning him at that time about uranium. It may not even be necessary to go into Crown corporations tomorrow because most of our questions are going to be more up to date.

Let me say this. We have in Saskatchewan three very valuable resources - oil, potash and uranium. There are other resources which we have, which are valuable as well. We

have not reached the state of development in those resources that we may reach in the years ahead. The focus of our attention has been, basically, on those three.

I want to deal, if I may, a little bit with oil and with potash. We have seen the complete collapse of the oil industry since the introduction of Bill 42 and, indeed, we have really seen nothing under Bill 47, which will lead us to believe that there is going to be any development at all in the next year or so.

In potash we have seen the government not encouraging the expansion of the private sector in the potash industry but by buying the industry. We have seen the government come in very proudly and say, well look at all the money we took from the international oil industry through Bill 42. The Premier comes in and he says, we have raised the sum of \$779 million in taxes from that particular industry. I think it is fair for us to ask, what has happened to the money? Where did that money go?

The Premier and others have said if the Liberals had been in power that money would have gone to the multinational corporations. It wouldn't have been used for the benefit of the people of Saskatchewan. All right, you have raised \$779 million; let's see how it has been used for the benefit of the people of Saskatchewan. We can knock off about \$500 million to \$600 million right off the top, money that was not used to further develop the oil industry in Saskatchewan; it was not used to develop a heavy oil refinery at Lloydminster or other locations; it was not used to fund Saskoil for their operations; it was not used to develop the potash industry in Saskatchewan; a bit of it was used to develop the uranium industry. By far, the major portion of the money that was raised from the oil industry has been paid to the multinational corporations of the world, the potash corporations - \$500 million to \$600 million has left this province, has been given to companies that will never be back to this province (if they are back in Canada it will be surprising) has been taken out of circulation and has been taken away from the people of Saskatchewan.

One wonders what thoughts are in the minds of the members opposite. When we debated Bill 42 they said that that money was not going to be used for the benefit of the multinational oil industry. They prevented that from happening. But what did they do with the money? They gave it to the multinational potash industry. I really don't see how that taxing policy of your government, Mr. Minister, has proved beneficial in any way to the people of this province - \$500 million to \$600 million taken out of the pockets of the people of Saskatchewan and given to the multinational potash industries, \$500 million to \$600 million that could have been used for any number of things in this province, to help the farmers, to develop resource industry. You name it, Mr. Minister, just about any program you could name or I could name would be more beneficial than paying that money to people like Duval or Alwingsal and the other industries that received the benefit of it.

I wonder, minister, how you can justify paying \$500 million to \$600 million of the taxpayers' money to the multinational potash industry because that is what you have done with the money. I understand that the Premier got up today and he talked about these tax revenues being preserved for the people of Saskatchewan. I wonder how they have been preserved when all of that money, almost all of that money has left the province of Saskatchewan. Gone, never to be back here. Now I am sure you are going to get up and say, well it is a good investment in potash; we are going to see a return on that money; some day somewhere along the way it's going to be beneficial to the people of the province. We pursued the minister in charge of the Potash Corporation about this in Crown corporations; he could give us no answers. We pursued the Minister of

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Finance about it in the budget speech; he could give us no answers. I wonder if the Minister of Mineral Resources is in a position to give us any answers at all as to when we are going to receive some small return on the \$500 million to \$600 million that has left the province of Saskatchewan never to come back again.

Let's not just talk about the \$500 million to \$600 million that we have squandered, sent out of this province. Let us talk about the money we have lost as well - \$210 million in the potash industry alone, money that now has been invested in the province of New Brunswick by IMC and by Potash Corporation of America, money that would have been invested in this province. We know that the PCA and the IMC people have stated categorically that, if it was not for the taxation laws of your government, if it was not for the attitude of your government, that \$206 million investment would be here creating jobs, creating secondary industry, creating employment for the people of this province, giving us the benefit of that investment.

Mr. Chairman, perhaps we should just pause for a moment to hear the minister on potash. I wonder if you can get up, Mr. Minister, tonight and tell us when in Saskatchewan we are going to receive the benefit of the \$500 million to \$600 million that has been invested in the potash industry and the \$206 million to \$210 million that we didn't get in this province because of your policies. I think I would be very intrigued to hear your answers in that regard and perhaps while you are answering those questions, you can tell us about the destruction of the oil industry in Saskatchewan, between 1973 and the present time. Perhaps you can justify as well, why we have seen such a dramatic decline in oil exploration in Saskatchewan in those years. I know you are going to get up and talk about proposed drilling this year in the Kindersley-Lloydminster area and I say, thank goodness for that. What about between 1973 and now? What about the reduction in the amount of money we have been receiving from the oil industry between 1973 and now?

Perhaps, Mr. Chairman, I will sit down and the minister can respond to my comments. If he has the answer to my question, perhaps he can give that to me and that will help me with my next series of remarks to him.

MR. MESSER: — Mr. Chairman, let me firstly say that when the member says that the major portion of the money collected, the \$775 million of it by far the major portion has gone to large potash companies, multinationals, that in effect we are taking moneys from the oil industry by severe or unduly heavy taxation and passing it on to the potash industries. I don't know what he proposes the provincial government should have undertaken to do to resolve the problem of some years ago which he does not want to mention during the course of this committee hearing. That is obvious because he has refrained from making any comments in regard to the dilemma that the province of Saskatchewan found themselves in, in undertaking to resolve a taxing problem with the potash companies. There was certainly some years ago, virtually no co-operation emanating from those companies to undertake to abide by the laws of the province or convey to the province the necessary information that they said was required if they were going to reconsider the taxing structure that was in place. In other words, the government would have to have certain information before they would really be able to see whether or not the companies were adversely affected by the taxing structure.

The companies were not prepared to do that. We made it perfectly clear that if they were not, during a negotiating period of time, capable or willing to bring forward the necessary statistics and facts, that our only recourse would be to undertake to acquire a profile in the potash mining industry in the province of Saskatchewan and it ultimately

led to that.

Now I don't know whether the Leader of the Liberal Party would have expected us to expropriate without compensation. He knows full well that that was not really a course that was open to us so obviously the only means that we were able to acquire that profile or that level of ownership in the potash industry was by negotiations, if at all possible. I think that we have been successful in that negotiation.

If he expects me to be precise in regard to the benefits that we receive from that potash industry today, certainly that is difficult. But the long-term benefits of that industry to the province of Saskatchewan will be very significant and rewarding. They will give a stability to this province that we would not have had if we had not undertaken to pursue that policy. Only time will tell and the member can get up and rant and rave as much as he wants about whether or not we have got significant returns today and that we should have taken by far the largest percentage of that \$779 million, the figure that he uses, and pump them into agricultural programs and other programs that are needed by citizens of the province of Saskatchewan. But I ask that member to compare the programs of this province for those groups that are in need of provincial recognition and/or assistance, and they will find whether we took the funds from this \$779 million or not. There are more programs and there are more meaningful programs with assistance being given to those categories of people than there are in most other provinces. We have in no way, we have in no way been deficient or have we neglected those groups in Saskatchewan who are in need of provincial recognition or provincial funding.

I don't want him to allude to the fact or to mislead the members of this legislature or the people of Saskatchewan that because we have involved ourselves in potash, we have by some means, been negligent in undertaking to recognize the need of Saskatchewan citizens. I say to him as we have said and as other members of this House have said, that in a few short years the people of Saskatchewan will be reaping the benefits from our actions. I think the majority of the people in the province of Saskatchewan support, Mr. Chairman, the move of this government in acquiring a significant profile of the potash industry.

Now, the member goes on to talk about what he almost leaves the impression of, as being a commitment of some \$206 million or \$210 million of investment in other parts of Canada. There has, by no means, been any commitment to that kind of an expenditure. The member relates to figures that PCA have talked about if they establish a mine. But they have, by no means, committed themselves to a mine. They are undertaking to continue to do exploratory work which may yes, granted, lead to another mine but it is not correct and it is misleading to undertake to convince this House that they have committed themselves to such an expenditure.

He mentions International Minerals, IMC, they have made no commitment of any kind. No commitment and I see the member shaking his head. If he knows something that I don't know I would appreciate it if he would convey it to me but they have made no commitment to my knowledge in regard to significant expenditure for a mine outside of the province of Saskatchewan.

Now, Mr. Chairman, the member also makes broad and sweeping criticisms in regard to the lack of development of the oil industry in the province of Saskatchewan. In fact I think he says with the exception of uranium there has been no activity, no optimism in

regard to development of the resource industry in the province of Saskatchewan. Mr. Chairman, I ask the Leader of the Opposition to take some time, if he can find it, and ask the industry whether they believe that to be the case. Ask the industry, Mr. Leader of the Opposition and I think that you will find that it is quite a different opinion that they may have in regard to the activity in the province of Saskatchewan and the activity for the future. If I may start with oil and I know that you say, don't give us the statistics from 1976 and compare them to 1977 and then, in turn, compare them to the first quarter of 1978. But if we want to be current with the level of interest and activity being shown by the oil industry, I think it is only reasonable that we use current statistics, only reasonable. He and his colleagues would be the first to undertake to criticize the government if when we answered an inquiry such as he has made, talked about statistics of 1965 or '56 or '72. We are talking about something current and the member knows that the activity of 1977 was double that of 1976. I have given to him information in regard to the first quarter activity for Saskatchewan and, again, it surpasses by a very significant amount a similar period in 1977.

Let me give you some other statistics in regard to heavy oil because I think that that is an area of current interest. In the Lloydminster area accumulative oil production to March 31 is some - and this is production - some 300,000 barrels higher this year than in 1977. I might also say that drilling activity during the period from January to April 21 continues to be ahead of last year with the drilling in the Lloydminster area of 66 wells compared to 26 issued for the same period of time in 1977. Drilling licences issued totalled 120 compared to 46 during the same period in 1977. Those are some recent and some current statistics, Mr. Chairman, but I think that I would be negligent if I didn't, in undertaking to rebut the opening remarks of the Leader of the Opposition, that he cannot compare statistics in regard to oil production in Saskatchewan in isolation for the periods the early 1970s to the mid-1970s. There were certainly some actions undertaken that were beyond the provincial government's control and/or resolution. The member knows full well that the federal government, yes the federal government, changed their attitude in regard to non-deductibility which had some significant impact on the oil industry in Saskatchewan. The member also knows that there was a considerable change in the attitude of the federal government in regard to the export of heavy crude oil. He knows that a very significant percentage of production of oil in Saskatchewan is of the heavy crude variety and that that in a very meaningful way curtailed our ability to continue to encourage exploration, development and extraction of heavy oil because there is no sale for it. That problem was not similar to the province of Alberta where they had a lighter, sweeter, more medium crude oil which wasn't affected by that federal government decision.

The member also knows that all across Canada, at least in the prairie provinces, at least in Alberta and Saskatchewan, the oil industry showed an enthusiasm to undertake and explore and develop off shore. That proved not to be as optimistic as they thought and now those companies are starting to return their exploratory dollars again to the province of Saskatchewan. He also knows that during that period of time there was a significant acceleration of interest for natural gas rather than oil. A lot of the activity which had formerly been involving itself with oil exploration and development turned its attentions to natural gas - the most beneficial area for natural gas exploration and development was in the province of Alberta.

Mr. Chairman, I have tried to answer some of the member's observations. Certainly in the area of oil there has been significant interest shown in the last few years. When we had the difficulty during the mid-1970s, it is not correct for him to undertake to convey to this legislature and through this legislature to the people of Saskatchewan that that

was wholly and totally the fault of the Saskatchewan government. That's not true. There were external circumstances which forced the reduction of activity in this province. I ask him to talk to the industry about other areas of optimism. There was a coal symposium held in the city of Regina just a week ago. I think, too, in industry they were very optimistic about the yet to be announced coal policy of the province of Saskatchewan. They had conveyed to me both privately, and I believe in the press on a number of occasions their strong feeling of support for the present government's policy in regard to developing a new attitude of development for the coal industry in this province, and that it will, when it is announced, provide them with some additional significant incentive to expand their operations in that non-renewable resource in this province as well.

So all in all, I think, Mr. Chairman, that it is correct, in summing up, to say that the Leader of the Opposition has either been misled or is ill-informed in regard to the activity in this province. He need only open his eyes and his ears to see that there has been significant progress made in the last two years especially.

MR. MALONE: — I am neither ill-informed and I haven't been talking to the wrong people, Mr. Minister. I think I have been talking to the right people and I am better informed than you are.

Just one comment on your potash situation. You go to great lengths and say, oh, those dirty people in the potash industry, they wouldn't pay the taxes so, therefore, what did we do as the government? We paid them \$600 million. They are such mean people, they wouldn't pay the taxes so we paid them \$600 million and sent them on their way. That is really a great way to deal with those people. You get up and say to justify your policy they wouldn't pay their taxes that we passed. So what do you do? You give them \$600 million and tell them to take the money and invest it somewhere else. Just a comment in passing, Mr. Minister.

There isn't a government, probably, anywhere in the world that has given more money away to multinational interests than then NDP government. There isn't a government anywhere, certainly not in Canada, certainly not in North America. I don't know but maybe there is some African or South American banana republic that has, but certainly not in North America, has any government just turned over such vast sums of money, taken them away from the taxpayers and given them away.

Now, let's talk about some of your statistics, Mr. Minister. You talk about drilling activity in Saskatchewan and drilling activity in Canada. Let me put to use the statistics that were provided to me by the Canadian Association of Oil Well Drilling Contractors. I understand their office in Calgary, I understand that these statistics were put together as a result of your speech at the Canadian Petroleum Association dinner in Regina recently, as a result of some comments by the Premier as to so-called drilling activity in Saskatchewan.

Let me draw to your attention, Mr. Minister, if I may, the number of rigs operating in Saskatchewan in August of 1977, August of 1976 and August of 1972. In 1972 there were 31 drilling rigs operational in the province. In 1976 there were seven. In 1977 there were 13. Now, I know you are going to get up and say, well, it almost doubled in one year from 1976 to 1977 and it did. In 1972 at a time when the price of oil was stable, at a time when the OPEC countries hadn't moved into the world oil market they way they did, there were 31 rigs in one month drilling in this province, at a time when there wasn't the tremendous demand for oil as there is now and there has been in the

past few years. Now, you are going to jump up and say, well, the same situation occurred in Alberta but I suggest to you, again, Mr. Minister, that you can't use that as a excuse either. In 1977-78, I'm sorry, in 1972-73 in Alberta, there were 189 rigs drilling. In 1976 there were 244, in 1977 there were 250. Now, I would suggest to you that whether they were drilling for gas or were drilling for oil, it really doesn't matter. They are drilling for an energy resource, a petroleum product and if your regulations had been such that they could come into this province and drill for gas or oil and gain a fair return on their investment, they would have been here drilling. There would have been more wells drilled in Saskatchewan, over the past few weeks, than were drilled in 1972-73, rather than less wells. So the statistics don't bear out your comments, Mr. Minister. What does prove the fact that there is a lack of activity in Saskatchewan and the reason for that, in your policies, your policies alone. You put a crushing tax load on the industry in 1973 with Bill 42. Ever since then you have been backing away from the tax load, a little bit every year. If we give them a bit in 1974 maybe they will come back. They didn't! The same thing in 1975, the same thing in 1976. Now you have backed off the stupid taxing policy that you had and are giving the industry, by way of incentives, some sort of reason for coming back to Saskatchewan. Not a good enough reason to come back. Because of your reduction of the royalty situation, because of your incentives the industry is gradually returning, but you still face the responsibility of those years between 1973 and the present, when there was no activity. And with the amount of money that was accruing to the province of Saskatchewan, rather than going down in those years, as it did, should have been increasing. About this time we should be seeing hundreds of millions of dollars coming into this province through royalties and we are not seeing anything at all.

Now, Mr. Minister, I asked you a question earlier. Are you able to respond to it right now as to the price per barrel in the years that I mentioned?

MR. MESSER: — Mr. Chairman, I first want to make just a brief comment or two, again, in regard to the member for Lakeview's statistics.

I have in front of me, Oil Week, February 13, 1978, certainly not a publication that is put out by the Department of Mineral Resources of the Government of Saskatchewan or is likely to have a bias for the Department of Mineral Resources or the Government of Saskatchewan. It is an article, Drilling Enjoys Record Year, the leading paragraph starts off saying, 'The Canadian drilling industry enjoyed a record year in 1977, particularly in Alberta and Saskatchewan and British Columbia.' The industry itself saying that they are more than satisfied with the level of activity in the province of Saskatchewan. Let me go on, let me go on and draw to his attention the graph here showing the exploratory completion for 1976 and 1977; 1976 for gas vis a vis oil. The province of Alberta in 1977 for oil completions, 1977 oil wells completed, Mr. Leader of the Opposition, 199 in the province of Alberta. In Saskatchewan for oil wells completed in the year 1977, 166 - 166. Now you can try to use the convoluted figures that you used but when I take 1977 and refer that to natural gas, wells completed, there were 1,244 in the province of Alberta. That is because the gas is there. That is because for a dollar spent, they are likely to find more gas than they will find in the province of Saskatchewan ever and I don't think you can deny that. They have got the reserves, we don't have them here in the province of Saskatchewan. In Saskatchewan for 1977, we had 26 gas wells completed. I think, when we compare the gas reserves in the province of Saskatchewan to the gas reserves in the province of Alberta, those are not bad statistics and I suggest to you, when you want to use statistics, you use them honestly,

not the way you are trying to mislead the legislature right now.

Mr. Chairman, the other point I want to make. Because of that high level in Alberta, because of their success in finding all of that gas, a non-renewable resource to Canada in total, they are demanding that that gas be exported to the United States, demanding that we give it away in order to get a cash flow.

Now, Mr. Chairman, I would suggest that if they had undertaken to follow in a more expeditious way, a long-term management development policy for non-renewable resources, we wouldn't find that energy now being asked to be given away just to have a cash flow for that province. We would have yet a benefit for Canadians for a much greater period of time than we are likely to obtain by the policies they are now undertaking to pursue. And that is the policy that the Liberal Party had they been the Government of Saskatchewan, would have been pursuing.

Mr. Chairman, let me give to the member for Lakeview the statistics that he asked for in regard to the average per barrel price of oil for 1973 up to 1978. We have to be approximate for some of this but I can be precise for 1973. The price per barrel was \$3.05; 1974, \$5.33; 1975, \$6.84; 1976, \$7.89; 1977, we are approximate here but we think we are within about a nickel or a dime, \$9.89; for the first third or half of 1978, (approximate again) \$10.89. You never have that.

MR. MALONE: — Every time the minister has to be defensive about the record of drilling activity in Saskatchewan, he starts giving his speech about conservation, that we want to keep the resource under ground and the next time he turns around and says, well our drilling record here is pretty good. We got as much as Alberta; we got our share. But I say to you, minister, you can't have it both ways. If it is the policy of your government to have conservation, fine. Get up and talk about conservation. You have got a good argument on conservation. If it is the policy to develop, fine. Talk about development. But don't take it both ways. Don't get up when we criticize you for a lack of development and say, oh our policy is conservation. If we get up and talk to you about conservation, you get up and say, well we want to develop. I point out to you that your own argument is self-defeating.

I was very intrigued in getting these figures from you today, Mr. Minister, particularly in view of the statement filed by the Premier in his speech this afternoon. It is very interesting. In 1974-75 when the price of oil was at \$5.33, we collected about \$208 million. One would think that the next year, when the price went up by \$1.50 per barrel, that the amount of taxes collected by the Government of Saskatchewan on behalf of the people would increase by a proportionate amount, indeed would go up even more because of more activity in the province. But did it increase? It didn't increase at all, in fact, it went down \$38 million between 1974-75 and 1975-76. One would think in 1976-77 you would have recovered a bit and you would get back to the level of 1974-75 perhaps. Indeed the price of oil went up in two years by \$2.50 a barrel. How much more did we get? Mr. Minister, we didn't get any more. In fact, we got \$5 million less than we got in 1975-76, and we got about \$35 million or \$40 million or so less than we got in 1974-75. So where is your oil policy in those years? So we go to 1977-78, a dramatic increase, up again to \$222 million. But where is the price of oil? It is doubled from 1974-75 to 1977-78. The price is almost doubled. What did we collect in taxes? Did we get double what we had in 1974-75? No, we got about the same, plus \$20 million. Where is the money going, Mr. Minister? Obviously what I say, you have destroyed the oil industry in Saskatchewan in those years. Your figures bring it out; they prove it. Rather than the amount of money going into the Heritage Fund, as we call it

now or the Energy Fund as it used to be called, going up after Bill 42 it has gone down. It has gone down at a time when the price of oil has gone up dramatically. Now where is your policy there in those years, Mr. Minister?

You talk as well about a hundred and some wells being drilled in Saskatchewan in the past year, or wells that have been proven; you talk about great pride about that. In 1972-73, I believe, there were 1,200 wells drilled in this province - if not in that year, one of the years immediately preceding it. Your policy has been a disaster. You haven't stimulated the oil industry in this province. You may be getting something on the road now because of the location of the heavy oil refinery in Lloydminster, because the federal government is coming in to give you some money. The money you have collected from the oil industry - sure you have kept it from the multinational oil industry and you have given just about every single penny of it to the multinational potash industry. So don't you get up and say your policy has been a success. It has been a dismal failure! The people of Saskatchewan should be getting some return from the \$779 million collect, they have hardly got one penny out of it.

MR. MESSER: — The member for Lakeview sometimes amazes me. He says that we can have a policy in regard to conservation of energy. That's fine; we should preach that policy. But because we have that policy we can't have a policy in regard to the development of non-renewable resources in this province because if we've got a policy there then you can't have a policy in conservation. I think that that shows the tunnel vision of the member for Lakeview and his Liberal colleagues. Surely, surely, Mr. Chairman, in this day and age it is only credible and realistic to have a policy that takes into consideration conservation of a non-renewable resource and one that develops having the best interests of the people of Saskatchewan and the people of Canada. I say, Mr. Chairman, that our record speaks for itself and that we do have that policy; we have not in an indiscriminate way undertaken to develop that resource and not acquired a level of return that is realistic for the people of Saskatchewan and also contribute to resolving Canada's energy supply.

Now, Mr. Chairman, also again let me return to the statistics that the member alludes to in regard to increasing value . . . (interjection) . . . the statistics he alludes to. I'm not saying there is anything wrong with them, I'm not saying there is anything wrong with the statistics - the statistics he alludes to, Mr. Chairman, where he says an increasing price for oil during the latter part of the 1970s and that power taxing revenue goes down. Well, Mr. Chairman, I again remind him of the reason for that. There was virtually a total embargo on heavy crude oil for the province of Saskatchewan during 1974-75 and most of 1976. That embargo was set and brought into place by the federal Liberal government, not the province of Saskatchewan. It's nonsense, Mr. Chairman, to talk about higher oil prices if we haven't got a means of undertaking to export that oil and there was a policy brought into place which did not allow us to remove that oil from the province of Saskatchewan. Certainly our revenues went down.

MR. MACDONALD: — This . . . Jack . . .

MR. MESSER: — Does the only member now in the Liberal caucus, the only former member of the former Liberal government and for that matter, former Liberal member who sat in this House - if he wants to take part in this debate I would suggest that he allows me to answer this question of his colleague, the Leader of the Liberal Party, and he can undertake to make his inquiries at that time.

Mr. Chairman, let me say that the other significant reason for having a dropping

amount as far as royalties were concerned was again the non-deductibility of the federal government in an attempt, at least to some extent, to make up for that decision of non-deductibility by the federal government and that, again, eroded our royalties and our revenues to a very significant extent. I remind the Leader of the Liberal Party that both of those measures were brought upon us by a federal Liberal government. We undertook to contend with them in the best way possible while we pursued a policy of both conservation and development of non-renewable resources in this province. I think, Mr. Chairman, that we have done a credible job in that regard.

MR. MERCHANT: — Mr. Chairman, I am amazed that he would seek to try to distort with numbers in the way that he has and seek to say that the production in the past couple of years indicates that Bill 42, when he took over, he knew was bad law and he changed; that Bill 42 was in some way explainable and acceptable and was good for Saskatchewan.

He talks about the current levels of production. The interesting thing, Mr. Chairman, is to compare current levels in production in wells drilled which are now at about 500 wells last year, up by 100 per cent from the disastrous year before. But to compare that to production that we always had in this province, under the old CCF and then under the Liberals, let's look at that record.

By 1956 we were up to about 1,000 wells per year. In 1956, as a matter of fact, 1,108 wells were drilled in this province. Next year, 1957 . . . yes, they were good years for the oil industry before the NDP took over and proved that they really didn't have much truck nor trade with the CCF. For 1957, 1,227 wells and it continued at that level. Oh, the CCF got down to about 750, but they certainly didn't ever get down to the disastrous lows of the NDP. In 1963 when the Liberals took over, a bit of an upturn from 700 range to 950. Then in 1964, 1,195 wells; in 1965, 1,284 wells, the all time record; 1966, 1,168. It continued around 1,000. Oh, there was a lot of drilling activity. You know I say to the hon. member, who sits at the back of the hall and tries to think of some way to get into the debate. I say to the hon. member that you can't have it both ways. The minister could well say, we grabbed every nickel out of the industry and we know we have destroyed it in the process. At least then he would be honest with us, but what he says is, we grabbed every nickel out of the industry and the industry is strong at the same time. That is the same minister who, when he took over, realized that the Bill 42 legislation had to be changed and he took off the thumb screws.

Mr. Chairman, the greedy policies that the NDP have brought in were sure to have some effect, some effect on the traditional levels of drilling activity in this province. From 1970 to 1974, this is the real story of NDP success, 945 wells to 770 to 655 to 661 to 286, down to 254. We hadn't been at a level of drilling of 254 since 1951 . . . That is almost true, when the member, now the minister, thought that oil was what you put in your hair before you went out on a date to find some girl in Melfort.

Mr. Chairman, the minister then says, well it was the same every place else and that's a bigger lie still - because during those exact same years, during those exact same years of federal taxation, what was the industry doing in the rest of the country? In Alberta, in the same years when Saskatchewan went from 1,000 under the Liberals to 254, drilling went from 1970 to 1975, from 1,847 wells to 2,025 to 2,676 to 3,513 to 3,489. The same federal tax, the same industry, the same industry that he says was off in the Beaufort Sea, fiddling around off Great Britain. I say to the minister that that is just a figment of his imagination. They had left Saskatchewan and they were drilling in Alberta and they were drilling in the North West Territories. The same years saw an

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increase in the North West Territories from about 70 wells up to about 105. There was activity there; there was activity in British Columbia. Under an NDP government, there was more activity in Manitoba in terms of interest. Crown land sales, in the same period of time, were going up dramatically even though they didn't find much.

Mr. Minister, Mr. Chairman, we would be prepared I suppose to accept, but think that the policies were really wrong, if what the minister was saying was that they decided to take every nickel out of the industry. That was the old Bill 42 legislation, but that is the very minister, Mr. Chairman, who took over and said, no, this is wrong. We are not going to strangle the industry. That's the very minister who now has production doubled and it may double again and if it doubles again, he will get it back up to the old CCF and Liberal averages. That's the minister who saw that the NDP policies were wrong and that is not the minister who should be coming to this House and distorting and trying to play games with numbers to convince members of the House and members of the public that somehow the industry was strong, under Bill 42. The industry was very severely weakened and will be a long time getting back to the old levels. Mr. Chairman, I don't think we will ever recover in the oil industry because of the policies of this NDP government.

Mr. Chairman, I see that it is somewhat past 10 o'clock and I ask leave to call it 10 o'clock.

The committee reported progress.

The Assembly adjourned at 10:06 o'clock p.m.