

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 17, 1978**

The Assembly met at 2:00 o'clock p.m.

On the Orders of the Day

**MOTION**

**Reports of Committees**

**Mr. W.J. G. Allen (Regina Rosemont):** Mr. Speaker, I move, seconded by Mr. Anderson, the member for Shaunavon:

That the first report of the Select Standing Committee on Law Amendments and Delegated Powers be now concurred in.

Motion agreed to.

**REPORTS OF COMMITTEES**

**Mr. M.J. Koskie (Quill Lakes)** moved, seconded by Mr. A.N. McMillan (Kindersley):

That the first report of the Select Standing Committee on Crown Corporations be concurred in.

**Mr. McMillan (Kindersley):** As the seconder for this report, I would like to say that the report that is tabled in this legislature is an accurate reflection of those things that transpired while that committee met, but it in no way reflects the disappointment of those of us who sit as opposition members in the committee with not being able to deal with issues before Crown Corporations that are a little more current and perhaps a little more appropriate to discussion of a committee of that nature.

The problem could no better be exemplified than by the Crown Corporations Committee we examined yesterday, Saskatchewan Mining Development Corporation, in which one complete fiscal year of operation of that corporation has transpired between the end of the year in review which we were perusing and the current session of the legislature today.

We were more than two years behind in our questioning as a result of the fact that the report submitted was fur current to March 31, 1977. The questions that we wanted to put to the minister were restricted because of the fact that we were not allowed to ask questions in that committee in the year under review. I would like at this time personally and on behalf of the Liberal Opposition to lodge a note of disappointment and urge the government at the first opportunity (which it has not done in the past) to expand the terms of reference of that committee so that we may play a more meaningful role in the scrutiny of our Crown corporations on behalf of the people of Saskatchewan.

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

**Mr. J.G. Lane (Qu'Appelle):** Mr. Speaker, responding to the comments made, I think that this year's operation of the Crown Corporations Committee has indicated the total futility of the operation of that committee. The fact is that the government has, in the last several years, gone on a massive spending spree beyond the review of this Assembly. It became evident both in the Crown Corporations and the Public Accounts

Committee. I think, to have the public have any opportunity to try to find out where literally billions of dollars are going, that that committee has to be totally restructured. The motion made by the hon. member for Yorkton, that this be passed on to Ottawa, the same system, I think, would make a mockery of parliamentary review of government spending. I think that that Crown Corporations Committee and its operation has made a mockery of our ability to review the expenditures, particularly in the resource industry.

**Mr. C.P. MacDonald (Indian Head-Wolseley):** I only want to add a very small comment. A few years ago, one of the most significant improvements in the procedures in the Legislative Assembly in the province of Saskatchewan was the change in the method of handling Public Accounts. Those of you who were here a few years ago will recall that Public Accounts used to be handled in an identical manner to Crown Corporations. It was public, the press was there, it became a political debate; very little factual information was provided. It was then that a committee was struck of both sides of the Assembly; a year was taken to study it under the chairmanship, I believe, of the former Speaker's father, Mr. Brockelbank, and Hammy MacDonald was the co-chairman. They came up with a report and recommendations which initiated the current Public Accounts procedure, which would be in camera, with a report whereby officials of the civil service can be called, can be questioned factually, as well as the minister himself.

I would like to suggest to the Premier and the government that it is now time that the government of Saskatchewan call a special legislative committee of all parties in the Assembly, ask them to review the procedures of Crown Corporations and come back with a meaningful recommendation so that this committee can fulfil its job on behalf of the citizens of Saskatchewan.

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

**Hon. E.L. Cowley (Provincial Secretary):** Mr. Speaker, I want to make a very few comments in response to the members opposite. This is in essence partially a return to the debate which started off the Crown Corporations Committee this year; a debate in which I think members from both the opposition parties participated.

First of all, with respect to some of the comments of the member, Mr. McMillan, for Kindersley, with respect to timing in that the Crown Corporations Committee, like the Public Accounts Committee, is a committee for reviewing events that have occurred, annual reports which are there before it. The place for the debate or the discussion if you like, questioning of ministers with respect to current activities of Crown corporations is in the question period in the House under motions, etc. I think that is as it should be and that the Crown Corporations Committee, like the Public Accounts Committee, has been and is set up to inquire into events that have occurred in annual reports that have been tabled in this legislature.

I think it is also well to remember that the Crown Corporations Committee is a creature of the legislature. The terms of reference of the Crown Corporations Committee are not set by it but by this legislature. If one examines the review that takes place in other jurisdictions in Canada with respect to Crown corporations, the procedure used here, the opportunity for members of the opposition and members of the government to question and look into what goes on and what has gone on in Crown Corporations Committee, I think is unparalleled in Canada. And while one can always argue (and perhaps with some justification) that it needs to be improved, one looks at Ottawa where Crown corporations are virtually not under public scrutiny at all and they only

come up from time to time, more or less at the whim of the government, before committees. That certainly is not superior but vastly inferior to this committee. If this system is some kind of a mockery, I don't know how one would describe the system in Ottawa or indeed the system in other provinces.

With respect to the comments of the member for Indian Head-Wolseley, the suggestion that we restructure the Crown Corporations Committee along the lines of the Public Accounts Committee, the in-camera thing. I think that has some merit. I certainly will ask my colleagues to consider the comments and the suggestions of the member for Indian Head-Wolseley. I think there is a great deal of merit to the suggestion. I don't think it would matter whether we were in the opposition or the members opposite are. When you have a committee like the Crown Corporations Committee there is a great deal of political posturing that goes on as opposed to questions and investigations into the operations, whether they are being done in a wise and judicious manner, etc., just because of the fact of the type of committee it is and open to the press.

Now, I think on the other hand (perhaps the members of the press would put this better than I would) there is an argument on their part or an argument on the public's part, that they should be there to watch the proceedings as well. But on balance, I think that if one looks at this particular committee and compares it, as I say, with other jurisdictions in Canada, I think it stands up well in comparison. Now it may not stand up well in the view of the members opposite, to the ideal which they might see and there may indeed be some suggestions for improvement that could be looked at.

**Mr. W.C. Thatcher (Thunder Creek):** Mr. Speaker, responding very briefly to the Provincial Secretary, as a member of the committee, I would like to make one or two pertinent comments. Comment number one is that this is my first and last term as a member of the Crown Corporations Committee. My observation of one year is that it was a total waste of my time and everybody else's time who was there. The committee is structured in such a way that the government is required to answer only what they feel may not be damaging to their political interests. Granted, some ministers are much better than other ministers and in many cases the Crown corporation that is up, the tone of the matter is determined to some extent by the minister and his flexibility. Some ministers, I would comment, were excellent, some were not.

Mr. Speaker, I would comment in terms of the committee that if you are going to have a committee to look at a situation which, I suppose, is tantamount to what I have out at the ranch where you close the gate after the horses have run away, which is what really we are doing there, then, at least, give us some teeth. This committee has no teeth and consequently is of absolutely no value and I, frankly, see no point in ever it sitting again.

Motion agreed to.

**Mr. Allan:** Mr. Speaker, I move, seconded by Mr. Nelson, the member for Assiniboia-Gravelbourg:

That the first report of the Special Committee on Regulations be now concurred in.

Motion agreed to.

## WELCOME TO STUDENTS

**Mr. M.J. Koskie (Quill Lakes):** — Mr. Speaker, through you and to the House, I would like this afternoon to express a warm welcome to some 30 Grade Twelve students and their chaperones from Drummondville, Quebec. These students are here on an exchange visit with our Grade Twelve students at Muenster who earlier this year at Easter time spent some 10 days down at Drummondville. Today the Quebec students are accompanied by some of the Grade Twelve students from Muenster. Three of them that I notice there are Brian Dopler and Bill Ross and Darrel Beaver and their bus driver, Benno Cory.

I want to say that this exchange was made possible by a federal grant known as Open House Canada. I think it is important in our times and in the particular time of Canada that students from various parts of Canada can have this type of exchange. I want to say, Mr. Speaker, that on behalf of all members here that I want to again welcome them to the province of Saskatchewan. I hope that they enjoy their visit here to the legislature. I hope that they will have a safe journey home and that they will take back with them a better understanding of this part of Canada.

I want to at this time, Mr. Speaker, call on the member from Kinistino who might be able to say a few words to these students in French.

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

**Mr. A. Thibault (Kinistino):** Monsieur L'orateur, aujourd'hui ca me fait plaisir de introduire un group d'eleves de Grade Douze du Drummondville. Ils sont assis dans la gallerie a votre gauche. Comme ca me fait toujours plaisir a cause de mes parents vienne de la province de Quebec. Ces toujours proche de mon coeur guand il y a quelqu'on de la qui vienne nous visite. J'espere que votre visite ici va developper une meilleur comprehension des problemes entre Quebec at les autres provinces, parce que on veut toujours que vous restez avec nous. Aussi je voudrais dire que je souhaite que vous vous rejouissez de votre sejour ici. Je voud souhaite un bon voyage de retour. Merci pour etri venu.

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

**Mr. Speaker:** I believe there is a group of students here from Saskatoon Westmount who are just arriving in the Speaker's gallery. They attend Bishop Klein School in Saskatoon. I understand there are 60 Grade Eight students. I want to ask all members to join with me in welcoming these students from Bishop Klein School in Saskatoon Westmount constituency. I hope they have an interesting and informative day in the legislature and a safe trip back to Saskatoon.

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

## QUESTIONS

### Saskatchewan Cancer Commission

**Mr. E.A. Berntson (Souris-Cannington):** Mr. Speaker, a question to the Minister of Health. I have here a letter that was delivered to your office yesterday and a related news

article in today's Leader Post in which a Dr. Mallik makes some rather serious accusations as they relate to the Saskatchewan Cancer Commission and the Blair Memorial Clinic in particular. Would the minister immediately implement a judicial inquiry into the whole matter of cancer care in Saskatchewan as the Watson Report does not have to be made public?

**Hon. E.L. Tchorzewski (Minister of Health):** In short, Mr. Speaker, no I am not considering initiating a judicial inquiry. We have taken all the appropriate steps to inquire into the alleged difficulties at the Allan Blair Memorial Clinic and indeed the Saskatoon clinic. Dr. Watson has all the credentials to be able to do an adequate and excellent job for us. He has already begun his work. I am confident that the results of that will assist us in providing advice in anything we need to do as he may recommend. I want to say to the member opposite that Dr. Mallik's resignation, as he may very well know, is not new nor surprising. Dr. Mallik has been threatening to resign for almost two years. To that extent, I think, probably it is helpful to the commission to know where it stands in this particular situation. If the member opposite wants to deliberately attempt to discredit the Allan Blair Memorial Clinic in the eyes of those people who may happen to use it, he may very well do that, that's his choice. But I want to suggest to him, Mr. Speaker, that it is very much in keeping with an editorial in the Star-Phoenix of yesterday where it said the Tories spend all their time trying to pick at straws in order to try to make a haystack . . .

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

**Mr. Berntson:** Mr. Speaker, Dr. Mallik is quoted as saying that if a member of his family had cancer, he would not take him to the clinic for treatment. I have here another letter sent to your office April 24, 1978, which indicates there are 14 firings, resignations, or early retirements from the Blair Clinic since 1976. Will the minister not admit that this is proof enough that morale and the general climate at Blair Memorial is in fact serious and that what we need is a juridical inquiry to sort out the whole mess.

**Mr. Tchorzewski:** Mr. Speaker, I have never suggested that there has not been some difficulty with morale. Indeed there has been. I would also like to assure the House that in the last several days and for the last week or so that that has been very significantly improving because of the steps that we have taken to try to resolve the problems that the member opposite talks about.

Now I may also say as he points out in the letter that I received from Dr. Mallik yesterday in which certain allegations are made, that those allegations, most of them, are inaccurate. One of them deals with the high energy treatment facilities in Regina. I want to let the House know and the members opposite from the Liberal Party will know, that the high energy facilities were installed in the Saskatoon clinic a few years ago, on the advice of the medical staff of the commission.

At that time it was decided by the commission that one would be installed in Regina at the Allan Blair Memorial Clinic when the need was there and when it was justified. The commission has received this request and it asked Dr. Mallik some time ago to provide documentation but up to the present time that has not yet come.

**Mr. Berntson:** Is the minister now telling us that the prescribed medical staff of the Blair Memorial Clinic is now normally eight, as I understand it, and is the minister telling us that as of June 2, I believe, we will be sitting on three medical staff at Blair Memorial Clinic. Is the minister telling us that that is a significant improvement over the last

week?

**Mr. Tchorzewski:** I said there was a significant improvement in the morale because the staff at the Allan Blair Memorial Clinic appreciates the sincerity of the steps that we are taking in trying to meet the concerns that have been expressed to us. The member points out the number three, I don't know where he gets it. With Dr. Mallik's resignation, he will not leave until the 2nd of June, there is a vacancy of four people in the clinic. I have previously in this House referred to the recruitment by the commission for new staff; there has been that recruitment; there have been interviews and offers have been sent to four recruits and the commission is very optimistic that they will accept because they showed a considerable amount of interest in coming to Saskatchewan.

**Mr. C.P. MacDonald (Indian Head-Wolseley):** — Mr. Speaker, I want to also direct a question to the Minister of Health. Some two months ago I first introduced this subject of the Blair Memorial Cancer Clinic in the estimates. At that time the minister assured me there was no difficulty. Dr. Mallik makes two very serious accusations. The first one is that patients who are suffering from cancer in the province of Saskatchewan do not receive proper follow-up. Number two, that there is inadequate staff to provide proper care for cancer patients now suffering from cancer in the province of Saskatchewan, particularly at the Blair Clinic. Is that a fact, Mr. Minister? What is the government doing to try and improve and look after this state of emergency because cancer patients have to be treated now and, if you don't follow up and have early detection, it can cost very many lives? What is this government doing and what is the Department of Health and the minister doing about it?

**Mr. Tchorzewski:** Mr. Speaker, there is every effort being made to assure that there is the necessary follow-up being made on patients who have or are receiving care at the clinic. There has, as I have indicated in the past, been some doctors put on contracts from private practice who are providing a service as needed. There are referrals being made to private practitioners, so the follow-up to the greatest extent possible is being provided. There is no denial of it, a shortage of three positions, one more in June. But also and the member should not neglect to point that out, a recruitment program which it appears will soon fill those four positions which are vacant.

**Mr. MacDonald:** Mr. Speaker, a supplementary. Dr. Mallik also makes a second serious accusation that the Cancer Commission, because of changes in legislation introduced by the NDP government two years ago, now eliminates any opportunity for medical staff to have an input in the Cancer Commission themselves. He accuses the Cancer Commission of running a \$5 million business with amateurs. In other words, that the Cancer Commission is inadequate; it lacks knowledge; it lacks experience to handle the problems of cancer treatment in the province of Saskatchewan. Is the minister intending to review the act, review the legislation and ensure that medical practitioners and those who provide the service will be included in the Cancer Commission to make those vital decisions that are required?

**Mr. Tchorzewski:** Well, Mr. Speaker, I deny that there is not an opportunity for input. Surely, the member opposite knows that in the operations of the Cancer Commission there is constant consultation with the members of the medical staff, with the medical director by the Cancer Commission and recommendations and advice are considered as directed to the commission. I know that there are also some allegations by some people, and I hope the member opposite is not tying himself to those

allegations about the people on the Medical Care Insurance Commission being amateurs. Well, I don't want to be associated with the kind of allegations that would say, for example, the chairman of the Medical Care Insurance Commission, Dr. Amies from Moose Jaw, or the Cancer Commission, or Dr. Rusnak from the Plains Health Centre in Regina - there are three positions in that commission - I, for one, would not want to be associated with the allegation that they are amateurs.

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

**Mr. Tchorzewski:** They are eminently qualified physicians who know a great deal about the field of cancer, who know a great deal about the field of medical health care and doing an outstanding job for the province of Saskatchewan and will continue to do that with the help of all of the people involved, including the physicians in question.

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

**Mr. MacDonald:** Mr. Speaker, would the minister not admit that the Blair Memorial Clinic has been a festering sore on health care in Saskatchewan for some two or three months and will the minister please remove his blinkers. The only amateur is himself and will he not admit . . .

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

**Mr. MacDonald:** . . . his colleague, the Minister of Finance, and request the funds to provide the proper equipment, particularly in the field of radiology that has caused this resignation and one of the very vital factors in the complete breakdown of morale and medical services in the Blair Memorial Clinic and stop being stubborn and unplug his ears to the criticism of this House.

**Mr. Tchorzewski:** Mr. Speaker, I think it's the member opposite who should remove his blinkers or unplug his ears. If he were only to be listening and wanted to be in any way rational about the comments and the questions he asks, he would have already recognized that every step that is available to us is being taken to resolve some of the problems that are apparent in the Allan Blair Memorial Clinic. In fact we have brought in someone from outside of the province to take a look at it and help us from doing that. There is not a shortage of equipment in the Allan Blair Memorial Clinic. There has never been a shortage of equipment in the Allan Blair Memorial Clinic and any equipment that has been requested has been provided as soon as possible. The resignation that he refers to is not based on the lack of equipment even though it may very well be alleged in that particular letter. So all of the assumptions that the member opposite makes are wrong and I want to again restate to this House that every effort is being made by the Cancer Commission and by the people involved with the clinic to provide the best possible care while we are going through this period in which there needs to be recruitment to fill the positions that are not filled at this time.

### **Cable TV - Wiring of Condominiums**

**Hon. N.E. Byers (Minister of the Environment):** Mr. Speaker, last Monday I took notice of a question from the hon. member for Qu'Appelle (Mr. Lane) concerning Sask Tel's method of wiring condominiums. The hon. member raised three or four questions that I would like to reply to as briefly as possible.

First of all, he asked if there is an internal dispute between Sask Tel and Cable Regina regarding the method of wiring condominiums. I want to assure the hon. member that Sask Tel's method of extending coax cable to condominium units is to treat them as individual residences. In effect the drop will be installed and terminated in each separate residential unit. I want to assure him that this method was agreed to by Cable Regina at a meeting with them two to three months ago. Using this method only the subscriber requiring repair or installation service would need to be consulted.

The second question he raised, is the Sask Tel method contrary to CRTC policy? Mr. Speaker, I want to assure the hon. member that Sask Tel's method of wiring condominiums is not contrary to the CRTC regulations. CRTC has agreed to Sask Tel having ownership of the drops and the inside wiring is the responsibility of the licensee, using the hon. member's example, Cable Regina.

Thirdly, are there any problems between Sask Tel and Cable Regina on previously agreed to methods of wiring apartment blocks? The answer is an emphatic no. The method that will be used is that Sask Tel will terminate one drop in a central secured located in each apartment building and a panel is provided in this central secured location that provides a common access for all Cable Regina services with a separate common access for all CPN services will are to be installed by Sask Tel. There is no dispute. The method was agreed to two to three months ago. There are ongoing discussions with Sask Tel and Cable Regina.

### **Saskatchewan Cancer Commission**

**Mr. Lane (Qu'Ap):** A question, Mr. Speaker, to the Minister of Health. I might advise the Minister of the Environment to be in the House tomorrow so that I can question him. But to the Minister of Health, you have received a list of the senior personnel and qualified personnel who have resigned or have been fired, dismissed or taken early retirement, which was sent to you some time ago by Dr. Mallik.

The interesting thing, I suggest, is that this goes back to basically, 1976, that the problems have been going on in the Allan Blair Memorial Clinic and can the minister give any justification of why he has turned a blind eye to these problems that have been before him in a very serious manner for the last two or three years?

**Mr. Tchorzewski:** Well, Mr. Speaker, there has not been a turning of a blind eye. There was the Johnson Commission which made its report and regardless of what is alleged by some people, all of the recommendations except for some that are not possible to do for various reasons, all of those recommendations have been implemented. The government, either under my ministry or the two prior ministers before me, has followed up on them and has taken the steps that were recommended in order to improve the working of the Cancer Commission and the clinics for which it is responsible. Those things have been implemented and therefore there have been significant changes in the operation.

The member mentions a list of people who have resigned or have been dismissed. I want to tell the member that not that many on that list have been dismissed - people in agencies, over years and you can go back ten years if you want, he will find have resigned and go to other occupations. The Cancer Commission and the people working in the cancer clinics are no different. Maybe in their most recent times there has been an unusual number, a larger number of resignations, I don't deny that. But as I have said, we have as a government taken the appropriate steps to meet the situation

and to do what we find necessary in order to ensure that the people of Saskatchewan are receiving the kind of services that they have a right to expect.

**Mr. Lane (Qu'Ap):** A supplementary to the minister. Dr. Mallik has made a, what would be a very, very serious accusation and that is the lack of follow-up. I say that, if I may preface, Mr. Speaker, I believe it is statistically proven that those who have cancer that has been cured have a 10 per cent greater risk of a second type of cancer, 10 per cent greater than the average citizen. The lack of follow-up indicates that those people face potentially a very serious problem in the fact that the secondary cancer cannot be discovered.

We had a debate in this Assembly approximately a year ago - we consider this more serious - would the minister join with me in having the Assembly call before the Assembly and give witness to the allegations made by Dr. Mallik, the director of the Saskatchewan Cancer Commission before this Assembly so that we in the opposition and the government may get to the bottom of what is potentially a very serious health problem.

**Mr. Tchorzewski:** Mr. Speaker, no, I will not consent to that request by the member because he is undergoing a deliberate and malicious attack on the cancer clinic in his attempt, in true tradition of the Tory caucus, to discredit in the eyes of people who must utilize this kind of service, a very important service, which is difficult as the member well knows for people who find themselves in the circumstances where they get cancer. The member opposite, joined by his colleagues is not helping those kind of people by making allegations, Mr. Speaker, that he knows he cannot substantiate, that he picks up out of letters, that he picks out of newspaper reports. I think it is time that those members opposite had some sense of responsibility and stopped that kind of a deliberate and a malicious attack to try to mislead people and colour a situation to the extent that this does not exist.

**Mr. MacDonald:** Mr. Speaker, I want to ask another question of the Minister of Health. Dr. Mallik makes another very serious allegation and I would like to ask the minister, would he not agree that it is not the members of the opposition who are attacking the minister or the cancer clinic, it is the doctors in medical practice who work there; not us. Dr. Mallik says that there is poor planning in the renovations under way and that the new equipment that is so badly needed and required, according to Dr. Mallik, that the specifications in the renovations are not adequate to include the new equipment when it comes and all the renovation money will be wasted. Can the minister comment on that; is that a fact or not?

**Mr. Tchorzewski:** No, it is not a fact. It is absolutely not true. Mr. Speaker, the high energy facilities that are referred to in that letter have not been denied in Regina. That is a fact. But to date, as I have indicated earlier to another question, no solid request has been forthcoming from the clinic or from Dr. Mallik. Indeed, recently Dr. Mallik was asked by the commission to prepare a report (the commission asked) to prepare a report on the need for high energy radiation at Regina and to date he has not so provided or prepared that report for the commission, which asked for it. There is an expansion at the Allan Blair Memorial Clinic, which the members may be familiar with. The first phase of that expansion will be completed in September; in September the second major phase of that expansion will take place. In that expansion, all considerations and provisions are being made for the installation of the new equipment which may be necessary at a future point in time. I want to assure the member, that is not a problem, all that has been looked after. The suggestion in that

letter is wrong.

**Mr. MacDonald:** Supplementary, Mr. Speaker. Would the minister not agree that it would appear that everybody is wrong except the Minister of Health of Saskatchewan. Mr. Speaker, would the Minister of Health also not agree that all the highly specialized health services in the province of Saskatchewan have severely attacked the government; last year it was the University Hospital in Saskatoon; this year it is the cancer clinics. Dr. Mallik makes another recommendation and I think it is a very sound one. He suggests that the Cancer Commission should resign, a new one should be appointed, to start with a clean slate. Anybody that has only three doctors left out of nine, because one is sick and completely incapable of providing the medical services that are required, completely incapable of doing the follow-up which is so necessary to the health of cancer patients, then it is time that the Cancer Commission resigned and resigned immediately . . . Would the minister agree?

**Mr. Speaker:** Order, order! I'll take a new question.

**Mr. Berntson:** Would the minister not agree that his confidence in the Cancer Commission is not well founded in light of the fact that it took upwards of 21 days for the staff at Blair Memorial Clinic to get a meeting with the Cancer Commission, after spelling out very, very serious allegations and suggesting that a crisis situation existed at the Blair Memorial Clinic?

**Mr. Tchorzewski:** No, Mr. Speaker, I will not say that I have lost confidence in the Cancer Commission. The members know (maybe he doesn't know) that in the legislation, as amended by this government, establishing the Cancer Commission as it pertains to the establishment of the Cancer Commission members, there is a turnover annually of members, because no one can serve beyond a certain period of time. As the times expire we will consider the membership on the commission. I am fully confident in the works of the Cancer Commission as it is now. I think it has done a good job. I think the member is wrong. I know the member is wrong in his allegations that everyone in the cancer clinic is attacking the commission. That is not the case at all. There happened to be two or three doctors in the cancer clinic - I know others have signed other letter who have made those kinds of suggestions, I just happen not to agree with them.

**Mr. Berntson:** Mr. Speaker, would the minister not admit that he has, in fact, lost control of the whole situation by virtue of the fact that when I brought this letter to your attention about a week ago, at which time it was 26 days old, you had not even been made aware of its existence? Would the minister not admit now that he has not been kept abreast of the situation with cancer care in Saskatchewan?

**Mr. Tchorzewski:** No, I would not admit that, Mr. Speaker.

**Mr. MacDonald:** Mr. Speaker, a question to the Minister of Health. First of all, would the minister agree that apparently the government of Saskatchewan has a fixation on potash and power and oil to the heartless neglect of the medical requirements of Saskatchewan.

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

**Mr. MacDonald:** I don't know why you people find that so amusing because Dr. Weldon and Dr. Mallik and none of the other medical practitioners in the Blair

Memorial Clinic found it amusing. Would the minister now also tell this House whether or not it is a fact that as of June 2 there will only be three medical practitioners at the cancer clinic providing service, according to Dr. Mallik, because one is ill? Can he tell us if he is willing now to sit down immediately with those medical practitioners who are there to provide some emergency services and to ensure that the patients of Saskatchewan are properly being looked after?

**Mr. Tchorzewski:** Well, Mr. Speaker, I am very happy to provide the member an assurance that appropriate emergency services will be provided because indeed they are being provided now. There have been doctors, private practitioners, who have been engaged by the Cancer Commission to provide the kind of service that possibly would not be provided because of the vacancies that exist in some of the positions. That is already in place, Mr. Speaker, and I am only too happy to inform the member of that.

The member says there will only be three medical people on staff on June 2. That's wrong; there will be five. It's true there is one who is ill at the present time. I don't know the circumstances of the illness; he may very well be back by then. If not, there is the contract with the private practitioners to look after that as well.

The member also says the government neglects the health program because of potash and oil. I just want to say, Mr. Speaker, that if it had been them and had they not collected the oil revenues that this government did, they would probably be in a position on this side where they would be cutting out programs altogether because they wouldn't have the revenues to pay for them.

**Mr. MacDonald:** A final supplementary. Would the Minister of Health not agree that apparently the Minister of Health has a terminal case of neglect as far as cancer is concerned in Saskatchewan? Would the minister also tell us that Dr. Mallik also indicates that one of the real festering sores in the clinic, and one of the reasons for the lack of morale, which is so serious in the clinic, has been the firings of certain members of the clinic, one that he refers to specifically and the demotion of others.

Can the minister tell the members of the House that the dismissals and the demotions and the removal of certain medical people in the cancer clinic was at his instigation or at the recommendation of the Cancer Commission itself? Can he tell us that?

**Mr. Tchorzewski:** Well, maybe the member has sat on the opposite side of this House for too long, Mr. Speaker. He seems to forget how the Cancer Commission operates. The Cancer Commission operates at arm's length in the government and the Cancer Commission employs two personnel who work in the cancer programs of Saskatchewan.

The Cancer Commission, such as Dr. Amies and Dr. Rusnak and others determines who is hired, who is fired and who is promoted and that is what they have been doing, Mr. Speaker. I, as the minister, certainly have had no involvement in that, nor do I have any intention of having any involvement in that, otherwise why have an independent Cancer Commission, Mr. Speaker. That is not the way this government operates. Maybe that is the way his government used to operate, or the Tories over there might operate, but we don't believe in that kind of an operation.

## MOTION FOR PRIORITY OF DEBATE

### Re Blair Memorial

**Mr. R.L. Collver (Leader of the PC Opposition):** Mr. Speaker, I would like to move a motion, that due to the comments of the Minister of Health, today, that an emergency situation does exist.

**Mr. Speaker:** Order, order!

**Mr. Collver:** I have asked for leave, Mr. Speaker, to put a motion and I would like to place the motion and see if leave is granted.

**Mr. Speaker:** Could the member give me a moment, please? Could the member make the motion, please?

**Mr. Collver:** Mr. Speaker, I move the following motion, which I am certain that all members of the House will support:

That this Legislature pursuant to Section 25 of The Legislative Assembly Act command and compel the attendance before this Legislature of the chairman of the Saskatchewan Cancer Commission, Dr. D.R. Amies to assist this Legislature in determining whether a serious health problem exists, as a direct result of the many resignations from Blair Memorial.

I move, seconded by the member for Souris-Cannington (Mr. Berntson).

Leave negatived.

**Mr. Collver:** Mr. Speaker, I rise on a point of order.

**Mr. Speaker:** Does the member have a point of order?

**Mr. Collver:** Yes, I do. The point of order is quite simply this. I didn't hear the members opposite say no. I didn't hear anyone say no. I wonder if Mr. Speaker . . .

**Mr. Speaker:** Order, order! It is necessary for me to hear members say no if leave is not given. I heard members say no, therefore, leave is not given.

## **COMMITTEE OF FINANCE - DEPARTMENT OF MINERAL RESOURCES - VOTE 23**

### **Item 1 continued**

**Mr. A.N. McMillan (Kindersley):** Mr. Chairman, a question to the Minister of Mineral Resources with respect to the on again off again development of the heavy oil plant at Lloydminster. I would like to ask the minister very simply where it is?

**Hon. J.R. Messer (Minister of Mineral Resources):** There are discussions ongoing with a number of industry people as well as governmental people, federal governmental people, industry people, primarily Husky Oil, a couple of other independent companies as well. The member may well be aware that there was an unexpected turn of events when Husky, who had been intimately involved in pricing out the cost of the upgrading facility, upon reviewing the dollars that were used in costing out that facility, decided that they were somewhat modest in their initial estimate of around \$520 million. The cost now could be as high as twice that, in excess of \$1

billion. That certainly presented some unforeseen problems in regard to the returns that one might expect to attain through the upgrading process. There are now endeavours to see whether that can be trimmed, whether or not some other technology in regard to the process that may be used for upgrading the oil would bring about some economies, that just weren't there before. The discussions are ongoing between officials representing the government of Saskatchewan and to some degree the Crown corporation, Saskoil and the other potential and interested partners in the venture.

**Mr. McMillan:** Who else is interested and potential beside Petrocan if they are even still interested? Who is interested beside the government of Saskatchewan and Saskoil?

**Mr. Messer:** The member is well aware of certainly the provincial government being interested, Saskoil being interested and active, the federal government being interested and involved in the discussions - certainly Husky, also Petro Canada. I don't think it will come as any surprise to the member that Gulf Oil is also indicating an interest and involved.

**Mr. McMillan:** So you are telling me that Saskoil is interested; the government of Saskatchewan is interested; Petrocan is interested because that is the federal government's input. Husky Oil you just finished telling me wasn't the least bit interested in the project as it was initially proposed and I would question you a little later about whether they are interested in anything now. Suddenly we hear about Gulf Oil, I don't recall ever hearing them even having given it a serious sniff; they may have raised their eyebrows because there was a little potential activity in the heavy oil refinery business but other than that I have never heard anyone from Gulf Oil say they were at all seriously interested in getting involved in it. Potentially you have two partners who may be serious about proceeding with it at this time, Saskoil and the government of Saskatchewan, Petrocan - I would like to ask you what Petrocan's interest is in the whole operation, whether it is an equity interest of substantial nature or whether it is a peripheral interest in an equity manner or what exactly their interest is in the whole project.

**Mr. Messer:** It is unfair of the member to assume simply because the cost of the upgrader escalated considerably that Husky is no longer interested. Certainly I have not said that. I do not believe that Husky has said that. Husky is still very much interested in the heavy oil activity in the province of Saskatchewan and the upgrader. We have, not just Saskatchewan government and Saskoil; we have the federal Government of Canada; we have Saskoil; we have Petrocan; we have Husky and we also have Gulf. If he wasn't aware of Gulf being interested, I make no apologies for that. I don't undertake to broadcast who is interested in the upgrading facility and the enhanced recovery of heavy oil. The member asked more specifically what interests Petrocan has. We haven't reached the level where we have decided as to what the partnership and/or what the input of each partner will be. But Petrocan is certainly interested in enhance recovery of heavy oil in Saskatchewan and are also interested in involving themselves in the upgrading facility itself. In fact, I think, it is fair to say that they spent some significant sums of money, probably millions of dollars undertaking feasibility studies in regard to upgrading processes that might be considered for the upgrader in Lloydminster. So that, I think it is safe to say having spent that kind of money that they are certainly very much interested in an upgrader in Saskatchewan.

**Mr. McMillan:** Well, I would like to ask the minister then, when was the last time you or your officials specifically met with Husky Oil or Gulf Oil or Petrocan with respect

to the development of a heavy oil refinery?

**Mr. Messer:** Well, it is interesting that the member should ask that question. My officials met with Petrocan in Calgary yesterday. My deputy minister just this morning had a lengthy conversation with a senior representative of Husky in regard to the upgrader.

**Mr. McMillan:** I would like to know what tack you are taking now, because Husky Oil has indicated to you that they are more than a little gun shy about their original estimate, in view of the fact that it has doubled in about three months time; it has gone from \$520 million to over \$1 billion. What approach are they taking now and do you feel there is any significant opportunity to get the same heavy oil project going that you had initially anticipated?

**Mr. Messer:** I remain optimistic. There are certainly some implications because of the accelerated costs. The timeframe will certainly have to be extended somewhat because of these unforeseen difficulties. I remain optimistic as do, I believe, all the rest of the parties who have shown an interest in the upgrader.

**Mr. McMillan:** Well, will you tell me what leads you to be optimistic. Now you can't be optimistic about the initial format you had hoped to follow and that was to have probably a 50 per cent equity by Petrocan or more; a minority equity by Saskoil or the Saskatchewan government in one form or another; a minority by your technological partner, whether that would have been Husky Oil or a conglomeration of Husky Oil, Gulf Oil and other minors. What format do you expect reasonably to achieve now?

**Mr. Messer:** Well, as I said, the basis of the optimism certainly has to emanate from the ongoing and current discussions between all of those parties. They are all putting some very significant manpower into these discussions; they are expending some significant sums of money to come to a conclusion, satisfactory conclusion; in their resolution of some of the problems that are outstanding in regard to this whole upgrading facility. We see very keen interest in the land sales in the heavy oil area, certainly that optimism emanates from the fact that there will be an upgrader at some time. I had very keen competition for the federal-provincial moneys which were being made available to assist in the enhanced recovery of heavy crude oil. We see new technology being developed, because the industry is involved and enthused about not only recovering greater quantities of heavy oil but that in the future we will have an upgrader here in Saskatchewan to upgrade that oil. Now, I don't know what else I could base my optimism on. We have got some of the leading industry people in the oil field talking to us about an upgrader. We think that those talks are credible and we think that we are making progress.

**Mr. McMillan:** Well, the only thing that you have to base any optimism at all on now is the potential you have of sucking Petrocan into some shady little Saskoil deal in the refinery business. Certainly on the basis of your initial proposal you appear to be unable to attract Husky Oil or Gulf Oil in a serious manner. You tell me that you have negotiations or discussions going on now. I would like to know the intent of those discussions at this time to decide on the type of project which you might proceed with now that the first one has been scrapped or whether the discussions you are having are in the nature of ironing out problems with getting something on stream? Are you still in the planning stage of even the type of facility you can put up?

**Mr. Messer:** Well, again let me say that I want to remind the member if he would

take the time, I don't happen to have a copy here, that the last edition of Oil Week, a periodical expressing points and views of interest to the oil industry, an article in that last edition where Husky is saying or indicating interest, I may say for the benefit of the member for Kindersley, indicating interest and also indicating that perhaps from their point of view it may be better to start with a two-stage process. I know that this is not entirely new but they say perhaps a tandem operation whereby we start initially with an upgrader that would process 500,000 barrels a day and then escalate that to a second stage of 500,000 barrels a day or more. Pardon me, I should be saying 50,000 in each instance with ultimately the 100,000 barrel per day target. That would be by a flux coking process. Petro Canada has indicated that perhaps a hydrocarbon process might be more economic and they are spending some money in regard to that particular technology. These industries are continuing to convey to us ways and means that they think we can attain the best economics of an upgrading facility in the province.

**Mr. McMillan:** The question of whether or not it was to be a one stage or a two stage operation, I say, you knew that months ago because you didn't have the oil to start 100,000 barrel a day operation. Particularly in view of the facility that is going into Cold Lake and the fact that you only have 45,000 to 50,000 barrels of oil in Saskatchewan. Now that situation will undoubtedly be improved if the drilling starts to get back to the neighbourhood of 500 to 1,000 this year. Most of that work will be done in a heavy oil pool that could take advantage of a refinery in Lloydminster. There is no doubt but to suggest that that has suddenly become a topic of conversation between those interested partners, whether or not it will be a one stage or a two stage, you never did have 100,000 barrel a day plant going ahead there. You told me that many weeks ago that the plan was not for 100,000 barrel a day because I asked you in this House where you were going to get your oil in view of the fact that you only had at most 50,000 barrels potential in Saskatchewan. You said, well, it was never our attention to actually build one that was initially 100,000 barrels a day. So those comments aren't even appropriate at this time. So what you have said to me is that any discussion or negotiation that is going on between any of the potential partners with respect to an operation is not at this time to determine where it would go or who would share what equity or who is responsible for the operation but really whether or not there is even a system available which would make it economical to go ahead with an operation in Lloydminster?

**Mr. Messer:** With all due respect to the member that's what we have been discussing over the last several months, are the economics of the upgrader. We felt that we were proceeding rather well with the initial cost. I am not blaming anyone for an error that may have been made in regard to the actual costing out of the upgrader but that's the problem that we are left to contend with. The member says that there are problems with 100,000 barrels a day delivery; that's a matter of opinion. Certainly we have to be aware of the fact that we would be scratching it to get 100,000 barrels per day but there are some industries and some spokesmen of industry who are not concerned about that. They say given the opportunity, given the land play, that they would be able to assure that delivery of well in excess of 100,000 barrels per day by the time the upgrader was built. Now, I am not saying that all the industries speak that way but there are certainly some industries and industry spokesmen that have that level of confidence. We tend to be a little bit more cautious in regard to assuming a certain level of production can be delivered to the plant which we haven't yet proven up at this time but there is an optimism there.

**Mr. McMillan:** Well, what you have, in fact, said is, to date there is no evidence to indicate that we have the economic situation today which would allow us to go ahead

with the heavy oil plant in Lloydminster. The potential partners, at best, are researching some way to proceed economically and, if they are researching some means of getting ahead with this project on the economics of it, that means there is no evidence at this time to indicate that they could go ahead with it at this time.

**Mr. Messer:** May I respond to the member by saying that the project is a long-term project. The project is a 20 or 25 year plus project, the lifetime of the project. We are certain, as I think the industry is certain, that the attractiveness over that period of time is there. What we want to make certain now is that the project is, in fact, going to be attractive from year one, initially the project is not going to have problems. The project is going to be able to assure all of the parties involved that they will get a fair return on their investment. That is what we are undertaking to approve at this particular point in time.

I don't know where the member gets his negativism in regard to this project because, again I say, the industry, at least the industry that is interested in heavy oil has not expressed that. Even industry that has not involved itself directly in the upgrader is much more enthused now than it ever has been in regard to the extraction of heavy oil. They are enthused because they are optimistic about the establishment of an upgrader which will be able to handle some of the product that they produce. I think it is unfair for the member in his remarks to this committee to undertake an attitude of doom and gloom and say that this is, in fact, the attitude of the industry because certainly that is not the case. It is not what is being expressed to us.

The member for Kindersley has some oil activity in his constituency. I just happened to be looking at the Kindersley Clarion, dated May 10, and I am sure the member has seen it. I see there in bold type, '\$10 Million Oil Program', for the Kindersley area. I just want to quote a remark made from that. It is all based on the assumption that there is going to be heavy oil activity and I think an upgrading facility, although, it does not specifically say that, but one of the most significant industries that will be active in expending some of those millions of dollars is Causenail (?). The construction superintendent said that his company expects to spend about \$6 million sinking around 75 holes in two regions, Coleville and Dodsland. He closes in saying and I quote: 'It is going to be quite a boom this summer.' He goes on to say that he even expects a higher level of activity next year.

Now all of this is heavy oil activity. I think that just goes to prove the point that the industry, even though some of these companies that are active in the actual extraction of the oil are not going to be directly involved in the upgrader, they are optimistic that if they can find greater pools of heavy oil and improve their recovery capabilities, there is going to be an upgrader to process that oil.

**Mr. McMillan:** Well, if the minister thinks that these people are going out and drilling oil in Saskatchewan because of the potential for a heavy oil plant in Lloydminster, he has got crude oil on the brain. There is no private industry in this province that will risk that kind of capital investment over the next few years on the evidence that they can receive from Husky Oil or Gulf Canada, or that minister or Saskoil or Petrocan or anyone that a heavy oil plant is coming. You might be lucky to get it in 25 years with the kind of approach you people use.

You are going to be saved from your present dilemma by technological improvements in the oil industry over the next few years. That is as sure as you sit there, itself the industry will solve some of the economic problems associated with the extraction and refining of heavy oil. It isn't going to take 25 years to find an economic way to put a

heavy oil plant in Lloydminster, but I will tell you the way you people operate, it is going to take a heck of a lot more than the next one or two years. You have been unable to give me any evidence whatsoever to suggest that the people of Saskatchewan can expect a heavy oil plant of any kind in the next five to ten years. You talk about a 25 year program. I suspect that means 25 years before we get the heavy oil plant. The drilling that is taking place in the Kindersley-Doddsland area, specifically, is heavy oil drilling because nobody knows that there is any other kind of oil there. Any drilling that would take place there would have to be for gas or heavy oil. All right, that's number one.

Number two - one of the reasons they are proceeding is because of the ability now to take advantage of federal government assistance for the tertiary recovery of heavy oil . . . federal-provincial like Sask Housing, 75 per cent federal, 25 per cent provincial, but we take all the credit. O.K. you're involved. I say things have improved dramatically under your ministership. You may be the only one there that has a semblance of private enterprise sanity in your entire body and that is certainly being reflected in some of the action in the oil business because you have dramatically reversed the position of your colleagues with respect to the oil industry in Saskatchewan. I say for the benefit of the oil industry and the benefit of the people of Saskatchewan, but that argument can be made somewhere else and those accolades, however small they might be, have been directed to you at other times. Don't try to connect the development of heavy oil in Saskatchewan to date with the potential development of a heavy oil refinery at Lloydminster because the two at best are only peripherally connected. Those people who are drilling for heavy oil in Saskatchewan this summer already have a market for that heavy oil and it isn't the heavy oil plant in Lloydminster, believe me there.

I would like to ask you one further question. What is the capacity of the new Cold Lake institution and how will that affect any potential development of a heavy oil refinery in the Lloydminster area?

**Mr. Messer:** Well, let me say to the member's remarks - he says, don't try to connect the level of activity now enjoyed in Saskatchewan for heavy oil with the upgrading facility.

**Mr. McMillan:** Peripherally.

**Mr. Messer:** Well I asked him and he says peripherally. I ask the member then, what is the reason, what is the reason for the increased activity? It is not because of the export market as he suggests because he knows full well that the Federal Minister of Energy, Mines and Resources has already said that that export market will not continue. He keeps on going like this. I don't know whether he thinks it's going to be processed in the East. That's not practical either, because you are not going to be able to transport that heavy oil to eastern Canada. What is the explanation if it isn't because there is an optimism that there is going to be heavy oil activity here in the province of Saskatchewan? Tell the member, heavy oil activity and it will continue and it will increase, because they are confident that there is going to be an upgrader in the province of Saskatchewan.

Granted, we have got some problems; granted its going to take some time to work them out. But these people have expressed through their level of activity a confidence that we will be able to overcome that. Because they are not banking on continuing to export that forever or to continue to transport it to eastern Canada for processing. That is not the future and that is not going to give them the best returns. Now the member, I guess,

can assume any kind of an attitude he wants, but we are confident that heavy oil is going to continue as far as activity is concerned. The industry is confident of that; they are confident that we are going to be able to negotiate an upgrader at some point in time in the not too distant future and I don't know what else I can tell the member. If he wants to preach doom and gloom here in the legislature and about the province of Saskatchewan he, the member for Kindersley, is the one that is going to answer for it when people will ask him at some point in time, why it is we have all this activity and why it was that he was so negative and not wanting to participate or encourage that activity for Saskatchewan industry.

**Mr. McMillan:** I would like to ask the minister, what impressions he has left the oil industry with in Saskatchewan with respect to firstly, a guarantee of a rate of return on any development of a heavy oil industry. Now, I am under the impression that you conveyed to Husky Oil and/or other interested parties in heavy oil involvement, that their investment, their equity in the operation would have tied with it a guaranteed rate of return for a given number of years. Is that not a fact?

**Mr. Messer:** Well, let me firstly say that I can't speak for the industry as to what their impressions may be. I would suggest that the member appears to be speaking on behalf of the industry (if he hasn't already undertaken to talk to them). Before he assumes that attitude, perhaps it would be wise for him to now speak to the industry to see what their impressions are of the present status of the government of Saskatchewan in relation to their activities in this province and how pleased they are. I might say that I get no indication of their being displeased and the discussions that are ongoing I think, ratify that feeling. I don't know what else I can really tell the member. If he wants something more precise, I think the best means of being able to obtain that or acquire that, has to be from the industry itself.

**Mr. McMillan:** Did you ever convey to the industry on behalf of the province of Saskatchewan or any of the agencies that you represent, that there was some potential that the industry could get a guaranteed rate of return on any investment they might have in a heavy oil refinery?

**Mr. Messer:** No. That was suggested by the industry but I did not convey to them that we would be able to give them that assurance.

**Mr. McMillan:** Did you ever discuss with the industry the possibility of the circumstances surrounding the extraction of heavy oil from Saskatchewan and transportation and delivery of that heavy oil to other markets, if they weren't in fact prepared to get involved in an equity manner or a technological manner in the development of a heavy oil plant?

**Mr. Messer:** Now, I don't know whether the question, if I have really clearly interpreted it. If the member is asking whether industry has come to us and said, we are not interested in supplying oil to the upgrader, therefore what assistance would you give us in transporting it to some other marketplace - if that in effect is the member's question, the answer is, no. I might say, for the benefit of the member that one does not have to be part of the upgrading facility in order to deliver oil to it for upgrading. There is no such condition and I think that it would be attractive with the upgrader there, for an extractor to deliver it to the upgrader rather than undertake to find an export market for it in its original state.

**Mr. McMillan:** As the minister is well aware, for example, if Husky Oil wants to build

a heavy oil refinery there are many, many reasons why they would rather build it in Alberta on the Lloydminster side in Alberta than in the Saskatchewan side. Many reasons. One of the only reasons why they would build it in Saskatchewan or get involved in Saskatchewan is because the bulk of their oil is on the Saskatchewan side.

Now, that in itself is not incentive enough for Husky Oil to build on the Saskatchewan side. My question to you, specifically, did you ever convey to Husky Oil, in any manner, that there was a possibility they would not be allowed to export heavy oil outside Saskatchewan for development in a refinery on the Alberta side?

**Mr. Messer:** Absolutely not, Mr. Chairman. I am really disappointed, for the first time, really disappointed in the attitude and the comments of the member for Kindersley. Because, Mr. Chairman, he is saying that there are many, many reasons that Husky shouldn't want to build in the province of Saskatchewan, many, many reasons.

I would say that the first and foremost has to be the member for Kindersley, in his comments, because they have been purely and totally negative, negative, about the upgrading facility up to this point in time. I would think that as a Saskatchewan citizen, especially as a representative of a community that has heavy oil potential, that he would want to undertake to assist, if possible, in establishing an upgrading facility in this province.

Now, Mr. Chairman, we have been in this committee for something approaching a half or three-quarters of an hour and he has said not one thing positive, not recommended one thing positive. His total comment, his total attitude up to this point in time has been negative and I think that is a disgrace. I think that is unfortunate that the electors of Kindersley have undertaken to elect a person to represent them, when they have a significant future in heavy oil, that he is doing everything within his ability to discourage the enhanced recovery of heavy oil and the establishment of an upgrader in Saskatchewan.

I say to that member, Mr. Chairman, that Husky, that the other companies that I have identified have shown keen and optimistic interest in the upgrader being located in Saskatchewan. As far as upgrader discussions are concerned we are further ahead than any other organization talking at the present time in Canada, about an upgrading facility. I don't know what else we can do.

**Mr. McMillan:** Let me say to the minister, some constructive suggestions to get out of these little problems he has. My day to govern in this province will come as well and I may very well some day sit in your chair, Mr. Minister, and I tell you the day that happens we will be a darn sight closer to heavy oil refineries in Saskatchewan than we are today.

While I sit in opposition it is my responsibility to criticize on behalf of the public any actions taken by this government not in the best interests of the public in Saskatchewan. I have been probing you for one-half hour to 45 minutes to try and establish some ray of optimism for the development of the heavy oil industry in Saskatchewan and all you can do is criticize me for asking you those questions.

You don't have any positive suggestions to give to the people of Saskatchewan about the development of a heavy oil industry. And I say while you are the minister and while

your government sits in this House as the government, we have very little hope of ever getting that industry. If you want a positive suggestion about getting the oil industry, then resign, move over. If you want to hear a positive suggestion from the people of Saskatchewan, change the government and we will be a darn sight closer to getting a heavy oil refinery.

**Mr. Bowerman:** For whom?

**Mr. McMillan:** We have some problems we will be talking about with respect to your Fresh Water Fish Marketing Corporation, too, my little friend.

**Mr. L.W. Birkbeck (Moosomin):** Now, Mr. Chairman, the Minister of Mineral Resources in replying to the comments of the member for Kindersley was most accurate when he stated that he was negative in his approach and he has good reason to be negative in his approach. When you are down and out and hurt real bad it is about the only thing you can do, I guess, is shout and holler.

Most importantly, Mr. Chairman, the minister responsible for Mineral Resources is in a position to be positive, be positive about the Department of Mineral Resources. I would like him to be more positive in terms of the production in Saskatchewan of natural gas. Here, where we have questioned you many times as to why the cost of gas is high and ever increasing in Saskatchewan, your reply is, because that terrible Tory Alberta is charging us so much for it.

I would like you to tell us how much you make over and above what you imported from Alberta number one. Number two, I would like you to try and justify why you spend \$986,420 in data, statistics, policy planning and research and only \$86,560 in the development of natural gas in Saskatchewan?

**Mr. Messer:** Well, Mr. Chairman, the member asks, what do we make on natural gas. It is a bit difficult to answer that general question. The Saskatchewan Power Corporation makes a modest return on natural gas because one of its endeavours is to provide gas as reasonably as possible, at as reasonable a cost as possible to consumers in Saskatchewan.

We have, in the past couple of years, made a somewhat higher profit than we had predicted or anticipated. That was primarily due to low water flows and in some instances, even though we had not wanted to, we had to generate electricity with natural gas and the consumption of gas, because there was a small margin of profit on that return, a somewhat greater profit to the corporation than we had expected.

Now the member talks about the amounts of money that we spend on natural gas development - \$560,000, so it would be \$980,000 that we spend on policy planning and research and data and statistics. I take it he is adding those two votes together. I have to convey to the member that a significant portion of the money that is spent on natural gas not only comes from the . . . you know, you mention the amount that was made available to the Natural Gas Development Conservation Board. That was just to finance the board. The significant amount of money that is spent on natural gas (I see the member chuckling to himself because I think he also has read down at the bottom of the page on Vote 8 under petroleum and natural gas) a very, very significant amount of that \$1.2 million is spent on natural gas.

I might also say that in the subvotes that he makes mention of in the Vote 3, planning and research, a portion of that \$249,000 is spent on natural gas. I might also say that some of the other votes that are contained under this department, the Oil, Gas and Conservation Board is another vote where money is spent on natural gas as well. So that it is inaccurate to assume that we only spend this modest \$60,000 or \$86,560 under Vote 4 on natural gas activity and development.

**Mr. Birkbeck:** Just one more question, Mr. Minister. It is nice to see you agree then, that it isn't all because of the pricing that Alberta sets on its gas that you import. But further, Mr. Minister, I wonder, could you tell this Assembly why you aren't developing more gas wells in Saskatchewan? Why do you rely on 60 per cent of our gas being imported from Alberta?

**Mr. Messer:** I have conveyed to this Legislature and certainly to Crown Corporations on a number of occasions that we believe in allowing term security of energy for Saskatchewan, not only in gas but in oil and coal. We believe, because we have a limited supply of gas, if we were to depend totally on Saskatchewan gas, we would be out of gas in, I imagine, five or six years, eight years. We think it is therefore more reasonable to extend the lifetime of that supply by supplementing gas from Alberta. We think that we can cushion some of the increase in prices that are set by Alberta and the federal government and I'm not criticizing them for that. They have an energy that is valuable and I have never undertaken to in any derogatory way, criticize the province of Alberta for the price that they like to receive for their gas, but because we do have gas here which we can extend for perhaps 15 or 20 years, we can give a longer term assurance or feeling of stability to the Saskatchewan consumer and that we can always supplement some of the gas that we consume by deriving it from Saskatchewan which we can price at a lesser level, and which we do, than does the province of Alberta. Therefore they will have an assurance that the gas price may not fluctuate as significantly as it would if we were totally dependent on outside gas. We think that is good planning and I think the consumers of Saskatchewan would agree with that.

**Mr. Birkbeck:** Mr. Minister, the long range planning is much similar to that that the federal government took with regard to oil. They said, well why should we develop our own resources, the tar sands for instance, when we can import cheap Arab oil? That situation prevailed for quite some time and then the roof fell in, so to speak, and oil prices went away up. Gas prices, in consequence, went away up as well.

The long range approach that you are taking now, Mr. Minister, is much similar. You are saying, well we've only got an eight year known supply in the province of Saskatchewan so we are not going to really look all that hard or try to develop our own resources that we may have. You know, you say that you have got an eight year supply. Well I think if you look around, if you do some research and some planning, that you have a lot of money allotted for here, I think you will find that there are a lot more reserves than eight year in the province of Saskatchewan. You could take that into consideration and not rely so heavily on Alberta, because you can't be assured that Alberta will continue to supply you gas. If you are going to take that approach then your arguments are unjustified in criticizing Alberta at any point in time for these so-called modest profit margins that you have in Saskatchewan being reflected in the high cost which Alberta is charging to you.

I don't know whether there is a definition for modest profit. I don't know how much that is. I wondered if you might have been more specific. I'd hoped that you would have

been. I would ask you to be if you can. I just wanted to make that point, that if that is the approach that you are going to take, to rely on Alberta, for 60 per cent of our requirements and just sit on your supply in Saskatchewan, then I don't agree with you, Mr. Minister, that that is good long range planning. I say that if we have it, if there is any hope of having gas supplies in Saskatchewan, let's do all we can to develop it and not take the approach our federal government took with regard to our oil supplies.

**Mr. Messer:** Well, Mr. Chairman, that may be the member for Moosomin's opinion. I am surprised to hear that; perhaps he has some information that we don't have. But his alluding to the fact that Alberta may not be supplying us with gas comes as a shock. I wonder if the member has any specific information, because that is certainly a departure in attitude of Canadian provinces in regard to the provision of energy to other jurisdictions of Canada. Not only Saskatchewan does that, but certainly the province of Alberta does. I am surprised and shocked if there is some policy that is in place in Alberta or one being given consideration to that they would shut off gas to the Saskatchewan border. That is a very, very serious matter.

I believe that the long-term plan that we have in place is proving to be beneficial to Saskatchewan citizens and I think that it will continue to be beneficial. We do not rely entirely on Alberta extraction. We supplement that with our own gas. We are active in the exploration and development of gas, not only in Saskatchewan, but in Alberta as well. We have proven up and developed some extensive reserves of gas in the province of Alberta, which gives us assurance, that in fact we would have gas available to Saskatchewan, or the revenues of that gas in order to offset higher cost gas for the province of Saskatchewan and its consumers.

The member made mention a few moments ago of the moneys that were allocated to the Natural Gas Development and Conservation Board, and he will be aware that approximately a month ago I tabled, in this Legislative Assembly, a report by the board that in most instances, I believe, 16 out of 20, 16 out of 20 recommendations that they made, the government agreed to them so that we could improve, to even a greater extent, the orderly exploration and development of natural gas in this province. I think that the board should be commended for its endeavours and I think that that is going to enhance the security of Saskatchewan gas. I agree with the member that I would hope that we do have something greater than an eight year supply and perhaps this activity will bring about some discoveries that we are not now aware of. That will certainly be of significant benefit to Saskatchewan.

**Mr. R.A. Larter (Estevan):** Mr. Chairman, Mr. Minister, do you not think that the small gas producers in Saskatchewan, that are supplying gas to the province (in the case of 1977 40 trillion cubic feet), do you not feel that these are the people who are being punished for bringing gas on stream? This represents 40 per cent of what SPC uses now. Are they not being punished and discouraged completely from further gas exploration and production?

**Mr. Messer:** My answer to that has to be, no. I think that the producers in Saskatchewan who are producing and selling gas to the corporation are receiving a fair return. I think that if producers are subject to some punishment, at least currently, that now applies in the province of Alberta where there was some very, very significant encouragement to undertake to explore and develop gas. They responded to that encouragement and found some vast quantities and significant reserves of natural gas. Now they are being punished because there is not a market for that. They have that gas in storage, tapped and can't find a market for it and have real significant

problems as far as cash flow is concerned. Our policy was not to encourage that kind of development and have that gas sitting in reserve. We realize that once it is found then the pressure is on you to put it into the system, to consume it, and that would just deplete our reserve of gas in a premature way. We felt that was dangerous. I think no, but those producers who are in Saskatchewan and selling gas now that they are not being punished.

**Mr. Larter:** Mr. Chairman, Mr. Minister, these gas producers and many of them that have brought in gas wells one of their beefs is, that many of these gas wells are capped, particularly in western Saskatchewan, but they are supplying gas to Mineral Resources or SPC anywhere from 25 to 40 cents. You have indicated under your new regulations that this would be increased sometime after 1980 and progressing on. Do you not agree with this cheap gas supplied by Saskatchewan producers you were able to reduce the selling price to SPC to 74 cents per thousand cubic feet by using Saskatchewan gas to subsidize what you buy from Alberta. In essence, SPC makes a 300 to 400 per cent profit on gas just because Saskatchewan producers are subsidizing the gas that you are bringing in from Alberta.

**Mr. Messer:** That is not at all correct. To suggest that SPC makes a 300 or 400 per cent profit on its gas is totally unfounded. In fact, if the member was in Crown Corporations, and I believe he was, he would know what the profit and the return to the Saskatchewan Power Corporation is for natural gas and the return on the investment of the system which is required to deliver natural gas. Either he is in error or he is trying to mislead the House that SPC would attain anything close to 300 or 400 per cent profit on its natural gas. Let me say that even though the price of our natural gas in Saskatchewan to the producer appears to be modest, when one takes into consideration the royalty rate that is applied to the gas in Alberta, there is not all that significant a difference between what the producer is receiving for gas there and here. I admit that it is somewhat less. It certainly isn't what some people would like to believe it to be because they do not take into consideration the very, very high royalty that Alberta charges, which we do not charge in the province of Saskatchewan.

**Mr. Larter:** Mr. Minister, I would like to ask again, do you not think though that the Saskatchewan producer is still subsidizing the gas you buy from Alberta - he is still subsidizing the users of gas in Saskatchewan by the price that you pay him?

**Mr. Messer:** I am sorry, I didn't get all the question.

**Mr. Larter:** Mr. Minister, I am just asking you if you do not feel that with the price that you pay the Saskatchewan producer he is subsidizing the user of gas in Saskatchewan compared to the price you pay for gas in Alberta?

**Mr. Messer:** No, I do not. In answering that question, I want again to remind the member that we had a very credible independent board in the makeup of the Natural Gas Development and Conservation Board. I think the individuals who are on that board come with the best of credentials. They made, I think, a very enhancing and credible report to government. They considered the pricing of gas. I think they considered it quite extensively. They made a recommendation to the government as to what the price should be. We agreed with that price; that now is what the price is here. I don't think that it is really legitimate for the member to then undertake to criticize the government or suggest that we are subsidizing the consumer of gas in Saskatchewan at the cost of the producer when we simply did what this independent board proposed to us. I think that they were correct in their recommendations. They were certainly

knowledgeable of the situation and the producer of Saskatchewan gets fair return and the consumer in Saskatchewan gets gas at a fair price. I don't think that we could have it better.

**Mr. Larter:** Mr. Minister, just one more question. I think you received a letter from a Mr. Mercier, from University Gas Company Limited in Calgary. In this letter Mr. Mercier was denying a report by the Leader Post as being misquoted and in this letter to you he was denying a Mr. Taylor's article in the Leader Post of April 18. You state that we are conserving some of our gas and some of our energy for the future. I would just like to read a small portion of this letter from Mr. Mercier with the IPAC view of your conservation of energy and what they think is so wrong about it. In chastising Mr. Taylor he said he foresaw a change in the encouragement offered to the industry in Saskatchewan. Mr. Mercier said:

My comment was that sooner or later the Saskatchewan government would have to make some change or it would never know the extent of its resources. I have also told Mr. Taylor that I felt Saskatchewan treated all oil companies, big and small, in the same manner.

This essentially was the total interview and from that Mr. Taylor, or someone in your newspaper fabricated the article. This is a letter to the Leader Post with a copy to you. For the record:

It is my opinion that Saskatchewan essentially treats all oil companies the same. Whether it is an American major or a Canadian independent, or for that matter, a Saskatchewan independent, there is little incentive to invest in Saskatchewan. The administration rightly, should be concerned for the conservation and preservation of energy for the Saskatchewan residents now and in the future. It would accomplish this better by obtaining from the private sector an adequate exploration and development program to tap its reserves. For that, it will have to create some reasonable regulations. My deep roots in Saskatchewan and my conviction that its southern and eastern sectors hold substantial natural gas reserves are not enough to justify any substantial involvement at this time.

But he is concerned with the climate and they take a different view than this government. All the geologists and everybody, they say that there is more gas there and you have stifled the exploration in Saskatchewan. I think Mr. Mercier speaks pretty well for the whole oil industry, when you say the oil industry favours what you are doing right now; it is still the climate that is keeping these people out.

**Mr. Messer:** Well, Mr. Chairman, that may be the opinion of Mr. Mercier. I think that there are some differences of opinion within the industry with regard to that. I said to this committee earlier that if we were to undertake to encourage a significant increase and I think that there is going to be a modest increase in the exploration and development of gas. If we were to go beyond that, we would in effect have a surplus of gas, at least a short-term surplus and then there would be encouragement to move that surplus to some other market and it doesn't make sense to me and I don't believe it makes sense to the consumers of gas in Saskatchewan when we have modest quantities of gas, by comparison to Alberta, that we should be encouraging quick development of that gas which ultimately leads to exportation of that gas to the U.S. or wherever, and then find ourselves within a matter of years again in a short supply of gas without any reserves and depending wholly and totally on Alberta; that is just not

good planning. It may bring about some boom years for a short period of time but ultimately, the gas industry in Saskatchewan will pay the penalty and certainly the consumer of gas in Saskatchewan will pay the penalty for a lifetime. We just don't agree with that.

**Mr. Stodalka:** I just received a letter that I am going to have to respond to and maybe I can ask a question or two that will clarify it, what I have to say to the person who is writing. It is in the area where DSWK are doing some work in the Prelate area and Gulf are also doing some work in that particular area. It involves the payments that are made to farmers for the number of acres that are involved in the well site, I believe they take approximately four acres of land. In this area here, I believe the fellow from DSWK, the offer to the individual was \$432 for permission to come in and drill on the site and the Gulf offer, just rather close to the area was \$1,460. The person was rather alarmed at the difference between the two and actually he was the one who was dealing with DSWK. So he proceeded to take his case to the Surface Rights Board, to an arbitration hearing, and after the arbitration hearing was over with the person was awarded \$932. The only problem was that when he got the bill from the lawyer it was \$1,409, which indicates that if he would have initially settled, he would have had \$432 in his pocket rather than having to pay the difference between \$1,409 and \$932. My question is, why would there be such a discrepancy between the two settlements in that area? Secondly, is there some sort of an appeal mechanism so that if you are not satisfied with the award that was given on behalf of the Surface Rights Board?

**Mr. Messer:** I must admit that I am probably in a poor position to answer the member's first question as to why the discrepancy. I think I just have to simply assume that it is the company's anxiety or aggressiveness in wanting to acquire a drilling site, and/or the size of the company and perhaps the volumes of money that they have to work with. There are some smaller, independent companies who are probably much more conscious of the dollars they have for their exploration program vis-a-vis, I think you said Gulf, or whatever it is, which is capable of allocating some pretty large sums of money and there is a very significant differential between what they will pay to a person and they maybe think it is worth it because they don't have any flack but have good public relations and whatever else. Now there may be other reasons for it but I can't really speak for the industry.

I am surprised at the significant of the bill. I don't profess to speak for the legal profession. I must admit that they are noted in some instances for being able to charge as well as for being able to offer their legal advice, but \$1,491 for a dispute like that, without knowing all of the details, seems to be significant. I don't know for certain, perhaps I could inquire as to whether or not there is yet another appeal that might be undertaken but I think, generally speaking, that has been considered the court of last appeal and I think, generally speaking, that has been acceptable to the community that finds itself located where there is oil activity. But I can inquire to see whether there is some other recourse that might be considered but my officials certainly don't know. I'll make an inquiry of the Attorney General's department and I can convey, then, the answer to you.

**Mr. Stodalka:** I would like you to check into that, you know, if you can. Another part of this question is this, you are really indicating then there is no sort of set formula. I suppose it is sort of a pressure tactic of the person who is coming in and dealing with the individual farmer. If he happens to be dealing with some company like Gulf, which is a large one in this case - DSWK, I understand is a very small company - but the farmer himself, then, what rights has he got? Can he say, no. I won't take that \$432 and

therefore you can't drill on my property? Can he refuse and keep them off the property or what?

**Mr. Messer:** Well, if that situation comes about in all instances it would then come to the Surface Rights Arbitration Board and they would have to deal with the matter.

Item 1 agreed.

Items 2 to 8 agreed.

### **Item 9**

**Mr. Larter:** Just one question, Mr. Chairman. Mr. Minister, why would the potash management appear here? Is this something to do with exploration under Mineral Resources? Why would potash management show up here?

**Mr. Messer:** It was created a number of years ago as a separate entity for the collection of dues to the government by the potash industry.

Item 9 agreed.

Item 10 and 11 agreed.

Mineral Resources - Vote 23 agreed.

Saskatchewan Power Corporation - Vote 52 agreed.

## **DEPARTMENT OF NORTHERN SASKATCHEWAN - VOTE 26**

### **Item 1**

**Mr. McMillan:** Mr. Minister, in many respects being the critic for the Department of Northern Saskatchewan is much like, I suppose, as if we had one opposition member in Saskatchewan to peruse the activities of the entire government because you have in fact established a duplicate government in northern Saskatchewan to that of the one in southern Saskatchewan.

That government carries on practically every conceivable manner of business, every conceivable social involvement, economic involvement and in many respects, political involvement in people's lives in northern Saskatchewan. It spends twice as much money per capita in northern Saskatchewan as is spent in southern Saskatchewan. It has about ten times as many employees in northern Saskatchewan as it has in southern Saskatchewan. It is a momentous task to try to keep pace with the Department of Northern Saskatchewan with its many varied branches, divisions and agencies.

It is even further complicated by the apparent that reigns supreme from one day to the next within the administration of the Department of Northern Saskatchewan and its relationship to local governments, whether they be LCAs, LACs or the NMC. It is impossible in many respects to tell who is doing what at what time. It is impossible to get any accurate determination of where government vehicles are heading at what time and for what purpose. You have created a maze of government bureaucracy in northern Saskatchewan unparalleled in Canada, no doubt. It is something that the federal

government couldn't even come close to duplicating.

**Mr. Romanow:** Stop the politics and get on with the Estimates.

**Mr. McMillan:** I'll tell you my friend that if I was the Attorney General of this province with some semblance of responsibility for what goes on in your cabinet I wouldn't be in a hurry to get to the guts of the problems in DNS. I'll tell you that right now. You are like the minister. You want to take a good shot of courage before you come in here and get before the public in Saskatchewan with your estimates on DNS.

The big question on this side of the House is where do we start? We can start, I think, by paying the minister some small attribute for his somewhat misguided intentions in northern Saskatchewan and that is indeed a qualified compliment, the best I can do.

**Mr. Bowerman:** I am wounded.

**Mr. McMillan:** That wound is small compared to the one you will suffer by the end of the Estimates, let me assure you of that, my smoke-jumping friends.

There is no doubt that if we want to provide services in northern Saskatchewan on a par with those provided in southern Saskatchewan, we have to overcome some great . . . No, not disparity. We have some great natural obstacles to overcome. Geographical problems reign supreme in northern Saskatchewan and probably for the most part, present the most fundamental problems in the development of northern Saskatchewan.

It is difficult to criticize any capital expenditures which help obtain for the people of northern Saskatchewan a more advantageous position in their development, socially and economically, in northern Saskatchewan. It is difficult to criticize capital expenditures on roads in northern Saskatchewan, on the provision of health services, educational services, water and sewer facilities, telephones, power, etc. And you won't find members of this opposition criticizing the government for its attempts to try to bring those services to the people of Saskatchewan. In many ways, this minister is fortunate that Saskatchewan has had as much general revenues coming into the coffers as it has, because it has put that minister in a position where he can attempt to overcome some of these problems.

Our quarrel of course is the method in which you approach the entire situation. We said when the DNS was first established that that approach might have some merit, to set up a separate branch of government to deal specifically with northerners' problems. We said it had some merit. What have you done? You haven't set up a separate branch of government, you set up a separate government. The Premier doesn't know from one day to the next, from one week to the next, from one month to the next, what Ted Bowerman is doing in northern Saskatchewan (and mind you, many of the other people up there wonder what you are doing there too and every time you show up there, they say, what's he doing here?) but I'll tell you, the Premier and your own cabinet doesn't know what's going on up there. They have no more ability to gather information from you than we do. All they know is that on occasion the Premier feels required by some sense of obligation to the people of northern Saskatchewan to tour the communities. It is generally done in conjunction with a project which he and you can get in and take all the political glory you possibly can, whether you spent the bulk of the money or whether the federal government spent the bulk of the money. Other than that, you are a shadow

premier in Saskatchewan for one geographic area and that is all of those areas that fall north of that boundary line for the DNS.

I would like to begin by asking the minister exactly how many residents there are in his own little pseudo-province in Saskatchewan?

**Hon. G.R. Bowerman (Minister of the Department of Northern Saskatchewan):** Mr. Chairman, the member was careful to attempt at least or appear to attempt to walk the narrow political line and not get himself too involved in whether he was for the single agency approach or for the positive aspects of the Department of Northern Saskatchewan or whether he was not. He was concerned about being careful so he didn't create a problem for the next Liberal candidates that might appear in the Athabasca, Cumberland constituencies. But forgiving him for that particular sleight of hand, I want to suggest to the member that in his observations about whether or not there should be a single agency or whether or not the method or how we should approach northern Saskatchewan with respect to the management and administration of the problems there and programs there, while he did indicate he was not satisfied with the Department of Northern Saskatchewan, he didn't lay out any alternatives or any alternative suggestions as to how it might be done.

Basically, in Canada today there are three approaches to the development or to the administration and management of the northern districts in various provinces in Canada and the Northwest Territories, which are governed basically by the federal government and to some lesser degree, by territorial governments.

But one could go the Alberta route, which is one of the routes which he has proposed and has been used. The Alberta approach to it was that you fill a bag full of money and give it to a certain individual group and away you let them go. They would design their own programs and solve their own problems and resolve it in that way. The only thing that occurred with the Alberta program after they had once done that was that about two years they would do all the funding and the program fell apart and they haven't subsequently found a solution to that problem.

You could go the Ontario route which is an agency or a co-ordinating agency they call it, and they have given it about \$24 million as I understand it and it doesn't do anything more than reside in the southern part of Ontario and at tempts to co-ordinate the various departments of government, spending its \$24 million on that approach.

Then you can take the approach that we have taken in Saskatchewan and establish a single agency approach, which puts, as the member has indicated, the programs basically under one administrative head or one department and they are giving the authority and the responsibility to that department and to that ministerial authority, to carry out the mandate for the programs with respect to the northern district.

I want to go through if I may, Mr. Chairman, just some other information which I think will not only be useful to the member but as well to the member for Prince Albert-Duck Lake (Mr. Wipf), who will obviously be interested in the information. One of the concerns is what has been alleged to be a large bureaucracy, an overburgeoning bureaucracy in the north. I want to give you some comparisons. The administrative costs, as far as the department is concerned, as a part of its total budget is about \$3.7 million or 7.2 per cent. In other words, the bureaucracy, as it is referred to by the members opposite, is running equally as efficiently as any departments in government and I would suspect much more efficiently than some of the other departments in the

other provinces of Canada and Canada itself. Particularly, roughly 7.5 per cent, let's say, of the department's budget is in administrative services or in administration. For a department which is as decentralized as is the Department of Northern Saskatchewan, spreading itself across a geographic area which is approximately equal to the southern half of Saskatchewan, and having an administrative cost or a comparable cost, I think this is significant and I think it is commendable for those who administer the department in that respect.

I want to turn for a moment to another example of how the budget of the Department of Northern Saskatchewan, the \$72 odd million, which is contained within both capital and operating, provides for about 857 man years, both permanent and non-permanent employees. About 50 per cent of these are northern native people and people who live in northern Saskatchewan. So it is providing not only a service in terms of getting provincial programs in place in northern Saskatchewan, in a very difficult geographical area of our province, but it is also committed to the providing of employment for northern citizens, giving them a chance to get into some of the job opportunities which are available to most other persons in the province. I suggest that taking that record in relationship to other areas of a similar nature - let me tell you what it is in the Yukon Territories, for example.

In the Yukon Territories that has a population of about 24,000 people, it has 1,300 employees and it has a Budget of \$108.4 million.

**Mr. Wipf:** It is getting up there.

**Mr. Bowerman:** Yes, it is. It is considerably higher than northern Saskatchewan. With respect to the Northwest Territories, there is a figure around which does include Indian Affairs employees, which is not totally relevant to what we are doing in Saskatchewan. In the Northwest Territories there are 8,800 employees for a population of 42,000 people. Let me suggest to you that this is with a budget of \$450 million. That is \$450 million for a population almost equal to what we are doing in northern Saskatchewan, for a population which has as its basis of bureaucracy almost 8,800 people or over 8,000 employees, administered by the federal government, with some assistance from the territorial governments as well.

Ontario, as I have already indicated to you, have what they call a co-ordinating agency which administers the programs in the northern parts of Ontario for which they budget about \$124 million, as I understand.

I want to leave that for a moment and just go to some of the programs which I think will be important and will be informative for the members opposite. Economic Development is a program that has received some criticism and some of it is justified. Nevertheless when you move into an area where you are the loaner of last resort, where no one else will provide loans or any funding at all, credit unions, banks or any other institution - our record over the years of operations, 490 some loans were made to persons who would not otherwise, principally not otherwise, be able to receive funding or receive loans of any kind. That has placed northern people into operation in northern Saskatchewan. About 411 small business enterprises have been started; about 340 of these are still operating. It has created about 1,500 jobs, or about 500 man-years of employment. The rate of success is really not too bad considering it is the loaner of last resort. It is loaning to people who don't have collateral. It is loaning to people who really don't have very much of a year-round income, but a seasonal kind of income. When we compare that the arrears in that area to total loans is about 15 per cent and that the

approved write-offs up to this point in time are about 8.7 per cent, to the total loans, I think that that is a fairly good record. I could give you the statistics comparing that with the other jurisdictions which are operating roughly in the same area.

When we go into project management and look at the jobs which have been created there in terms of housing, in terms of construction, in terms of school construction and so on, not only again are we providing a service; we are providing an employment opportunity for an area which has basically been a very, very high area of unemployment, an area which has taken a considerable amount of public assistance to maintain that particular area of the province.

Some have been critical about what they suggest at least to be extravagance, to the excessive costs in terms of the construction. Let me just give you a few brief statistics. For example, in house construction in 1973 - I'm talking about 650 to 700 houses, house construction in northern Saskatchewan, in an area which has transportation, communication and other isolation kinds of problems - the average cost per house was running at about \$21.65 a square foot. I think that was very comparable. In 1973 it was running about \$21.65 a square foot. In 1978, we are running at about \$50 a square foot. Now you can compare that with any of the house constructions programs in the cities, Regina, Saskatoon and Prince Albert, or in some of the smaller urban centres of Saskatchewan. I think we will fare very favourably with respect to that.

**Mr. McMillan:** . . . 150 per cent more!

**Mr. Bowerman:** Well, 150 per cent more but it is 150 per cent more in the same areas in the South. All I am suggesting to you is that we are comparable. I think a good deal of the credit goes to the people in the department who have been able to manage those kinds of statistics in the face of considerable odds.

Let me talk about school construction. There was a question raised in the House earlier this year by the member for Prince Albert-Duck Lake, who suggested that we were flying gravel with the water bombers and seeing whether or not we could deliver it to Stanley Mission, and suggesting that there was an extravagance and a waste in terms of the school construction cost. The school construction costs are averaging, this is on an \$8 million capital budget, averaging about \$85 a square foot for school construction. Now that ranges from \$56 a square foot to about \$114 a square foot in some of the areas which are more isolated. But let me suggest to you, and I really challenge the members opposite to test out whether or not that's a comparable cost per square foot for school construction in any part of Saskatchewan or in any part of Canada. I suggest to you that our figures compare very, very well with respect to what is happening in the other areas.

In road construction, basically, we are doing the same thing. We are comparing favourably with the Department of Highways' construction units. Not only are we comparing favourably with other government construction projects but we are comparing very favourably with the contractors who are bidding for school construction projects or road construction projects or whatever have you. So, Mr. Chairman, I think that we fare very well with respect to that.

It might be of interest to members across the way that just looking at the social services expenditures per capita in relation to the North, we compare very favourably there and, in fact, since the Department of Northern Saskatchewan has been in existence and

has carried out the programs in northern Saskatchewan, the rate of social assistance has been dramatically reduced to the point where today we stand very competitive with - Well, the member shakes his head but I can tell you that comparing ourselves from 1973 when the dependency rate was at about 30 per cent as compared to 1977-78 when it is 16 per cent, I say that's a dramatic decrease in the providing of social assistance to people in northern Saskatchewan. Particularly, Mr. Speaker, when the Department of Indian Affairs operating in the same area in which we are operating, was operating in June of 1976 with a dependency rate of about 46 per cent and we are basically operating with the same kinds of persons and the same kinds of environment and so on. So I think that there is a great deal to be said for what we have been able to do with the single agency concept or with the single agency approach in administering the programs in northern Saskatchewan.

Not only that but I would like to report while I am on my feet, Mr. Chairman, the fact that because of the expenditures in the area of health, providing sanitary conditions, providing a potable water supply, providing for a proper sewage disposal system and providing for health units in the various isolated communities in the North, that our decline in hospital admissions is 17.2 per cent from 1973 to 1976. I think that that is a dramatic figure for anybody to consider as well. In the same period relative to the South, taken from the figures of the Department of Health, the decrease has been 3.5 per cent and, of course, a much more stable kind of health situation in the South.

Mr. Chairman, I think that while there are other statistics which I would be most happy to provide the members with, provide this Assembly with, I will wait for their comments with respect to it.

**Mr. McMillan:** Well, as the member for PA-Duck Lake says, we'll just be embarrassed to ask questions after that. I would like to ask the minister again because although his memory might be very, very good, it is very, very short. I asked you how many people resided within the boundaries of your jurisdiction, residents, and I would like you to answer that for me the next time you get up unless you can hurl that number across the floor.

**Mr. Bowerman:** Mr. Chairman, 25,000.

**Mr. McMillan:** Twenty-five thousand. I would like to ask the minister how he arrived at the figures that he is only spending in the neighbourhood of \$3 million on administration in northern Saskatchewan?

I did a quick addition right out of your estimates on administration, only permanent position, that is all. It comes to over \$8 million in salaries alone, salaries and expenses. Not \$3 million, over \$8 million, unless you don't want to consider those people in the health services branch, and social services branch, administrators, or the academic education branch. Social services branch, permanent positions, \$1.5 million right there alone. You don't even count that as administration. They are all the same, every one you go down. Resources branch \$1.6 million in salaries alone. You don't even count that as administration. You spend over \$8 million on administration alone; don't tell us it is \$3 million. I suggest, maybe you didn't know. I wouldn't be surprised. Maybe you think back to the day when you get this thing established and you only had several hundred employees, but that situation has changed dramatically since then. Talk to the people who do your hiring. You have over \$8 million worth of permanent staff alone.

Here is another interesting little figure, and that is how much money you spend under other personal services. Now I would be really interested to know exactly what those expenditures are for and I would assume that much of it is for people that you don't have hired under permanent services, but that are hired as casual, temporary or part-time staff. I would be interested to know, for example, academic education branch \$142,000 in salaries. One of the more modest ones, but other expenses include over \$1 million. I would like to know how much of that goes to the payment of temporary, casual, part-time labour? That is an administration expense that you haven't listed. You have only been out by close to 300 per cent in the first figure you gave us. If that is any indication of how the estimates are going to go, it is going to be the biggest laugh in the history of Saskatchewan.

I would like to ask the minister, again, you told me you have 25,000 people who reside inside your area. The budget this year is, roughly, \$75 million. So you are going to spend about \$3,000 per capita on your residents. I would like to know how many civil servants reside within the boundaries of that operation, provincial civil servants who work for DNS?

**Mr. Bowerman:** Well, Mr. Chairman, the fact that the member has picked out the salaries of various numbers of people doesn't indicate that that is the administrative cost. Does not at all suggest that is what it is. Nevertheless, it is a point that doesn't need a great deal of time spent on it.

With regard to the population figures, somewhere between 25,000 and 30,000. I can't tell you what the population is, other than about 50 per cent, as I already indicated, about 50 per cent of the total departmental employees are persons who have not, in our interpretation, become northern residents living there 15 years or half their lifetime whichever is the lesser. So you can subtract from that total of 857 man-years about 300 or 400 and you can subtract that from your population and that is what about it would be.

**Mr. McMillan:** How many civil servants do you have working for your department? Permanent or part-time? How many man-years of employment have you budgeted for for this year?

**Mr. Bowerman:** In permanent positions 472; temporary 51; casual, 17; labour service, 317 for a total of 857. That's what I told you at the outset.

**Mr. McMillan:** All right, these 857 people work directly for your DNS and are under the jurisdiction of those people working directly for the DNS. How many other positions in northern Saskatchewan do you fund, from your estimates, either provide grants for the employment of, or people that you pay the cheque to for work that they are doing for you, for work that isn't directly connected with you? For example, you might provide a grant of \$100,000 for house construction and some would argue - all right, well, just the number of positions that you provide grants for.

Now you are providing a grant of \$25,000 for example, to a local community in the North to hire a community planner. O.K., that's a program that you people have. You put out a press release on it and you said that you hope other communities will take advantage of it as well. How many of those positions do you create?

**Mr. Bowerman:** That is a figure that we wouldn't have precisely and it is a figure at which we could only guess. If you provide a grant to the community to do a certain kind

of research, either for municipal services or for water and sewer programs or for whatever the community decides is its greatest or most important issue, I don't know whether they would hire two or three people with a grant. It would be very difficult, if not impossible, to give you an accurate or a close estimate even, of what that might be. But to get within the ballpark, I don't think it would be any greater than 25 or 50. My officials say that it would not be 25.

**Mr. McMillan:** I may get back to those employment statistics in a little while. The one other issue that I would really like to point out - the points I would like to take issue with you (there are several of them). Number one, you say that your house construction averages you \$50 a square foot and you are quite impressed by that after comparisons with the rest of the province. I'll tell you that the average house construction cost in Saskatchewan for a 1,000 foot bungalow, three bedroom, is about \$30 to \$32 per square feet. That is an absolute fact.

**Mr. Bowerman:** No.

**Mr. McMillan:** All right, that is an absolute fact. You are at \$50 per square foot right now and I'll tell you, if you don't believe me, check with the construction industry.

The other area that I would like to quarrel with you on - not so much a quarrel but you love to lump these things together. Now you say there are only 16 per cent of the people within DNS who are receiving social assistance of one form or another. I would like to know how many people are on the staff of DNS, simply given a title and then paid a salary as an employee when you have created that job simply to take someone off direct social services payments and put them in a position. I will give you a few examples. Going through on the order in council here, time after time after time we see people who have been hired as co-op management advisors. I was really interested in that position you created through order in council for the North. Now you may have some particular reason for appointing these people and I would like to know what it is but I hope you are honest with me. I don't think it is because you wanted to hire somebody simply on a daily basis to advise Co-ops and to help manage their affairs. You have hired these people as Co-op management advisors, one after another of them. You pay them all in the neighbourhood of \$900 or \$1,000 a month. I'd like to know what those people do, on a daily basis.

**Mr. Bowerman:** Let me go back to the matter of - and I am not going to dispute this - but I want to clarify the record and there aren't very many in this Chamber who will disagree, that is if you can build a house for \$32 to \$35 a square foot in Saskatchewan today, you are doing an exceptionally good job and you must be doing it yourself. Nevertheless, be that as it may, the figures are - go to any contractor you want, go to any kind of housing construction program that you want and the figure of \$32 to \$35 per square foot is just not around today.

With regard to the Co-op management advisor and what he does, a Co-op management advisor is not a new position. They have been around since at least the 1950s; I suppose they were around when the Department of Co-operatives was first established somewhere along 1948. You will find in the Department of Co-operatives Estimates that there are some of those people in there as well. We have in the North, 11 of these Co-op management advisors and one of the reasons why we have order in council appointments is simply because we are attempting to use persons of northern ancestry, persons who may not meet the educational qualifications of the Public Service Commission but nevertheless are northerners and

should be employed in areas of that kind and have a particular ability and skill which is not accounted for in the job specifications of public service commissions of today. So the Co-op management advisor, what do they do? They deal with local fishermen co-operatives, they deal with local store co-ops, they deal with local handicraft co-operatives, they work with any other locally established co-operatives, or they promote people working together and establishing themselves in small co-operative businesses.

**Mr. McMillan:** I would like to first clear up one thing with the minister. With respect to the \$30 to \$32 a square foot figure, I got that from your Minister of Housing. If you would like to ask him about it, go right ahead. The kinds of houses that they have been building under the Native Rural Residential Program are exactly the same type of housing you have been building in La Ronge. Now that was \$30 to \$32 per square foot. Now, I am sorry to have embarrassed you there; your bruised ego may be assuaged slightly by knowing that they had a \$9,000 over-run average on each house they constructed. Many of them were built for less than \$30 to \$32 per square foot by unskilled organizations that were in the construction business. So I wouldn't be bragging about building a house for \$50 a square foot, when your own minister has been bragging about building them for \$30 to \$32 a square foot. I believe he may even be averaging the price of some of La Ronge homes when he included that figure; we got into that in Sask Housing. Maybe you've been working on the houses, Mr. Minister, but I don't doubt then that the cost would go to \$50 a square foot.

I would like to pursue one other question with you. I am under the impression as a result of questioning in the Public Accounts Committee that the DNS spent over \$3 million last year in taxi fares and I would like to ask you if you could confirm that figure for me.

**Mr. Bowerman:** I didn't get the exact figure, you throw about the figure fairly loosely. Much of what appears to be an extravagance in terms of taxi services is . . . Don't forget, if you didn't take a taxi from Beauval to La Loche or Patuanak to take a patient to the hospital in Saskatoon or for medical attention in Saskatoon or in Meadow Lake, or in some of the other areas, then you would have to hire an aircraft or you would have to develop some other transportation system. We don't have bus transportation systems going up to those points. There has never been and they are not accommodated the same way they would be in the south. So when you have the necessity to take a person from one of those northern points to a hospital you make the choice as to whether you take them by aircraft or whether you take them by some other means of transportation. We have used the taxis to do that. The figure that is given to me by officials is \$179,000 for the total taxi allocation, as I understand it, in the last fiscal year.

**Mr. McMillan:** Is that the taxi allocation for those people who are taken to hospital by taxi or does that include the entire taxi bill paid by DNS last year?

**Mr. Bowerman:** \$172,000 is for medical persons, that would be about \$7,000 for other.

**Mr. McMillan:** What other reasons do you have to use taxis in northern Saskatchewan other than your departmental employees getting around? Are there other circumstances under which the local residents are allowed to use taxis and submit their receipts to the Department of Northern Saskatchewan?

**Mr. Bowerman:** Well, once again, it is a matter of transportation. It's a means of

transportation in the northern communities; we bring people to meetings; we bring persons to the job site. It is a process of communication as well as transportation. So, while it may appear to the members down here who live in a far different world, that figure is not considered to be high in terms of the responsibility and the area of jurisdiction which we have and the miles to cover that is related to the administration of the northern district.

**Mr. McMillan:** I would like to ask the minister we are going to research some more of these figures because I understand your total travel bill was well over \$3 million. Do you know what your average expenditure per civil servant was on travel and sustenance last year and I assume it will be the same or worse this year?

**Mr. Bowerman:** Roughly speaking, \$1,955 per person.

**Mr. McMillan:** Again, I did some research on this previously with respect to each different branch of your department and the payments made and it works out to, to the best of my knowledge, according to the people that you had listed in your estimates that worked for you, about \$7,000 an employee. Can you tell me under what circumstances your civil servants use aircraft in northern Saskatchewan? I mean, obviously, in connection with their work but are they restricted in any manner or is it simply a question of phoning up La Ronge Aviation or Athabasca or phoning up your department and your aircraft and saying, I would like to go to Southend Reindeer tomorrow and getting in the airplane and going?

**Mr. Bowerman:** No, there is a transportation policy within the department that suggests that employees do not have a free hand to go out and to charter or to take an airplane out of the department or otherwise at their will. They must conform to the policy which tries to co-ordinate aircraft travel and on a scheduled basis as well as on some co-ordinated basis as to going to any out-of-the-way community, a community that is not within the line of a schedule. They attempt to co-ordinate health workers, resource workers, social workers and so on in transportation that way. So there is a policy within the department.

**Mr. McMillan:** The minister told me that they spent roughly \$2,000 per employee on travel, sustenance and vehicle expenses. At 800 employees I assume that works out to about \$160,000?

**Mr. Bowerman:** What we've got is a different mix on the number of employees. You can take the . . . The number that we are having some difficulty in communicating with is the advance account employees who, obviously, have a travel cost involved as well. They are not the list of persons which I gave you. For example, a person who rides a caterpillar tractor, under the advance account system on a construction site, is not in the 874, but operates under the economic development advance account system, which constructs the roads and builds the houses and the schools and so on.

**Mr. McMillan:** Is he included in your figures with respect to employees? Is he included in the 875 employees?

**Mr. Bowerman:** No, he was not.

**Mr. McMillan:** Well, how many of those people do you have?

**Mr. Bowerman:** The report says the Labour Service Employment reaches as high

as 2,500 during the year. That is the Administration Branch, under what the Annual Report says. These are labour service people which really are construction workers. They would be, if we were not in the situation in which we are in in northern Saskatchewan and we didn't have to have a project management branch or a project management facility, then these persons would be employed, naturally, by contractors. They would be employed by other persons who normally in the South would hire those persons. But because we are in the business of construction of roads, and construction of schools and public facilities and sewer and water projects, we have that labour component and some of that labour component, of course, has sustenance costs.

**Mr. McMillan:** All right, I won't pursue that. I think my figures may have been wrong too. I believe if you are \$2,000 employee it is maybe \$1.6 million. I am not sure about that; I will have to go over that again. I see health services, for example, spends \$110,000, or spent last year \$110,000 on travel sustenance and vehicle expenses, etc.

I had another area I was going to pursue with you. I guess the Social Services Branch is a good enough place to start as well.

You say that only 16 per cent of the people in the Department of Northern Saskatchewan are receiving social service payments directly, because there are different forms of social services. If probably one got down to it, you are in a position that you pay 80 per cent of the people in DNS who are probably receiving government money from one source or another. And under definition of one sort, that would be a social service you are providing with government money. You say that 16 per cent of the population is receiving social services. Can you tell me what the average payment is?

**Mr. Bowerman:** Yes, the figures which I gave you were the dependency rate in the Northern Administration District, which I said was about 16 per cent and that we had come down from 30 per cent to 16 per cent. I have indicated, as well, in that same period of time that the Department of Indian Affairs is running at a dependency rate of about 46 per cent in the same area.

With respect to the approximate Saskatchewan Assistance Plan expenditures per capita, I am talking about expenditures per capita, averaging them across the piece both in the North and in the South, it is about \$1,000 per capita in northern Saskatchewan. In southern Saskatchewan, including the Family Income Plan, the FIP plan, it is about \$1,000 per capita. Now you will see that what is happening here is that even though we may have a higher percentage of persons on the Saskatchewan Assistance Plan, that the costs per individual person is likely to be lower in the South. The reason why in the city of Regina, if a person is on public assistance here, likely the rent is to be around \$250 - \$300 a month. In the North that is not so, in many cases. So it is difficult to use an exact comparison. You have to be careful about the comparisons that we use. I think it is an interesting figure to consider that the per capita expenditures in the North runs at about \$1,000 per capita, while they run at about the same thing in the South when you include the Family Income Plan.

**Mr. McMillan:** I would like to know how many people on the average - you say 15 per cent were receiving direct payments. How many individuals, did you serve with respect to social services in the year under review, or at least last year?

**Mr. Bowerman:** I want to take the opportunity, if I may, to introduce the staff, which the member didn't really give me time to do when we started out. He was very anxious to get going on the department and I can understand why, it is a very interesting department - a department that is doing an exceptionally good job. I am sure that he will be pleased to meet the Deputy Minister, Mr. L'Heureux, who sits with me; Jack Morris is behind Mr. L'Heureux; he is Director of Administrative Services; Jim Stobbs who is the Director of Project Management, who is behind myself; and the Assistant Deputy Minister, Ross Moxley in charge of the Resources and Secondary Education, sitting behind Mr. Morris; and Mr. Worster, Assistant Deputy Minister of Social Services and Health. Behind them Mr. Shikeer (?) from Executive Planning and Mr. Sardar.

Now, the answer to your question with respect to recipients, total recipients, 2,531. That's 16 per cent as we indicated. It is 754 cases.

**Mr. McMillan:** Well, your expenditures here for direct payment with the Saskatchewan Assistance Plan and your total for Social Services Branch comes close to, comes very close to \$6 million and you had 2,700 recipients did you say? I'm sorry. Well, Estimates, that's what we are doing. Item 7, Social Services Branch, \$3,000,080 total cost there; Saskatchewan Assistance Plan, \$2.8 million. Now your total Social Services dollars spent in the DNS is about \$6 million. If 15 per cent of the total population received direct payment, that would be 3,750 people. Now there weren't that many. If that was the case then the average payment for the year would be about \$15,000 to \$16,000. Now that is including administration costs, supplying social services, etc. I would like you to repeat for me how many people were on social who received payments over the year? You just gave me the figure. I am sorry I wasn't paying enough attention. Would you redo that?

**Mr. Bowerman:** The number of recipients was 2,531, 1977-78. The number of cases was 754 or 16 per cent is the dependency rate which I have already given you. Total expenditures in respect to that is close to the figure which you have in this year's estimates, but last year would be something less than that by a few hundred thousand dollars I think - very close to \$3 million my officials say.

**Mr. McMillan:** Your other expenses under item 7 are \$1.565 million. What do the other expenses entail? Was that assistance in one form or another directly to people?

**Mr. Bowerman:** That's other program costs such as corrections, family services, child care and so on - come under that other expenses thing.

**Mr. G.N. Wipf (Prince Albert-Duck Lake):** Mr. Minister, you say that you have 25,000 to 30,000 in the North; 16 per cent of that 25,000 or 30,000 have received some help from the Department of Social Services. Is that what you say? Or where did you get that 16 per cent - of what? They are not marked on these . . .

**Mr. Bowerman:** No, that's the eligibility rate, not related to the population. This has no relationship to the population. Does it? O.K., I am sorry. My officials say that it is related to the total population rate.

**Mr. Wipf:** Mr. Minister, you talked about the transportation regulations that you have in the DNS for the employees. I wonder if you would table those regulations or explain those regulations for policy or whatever you have?

**Mr. Bowerman:** I understand that there is not a written policy, but the sort of unwritten policy that governs the, is done through the air traffic co-ordinator, who must approve all flights. He doesn't approve an individual flight unless, for example, there was an emergency, unless there was a priority of some kind that would let a plane go out to Patuanak, let's say, without some co-ordination being arranged at another day when there would be two or three other passengers go along. While it is a policy I understand there is no written policy. It is administered through a person who is called the air traffic co-ordinator.

**Mr. Wipf:** Mr. Minister, I am still hung up a bit on the 16 per cent. You say that you had 754 cases dealt with the Department of Social Services and you have 30,000 people and 16 per cent of that is around 4,400.

**Mr. Romanow:** What kind of . . .

**Mr. Wipf:** I don't know, he hasn't explained it. I want you to explain that. The Attorney General is confused in what you are talking about and he wants to know, also, what kind of cases you are talking about here.

**Mr. Bowerman:** What I think you are confusing is, we give you the total population, the total population of 25,000 or 30,000, but that includes Treaty Indian people who operate on their own. In other words, their own social service system. As I said, 46 per cent was the dependency rate in the Department of Indian Affairs for Treaty Indian people.

**Mr. Wipf:** O.K. then. Would you subtract the Treaty Indian people in your northern administration district and how many people does DNS actually take care of then? What is the number of non-Treaty people?

**Mr. Bowerman:** Well, again, you can't clarify quite as precisely as you would like to in that respect. While we don't deliver the social services on Indian reservations, we do deliver other kinds of programs to Treaty Indian people.

If you want the relationship - the relationship in the population, I have said in an offhanded way, is about one-third, a third and a third. In other words about 10,000 are Treaty Indian people; about 10,000 non-status or non-registered Indian people and about 10,000 non-Indian people. Now that is a fairly rough calculation. That is the best we can do. It is in that neighbourhood.

**Mr. Wipf:** O.K. Mr. Minister. A little earlier you talked to the member about the taxi fares, the price of taxis. Did I get it right that \$172,000 was for ambulance? I think you said \$7,000 was for something. There is \$172,000 for ambulance services. What is DNS doing at this time to actually help the ambulance services in the North? I know in La Ronge they were talking about having to remove one ambulance from the town site of La Ronge because there wasn't enough work. Are you helping the ambulance services instead of the taxi service, are you going into strictly ambulance service in some of these smaller places? I believe that some of these people that you are hauling deserve to be hauled maybe in a better accommodation than a taxi.

**Mr. Bowerman:** I certainly appreciate that if there was another transportation system. You will know that we have subsidized Saskatchewan Transportation to do regular runs up the east side and that we have been considering, at least, a bus system up the west side as well. But we would prefer now that the province has gone into an

ambulance program, a provincial ambulance program, we are attempting to blend that into the North as much as we can. We are not really at this point deciding to do anything other than to meet the issue as we find it and perhaps we can modify or implement or adopt the provincial ambulance program.

**Mr. Wipf:** Mr. Minister, under the grants to municipal governments throughout Saskatchewan, I realize that the ambulance service is one of them, in the North there is a different type of municipal grant going to the northern people or into your district and are you waiting for the southern municipalities to accept that or get their program going before you start your own in the northern administration district?

**Mr. Bowerman:** We have been basically waiting for that ambulance program to develop in the South and to adopt it into the northern program as best we can. We are carrying on with a situation which has been traditional or used in the past. We are using it to a greater extent but we believe that is justified and we believe that the justification of that shows up in the hospital administrations, the decrease in the number of hospital administrations because of a better health facility.

**Mr. Wipf:** Mr. Minister, in talking about the grants to the municipal governments, throughout the province we have a different type of arrangement for grants for the policing of the areas. In the North the police costs do not come under the per capita grants and when I asked that question with the Minister of Municipal Affairs, he told me I could get my explanation from you. Would you explain that?

**Mr. Bowerman:** There is no other policing other than the RCMP which is a matter for the Attorney General to deal with and he hires all the Royal Canadian Mounted Police and they do all of the policing in the North. So there is no provision in the estimates to consider police costs.

**Mr. McMillan:** I would like to ask the minister a few general questions about his fish-aging program in northern Saskatchewan. It has always been a complete sense of intrigue to me why you would establish a program to train people how to tell the age of fish. Would the minister try to attempt to justify to me why this program is under way in northern Saskatchewan?

**Mr. Bowerman:** I must say that the age and sex life of a fish is very interesting to a biologist, if not to other people. One of the reasons for having a fish ageing program is to establish a productivity, a lake productivity, to establish lake limits for both commercial and angling purposes. This is part of the biological process of studying lake production.

**Mr. McMillan:** Well, exactly how many people do you need in the Department of Northern Saskatchewan to do this sort of work? I would like to know how many people have been involved in the program?

**Mr. Bowerman:** Well, I might suggest to you that one of the very beneficial little side programs from this is at Stanley Mission, where there is a local fish-aging co-op. In other words, the women of the community have learned how to read the age of fish from the scale samples which they take and they are not only doing it for Saskatchewan but in fact scale samples are being sent in from other jurisdictions in Canada and out of Canada for this particular precise process to be undertaken by this group of ladies in the Stanley community.

**Mr. McMillan:** How many people are permanently employed in northern Saskatchewan doing fish-aging, counting rings on fish scales as a result of the development of your program?

**Mr. Bowerman:** I don't know that we have anyone specifically employed to do that job; I don't think we have.

**Mr. McMillan:** Well, how much did you spend on developing the program? Because your point to me was that the program was developed to provide employment and to do training and yet you can't even tell me of one person who is employed doing it.

**Mr. Bowerman:** The local co-op, as I told you, in Stanley Mission, is the one for which we provided a \$15,000 grant and I think . . . (inaudible interjection) . . . six persons in Stanley Mission are involved in that co-op.

**Mr. McMillan:** Do you people, aside from - you say you provide a \$15,000 grant to the co-op to operate - do you provide any funding of any other sort?

**Mr. Bowerman:** No.

**Mr. Wipf:** Mr. Minister, in the last little while there has been a lot of controversy over the Northern Municipal Council. I am wondering if your officials have come to the commitment or conclusion, I suppose, does the Northern Municipal Council, in your opinion, have enough money to carry out its commitments for consultation with Specialada (?), the resources and the fisheries and the northern contractors and other organizations that they consult with, has this been taken into consideration in your estimates? Do you figure there is enough money there for them to do this?

**Mr. Bowerman:** Yes, in my opinion they do have enough money.

**Mr. Wipf:** How many workers will the amount of money that you have given the Northern Municipal Council for the following year. How many do you figure they will be employing? What does your budget have for them to employ?

**Mr. Bowerman:** Well, I couldn't answer for the Northern Municipal Council. The Northern Municipal Council budget will be about \$270,000 and for any municipality in Saskatchewan a \$250,000 budget is a pretty sizeable budget.

**Mr. Wipf:** Mr. Minister, you talked a little earlier about the sewer and water project that you are doing in the North. I am just wondering, for the 1978-79 budget, how many sewer and water projects are you going to do and what are your capital expenditures you have for that?

**Mr. Bowerman:** I am sorry. I wasn't clearly listening to the member's question. I was seeing that we are getting close to 5 o'clock and I am sure that members of this Assembly will know that the staff that I have here today have been in town for a couple of days, staying at a hotel waiting for these Estimates to get through. If we don't conclude this evening, they are here for another day or two days in hotels and I am wondering, Mr. Chairman, if the members of the House wouldn't consider stopping the clock for 15 minutes or 20 minutes or what it might take?

The committee reported progress.

The Assembly adjourned at 5:03 o'clock p.m.