

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 30, 1981

EVENING SESSION

COMMITTEE OF THE WHOLE

Bill No. 80 — An Act respecting The Medical Profession

Section 1

MR. BERNTSON: — There have been some concerns raised with me about this bill and I will just relay those concerns to the minister so that . . . (inaudible interjection) . . . Is he trying to build you a highway or what? I'm sure with all of the helpers that he has sitting beside him, he can allay the fears of those people who have raised the concerns.

The one concern is about the individual who is protected by the grandfather clause right now, if this act goes into effect. He may have 20 years or so experience practising here in the province and he's protected by that clause, but if for some reason he's down in the states going to school or in Alberta or anywhere out of the province for more than a year, then that grandfather clause is no longer effective. In fact, he has to come back in at the provisional level and upgrade himself even though he has 20 years good experience here in the province. I wonder if the minister would first comment on that one.

Another concern that was raised with me was the powers as set out in the act. The powers of the college are rather vague and not really definitive.

Probably the single biggest concern was the lack of input — the seemingly secret way that the bill was drafted and finally brought about. There was some discussion with the college, some discussion with SMA (Saskatchewan Medical Association), and I guess not a whole lot of discussion with the medical community in general. I suppose we all recognize that SMA doesn't represent all of the medical professionals in the province.

I'm not going to put the motion unless the minister upsets me later in this discussion because, quite frankly, I've had some experience with these sorts of motions. I remember back in the cancer foundation debate where we put a motion to put the bill before a committee so that these concerns could be expressed to the Legislature by the various members affected by the legislation and we got into a big procedural hassle with the Attorney General and it took forever. I would ask the minister if he would put the motion so that there could be some input from the people affected by the legislation, and I am sure that if you were to put it, it would in fact pass.

Those are a couple of the questions. One other question (and the minister has already told me why this happened, but I want it on the record) is: why was the Royal College of Surgeons in Ireland not recognized in this legislation?

With those few comments, I'll allow the minister to respond, and we'll see if we can deal in a congenial way here.

HON. MR. ROLFES: — Mr. Chairman, I'll comment very quickly on the three or four items that were brought before us. In regard to his first one where he indicates that if someone leaves the province for one year he automatically will lose his licence, I

would direct the member to page 14 and 15 of the act, section 37(3). It very clearly states that if a member seeks to leave the province and obtains permission from the college for valid reasons, he does not automatically lose his licence. It reads very carefully:

Where a member described in subsection (1) leaves the province for a period for more than one year without obtaining the approval of the council or for reasons that are not satisfactory to the council, the council shall revoke his licence and the registrar shall strike his name from the register . . .

But if he seeks permission and he goes for a valid reason (considered valid by the council), his licence shall not be revoked. So it is not automatic, but if he leaves on his own accord and is no longer practising in the province during that interim, he would lose his licence. That is number one.

Number two, I am not quite certain what the member meant when he said that the powers were not very explicit. The powers of the college are listed very explicitly in the act. Perhaps he could elaborate exactly what he meant.

On the fact that there was no input, I want to remind the member that if he reads through the act he will see it is a very complex act, and it is very technical in nature. Therefore, we have to consult with those people and those organizations that were most affected: the council and the college of medicine. When we consulted with the Saskatchewan College of Physicians and Surgeons, we took for granted, and I think rightly so, that they spoke for organized medicine in this province. They consulted with their individuals and, I think at the right time, they put the bill before their members. Their members had input — perhaps not as much as each individual member would have liked, but certainly the council had blow-by-blow input.

On the last item, the Royal College of Ireland, the options that are available in the act should be sufficient to allow doctors from the Commonwealth to enter Canada and to come to Saskatchewan in order to practise medicine. It was felt that the Royal College of Physicians of Ireland had the least quality of the three that were offered. The Saskatchewan College of Physicians and Surgeons asked that we drop it, and we did.

MR. BERNTSON: — Getting back to section 37(3) that deals with “reasons that are not satisfactory to the council” for more than a year, what sorts of reasons would we be talking about? I am talking particularly of the rural doctor. In some instances they are run off their feet in their hectic practices, and the burnout rate is fairly significant. From time to time you see rural doctors who want to take a year off and catch up with themselves. I wonder if that would be an acceptable type of reason.

HON. MR. ROLFES: — I don’t think anyone would object, and I think it would be considered as a valid reason if someone wanted to take off for an educational leave or for some respite because they felt that they were burned out I’m sure that those would be valid reasons. We did not want a physician or an individual to use Saskatchewan as a stepping stone to get somewhere else, or for economic gain. If they felt that in a particular area they could make economic gain (and they certainly can from time to time, as I think the member well knows) they might use the province for their own individual benefit, rather than for the benefit of medical services in this province. I think the council was concerned about that and so were we. We felt that we needed those safeguards. So, I think you are correct in your assumption that, if someone needs a rest or wants to go on educational leave, he would have what would be considered valid

reasons by the council.

MR. BERNTSON: — Okay. An earlier question that you seem to have skirted is the matter of bringing the motion from your side to put this bill before the committee (pick the committee — I don't care which committee) for the input of people who are affected by the legislation. They may feel that they haven't had the input they deserve.

The next question relates to section 32 of the bill. I wonder if you would explain how this section of the act will be used. It appears to me to be a warning to the medical profession not to go on strike. That seems to run a little counter to remarks uttered by the Minister of Health recently, when he said that he felt physicians should have the right to strike. Now, I wonder if the minister would explain how that section is to be used and if it is, in fact, running counter to his own feelings in that regard.

HON. MR. ROLFES: — Section 32 of this particular bill gives wide and sweeping powers to the college of physicians and surgeons. Having given the council these powers, one could foresee, from time to time, that the council may act in such a manner that the public interest would not be served. If it were felt that the council would act in such a manner, there would also have to be some powers given in order to safeguard the residents of the province. I think those are the simple answers for extending the powers as indicated in the bill.

As far as input is concerned, the negotiations and consultations in this bill have not taken place in the last few weeks. They have been going on for many, many weeks and many months. We feel that there has been sufficient consultation with all those organizations that one should consult. Every organization and all their members should have had their input. The only thing that this would serve (if it were moved to some committee) would be to permit those individuals out there, who may have their own beefs, to make them to us. But they really have no significant input into the quality of The Medical Profession Act. We felt, therefore, that there was no need to move it to committee and it is not our intention to do so.

MR. BERNTSON: — I take it that that's "no." In section 32, you are talking specifically of a withdrawal of services. Is that right?

HON. MR. ROLFES: — Not necessarily.

MR. BERNTSON: — What sort of an emergency could you foresee that would cause a situation to arise that the minister would have to have these sorts of powers?

HON. MR. ROLFES: — Mr. Chairman, I think it is important to note that, if a situation occurred where the council refused to license doctors and the welfare of the people of Saskatchewan would not be served, it would be imperative that somebody be able to license doctors so that the people could be served. And we can foresee a situation where the council may simply say, "No, we are not going to license doctors." It is simply felt that if that arose, the welfare of the people would have to be protected. Someone has to have that power. That power, in this act, rests with the Minister of Health. So, it would only be used in those circumstances where the council, which now has the power to license doctors, refused to license doctors who could serve the people of the province.

MR. BERNTSON: — You are saying, then, that withdrawal of service wouldn't cause the minister to act under this section of the act?

HON. MR. ROLFES: — No, not necessarily. If you read section 32 (all three parts of it) it says:

(a) members have withdrawn their services; (b) the safety of the residents of the province is threatened; and (it's not "or") the council is not adequately discharging its responsibilities under this Act.

MR. BERNTSON: — It just seems to me that that section, in effect, is some sort of essential service legislation. I think if the section is valid here, and you advance those arguments, and I don't necessarily disagree with the argument you are advancing . . . All that I'm saying is that if it's valid here, it should also be valid in the case of police, firemen, etc. I know that I'm talking to the wrong guy, but that's never stopped me before. That's my comment on that particular section. I don't have to like it.

Section 1 agreed.

Sections 2 to 4 inclusive agreed.

Section 5 as amended agreed.

Sections 6 to 8 inclusive agreed.

Section 9 as amended agreed.

Sections 10 to 31 inclusive agreed.

Section 32 agreed on division.

Sections 33 to 53 inclusive agreed.

Section 54 as amended agreed.

Sections 55 to 62 inclusive agreed.

Section 63 as amended agreed.

Sections 64 to 96 inclusive agreed.

Section 97

MR. BERNTSON: — Just before we finish, first I just want to express my disappointment that the minister wouldn't consider putting the matter before a committee. Secondly, I think that it's generally accepted that what we have here is, in fact, a compromise bill. It doesn't satisfy everyone in all things, but I think it's also generally accepted that it goes a long way toward addressing a broadly held concern. I think that's a fair comment. But having said that, I'm still a little disappointed with the minister — not only on this occasion and not only this minister. Lots of legislation that comes before this House doesn't have the testimony that it deserves. The people who would give that testimony deserve to give it when it directly affects them in this way. So with those few comments, I'll let the minister off the hook.

Section 97 agreed.

Sections 98 and 99 agreed.

The committee agreed to report the bill as amended.

Bill No. 86 — An Act to amend The Labor Standards Act

Section 1

MR. KATZMAN: — Mr. Minister, as I said the other day when you moved second reading of this bill, I realize there was a problem created in the draftsmanship. I guess this is the best way to explain it. In how many areas did you have a problem which came to your attention, or did you people discover it on your own?

HON. MR. SNYDER: — If the hon. member is making reference to section 56 — the notice of termination — actually, there were no court cases, but I think there were a number of instances where some doubt arose with respect to the application of the graduated termination of notice. Prior to any difficulties really arising, we chose to amend the act in order to clarify it, in order that we would not be confronted with some conflicts which appeared to be apparent after careful reading of the act or having a number of people draw to our attention that there was apportion of section 56 which might not be unmistakably clear. Accordingly, it was intended to clarify it so beyond all doubt the intent of section 56 will be clear.

MR. KATZMAN: — Section 3 of the bill refers to “temporary.” Now, I notice you use the 90 days. That is very similar to what is used in the potash corporation and those types of industries. In some companies, on the 90th day an employee becomes permanent. Why did you pick the 90 days?

HON. MR. SNYDER: — The intention is that an employer shall be entitled to temporarily terminate him, for disciplinary purposes perhaps, without providing to the employee the graduated termination of notice or pay in lieu of notice. So up to and including a 90-day period, an employer is then entitled to temporarily terminate for disciplinary reasons. Having done that, if this part of section 43 were not included, he would be required by law then to provide termination notice for having suspended his employee or termination of him for disciplinary purposes. It only clarifies, then, that the employer is not required to pay an employee if he is terminated for reasons of discipline.

MR. ROUSSEAU: — Mr. Minister, “termination” means finished. “Temporary termination” doesn’t really make too much sense to me. “Suspension” I can understand, but when you terminate somebody, you terminate him. Period. How can you temporarily terminate somebody? I really find that difficult to understand.

HON. MR. SNYDER: — Well, I think it’s a play on the English language — as opposed to “dismissal,” “temporary termination.” This is a draftsmanship problem, and one which has been put in place by the legislative draftsmen. The intention is, and I’m sure that the inference is, that temporary termination is, in effect, suspension by definition. It may be a play on the English language, but to be temporarily terminated is to be suspended, and does not mean that a person has had his services terminated on a permanent basis. So, I think it has to be said that temporary termination is suspension.

MR. ROUSSEAU: — I don’t want to get into a long discussion on this, but have you checked the definition of the word “terminate” in that particular bill? I find it difficult. I haven’t looked at it myself; I’d like to get hold of a dictionary just to find the definition of “terminate.” I don’t think you can have a temporary termination. I may be wrong, but it doesn’t sound quite . . .

HON. MR. SNYDER: — I'm told that the definition of "termination" as provided for in the act in the definition section is consistent with the intent of the act. I would be perfectly satisfied with "temporary suspension," but I suppose 'suspension' has to be regarded as "temporary termination," and it seems to explain quite clearly and outline the intent of that particular section.

MR. ROUSSEAU: — If I may just read to you the definition of "terminate," it says, "bring to an end; put an end to."

AN HON. MEMBER: — Temporarily.

MR. ROUSSEAU: — No, no "temporarily." It's "bring an end to." I mean, how can you bring an end to something temporarily? "Come to an end; his contract terminates. Occur at or form the end of; bound; limit." To avoid further future problems with that particular clause, I suggest that you change the wording. I honestly feel that you used a word that is . . .

HON. MR. SNYDER: — Mr. Vice-Chairman, we have, in some ways, to rely upon the wisdom of the legislative draftsmen, but I think that to be temporarily terminated for disciplinary purposes for a period not in excess of 90 days is quite clear in its intent. It infers that the termination shall be temporary, and it shall be not for more than 90 days. I don't want to argue with the hon. member about the definition as is found in Webster, but the legislative draftsmen seem to believe that this explains the situation. I'm quite prepared to take their word that the intent of the section and the wording of the section conform one with the other.

MR. KATZMAN: — I believe I can take it up here, under item 1. Under last year's bills — '79-80 bills — chapter 84 of the labor standards amendments that we brought in (and once again, this is correcting), we also passed some other suggestions which refer to the two days off consecutive, one of them to be Sunday, and so forth. Are we allowed to talk on this, Mr. Vice-Chairman, at this point?

HON. MR. SNYDER: — I have no particular objection to discussing that or a host of other things, if they want to take the time of the committee to discuss legislation of last year or the year before. We may be able to be of some help to the hon. member, but it's not contained in The Labor Standards Act. I have no strong feelings about it, except that it has no relevance as far as this bill is concerned.

MR. KATZMAN: — The only thing that I was wondering about is whether it is all in place. For example. I know that you were having problems putting the Sunday-off portion in place. I know the exemptions were supposed to be written; I wasn't sure if it was all completed or not. That was the only question I wished to ask.

HON. MR. SNYDER: — I wonder, Mr. Vice-Chairman, do you want to make a ruling on whether we discuss portions of The Labor Standards Act, which were passed a year ago? I have no strong feelings; I'll discuss it. The most appropriate time, I expect, would have been during my estimates, which are now over.

MR. VICE-CHAIRMAN: — Technically, we should be just discussing what's in the bill, but if the committee wishes to discuss this, I suppose I'm in the hands of the committee.

MR. KATZMAN: — Mr. Vice-Chairman, there is just one question that I wanted to ask: has he straightened out the remaining portion? I've already asked the question; the

minister can give me the answer.

HON. MR. SNYDER: — It was of interest at the time. I don't mind discussing it was the hon. member. I think it has to be said that the legislation concerning two consecutive days off has been a bit hairy. Occasionally, I am inclined to believe that I should have had my head read before I agreed to attempt to put it in place.

We found, in the attempt to draft regulations to provide for two consecutive days off (whether one is a Sunday or not) that we ran into considerable difficulty. In order to assure two consecutive days off to a retail employee or others, we absolutely prohibit working on days six and seven. Days six and seven are then prohibited days in terms of having the employee work. There may be a number of instances (and it has been drawn to my attention) when employees will wish to work on days six and seven, in order to receive pay in terms of time and a half. This is one of the difficulties we have not been able to surmount at this stage. We are still attempting to modify it and make the two consecutive days off a workable provision. I think it's sound and has some good aspects. It has to be admitted that we have not proclaimed section 6 (old section 13) because we are having some difficulties. Consultation is continuing with a number of people, including the retail industry and the unions involved. Accordingly, I have no conclusion at this stage, but I expect that there will be a modified arrangement in terms of providing two consecutive days off.

MR. KATZMAN: — I have just one more question. Is it possible that you may have to amend the legislation again this session to cure that problem?

HON. MR. SNYDER: — No, and I don't believe that a legislative provision is the answer. I think we spelled out the intent as well as we could in legislation. The option now is to draft regulations in such a way as to make them operable. We haven't reached that point.

MR. ROUSSEAU: — Mr. Minister, just for the sake of clarification, do you have set out in regulations a definition of "just cause"?

HON. MR. SNYDER: — I think in general terms the question of just cause is to be determined by the authority of the moment. For example (I can give you classic examples) you could terminate an employee without giving him notice in the event that you discovered that he was stealing from you, if he was arriving at work perpetually intoxicated, or was habitually late for work or guilty of insubordination. Things of that nature constitute just cause. I suppose the application is fairly general, but those would be some classic examples of a situation where you could discharge an employee. Those would be regarded as conditions of just cause and, accordingly, the employer would not be required to pay notice under those circumstances.

MR. ROUSSEAU: — I am aware that some of the examples that you gave are just cause but my question really was: do you have a list of examples that would be just cause? If not, who makes the decision that it is or is not? Is it a court, a labor relations board, or is it someone appointed to make that decision? How do you arrive at the decision as to whether or not a reason is a just cause?

HON. MR. SNYDER: — We do not attempt to spell out, in any precise way, what just cause is. There's no definition that provides for that because there would be varying circumstances, I suppose, in each case. But the judgment as to what is just cause has been decided on occasions by the courts of the land, the labor relations board, or in

other instances, by an arbitration tribunal, when such a tribunal is provided for and an employee is able to grieve where he or she has been discharged and believes that he or she has been discharged unjustly. So, we don't attempt, in the act, to spell that out.

MR. ROUSSEAU: — Just one final question. Is a manager defined as an employee for the purposes of this act?

HON. MR. SNYDER: — No, not for the purposes of this act. A person in a management capacity would not be regarded as an employee.

MR. ROUSSEAU: — How about supervisory?

HON. MR. SNYDER: — It's obvious the definition is not a difficult one. In the case of an organized shop, the distinction is not difficult because a person who hires, fires, works in a confidential capacity and regularly performs management functions, for purposes of the trade union act, is a person who is excluded because he is essentially management. Basically the same rules will apply in an unorganised shop. In the event that that decision had to be made as to whether a person is an employee for the purposes of the act. I don't have the full bill before me, but I think the definition section is fairly precise. Perhaps we should hesitate for a moment and pull the whole section but I'm sure the definition section defines the word "employee" quite clearly.

MR. ROUSSEAU: — Is there any act anywhere that defines management or that includes management?

HON. MR. SNYDER: — Once again, I'm handicapped, because I don't have the bill with me; I only have the printed bill that we're supposed to be dealing with. The act, itself, is explicit in defining employee and employer. I'm not sure that it defines management, as such, but it defines employer and employee.

Section 1 agreed.

Sections 2 to 6 inclusive agreed.

The committee agreed to report the bill.

Bill No. 64 — An Act to amend The Liquor Licensing Act

Section 1 agreed.

Section 2

MR. TAYLOR: — I just have one question, Mr. Minister, and that is: if a person is convicted of a 0.08, is he then ineligible to have a special vendor's licence?

HON. MR. COWLEY: — Well, I must say, Mr. Vice-Chairman, I don't think that has anything, per se, to do with this bill, although I'm not certain. I believe the answer is yes, they would be eligible, after a period of time, to have one. I am quite prepared to get the answer for the member by tomorrow or Monday. I just, frankly, don't know the answer. I believe they are entitled but there is some waiting period. The commission has some discretion here; but I don't know for sure. I'd like to check with the commission and get it for you.

MR. TAYLOR: — Mr. Vice-Chairman, that's a very reasonable answer. I don't want to hold up the bill, but I would like to know this, and what the waiting period is. If you can supply that by Monday, that's fine and dandy with me.

MR. ROUSSEAU: — Does sale of beer come under that act, or is that something different? Is it under The Liquor Licensing Act.

HON. MR. COWLEY: — Well, the sale of beer is basically under the liquor board, not The Liquor Licensing Act, but if the member has a question I'll try to answer it.

MR. KATZMAN: — Just one more, before you continue. How soon will these two outlets that are being covered by the bill, both in Regina and Saskatoon, be allowed to get the licences under this act?

HON. MR. COWLEY: — The act comes into force on the day of assent, which is, probably, within the next two or three weeks. Then it will be a matter of the clubs that you are talking about applying through the normal period. So, I would think there would be no particular problem with them having it by July 1 — give or take two or three weeks.

Section 2 agreed.

Sections 3 to 21 inclusive agreed.

The committee agreed to report the bill.

THIRD READINGS

Bill No. 57 — An Act respecting the Urban Municipal Administrators' Association of Saskatchewan

HON. MR. SMISHEK: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

HON. MR. SMISHEK: — I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 68 — An Act to amend The Securities Act

HON. MR. MacMURCHY: — Mr. Speaker, on behalf of the minister, I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 69 — An Act respecting Trust and Loan Corporations

HON. MR. MacMURCHY: — On behalf of the hon. minister I move that the amendments be now read a first and second time.

April 30, 1981

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 63 — An Act to amend The Wills Act

HON. MR. MacMURCHY: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, by leave I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 55 — An Act to amend The Executions Act

HON. MR. MacMURCHY: — Mr. Speaker, I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 67 — An Act to amend The Teachers' Superannuation Act

HON. MR. MacMURCHY: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, by leave I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 81 — An Act to amend The University of Regina Act

HON. MR. MacMURCHY: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, by leave I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 82 — An Act to amend The University of Saskatchewan Act

HON. MR. MacMURCHY: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, by leave I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 73 — An Act to amend The Superannuation (Supplementary Provisions) Act

HON. MR. MacMURCHY: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. MacMURCHY: — Mr. Speaker, by leave I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 80 — An Act respecting the Medical Profession

HON. MR. ROLFES: — I move first and second reading of the amendments.

Motion agreed to.

HON. MR. ROLFES: — By leave, Mr. Speaker, I move that the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 86 — An Act to Amend the Labor Standards Act

HON. MR. SNYDER: — I move this bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 64 — An Act to Amend the Liquor Licensing Act

HON. MR. COWLEY: — I move this bill be read a third time and passed under its title.

Motion agreed to and bill read a third time.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

MINERAL RESOURCES

Ordinary Expenditures — Vote 23

Item 1 (continued)

MR. ANDREW: — My question, Mr. Minister, relates to page 10 of the mineral resources annual report regarding the fiscal analysis section. Just briefly reading it:

To analyse royalty and tax structures with respect to the impact on production, economics . . . It's responsible for looking at alternative methods the government might use to collect oil revenues and has completed its work. Several recommendations for change are now before government for their consideration.

Could you explain to us the nature of that type of investigation? Is it dealing with the question of royalty structures — that type of thing?

HON. MR. COWLEY: — Well, Mr. Vice-Chairman, the recommendations — not all, but the basic recommendations — which came forward to us were contained in the bill that was introduced last fall and passed with respect to The Oil Well Income Tax Act.

MR. ANDREW: — I have some figures, Mr. Minister, from a company that was operating in the Kindersley-Coleville field — United Canso Oil and Gas Ltd. The figures they gave me as of January show the average price as of January 1, 1981 (and this is where the impact of both the royalties and the national energy program affects them), as \$16.70, which I thought was \$16.75. Saskatchewan oil well income tax takes \$7.47. Freehold and over-riding royalties take \$1.11. The federal petroleum and gas revenue tax (PGRT) takes \$1.07. Direct operating cost, with no overhead costs — I take it that's interest and that type of thing — comes to \$3.35. Federal income tax is \$3.34. Provincial income tax is 67 cents. This comes to a total of \$17.01. their net loss per barrel is 31 cents.

Now, out of the \$16.75, they are receiving \$3.35. For a lot of the smaller companies, that doesn't cover their loans — the money which they borrowed at fairly high interest rates. It doesn't even go into those statistics. So, that is really the dilemma those people face. You seem to indicate that you are not prepared to look at the \$7.47 at all. I think you indicated that if you did, the federal government would simply step in and take that royalty area away from you.

I have a difficult time understanding the argument that the federal government would simply zoom in there. Obviously, if it were proposing to increase its rate, it would do it right across the board.

It would seem to me that the province has a little bit of room there to move it down a bit and perhaps even try to pick up that 31 cents. These people could then get on with developing and exploring for some of that oil, which is going to be necessary if we are going to come close to energy self-sufficiency. Are you not prepared to do an assessment of that, or take another look at it? That seems like a fairly reasonable request.

HON. MR. COWLEY: — Well, I think if the member looks at that particular barrel of oil, taking into account the federal income tax (which I believe he said was \$3.34 a barrel), the PGRT (which was just over \$1 a barrel), and the \$5.80 a barrel effective federal compensation charge at the refinery level (which the federal government conveniently neglects), he will see that the federal government is getting significantly more out of that barrel of oil than is the province of Saskatchewan. He should also consider the

federal government's share of the export tax, if the oil is exported.

To suggest that somehow we should reduce our royalties to make those compensations seems to us, as the province and owner of the resource, not to be putting the responsibility in the correct place. I don't argue with the member that if, indeed, we have (and we haven't checked it out, but I will take your word for it) a \$7 per barrel charge on it, we obviously have the room to reduce that by \$1 per barrel. There is no argument about that. It costs us money and it means that we would get less as a proportion from a barrel of oil in the future (if we did that) than what we are getting now vis-a-vis the federal government.

The thing the federal government consistently forgets to put in those calculations is the effect of the \$5.80 a barrel it is getting through the compensation charges. Therefore, we believe it does not have a good argument in the case of the particular barrel of oil to which the member is referring, for the \$1 plus some cents charge through the national energy program PGRT, which has given rise to the problem we are now facing in Saskatchewan.

The other comment I'd make is on the calculations with respect to income tax. I suspect although I don't know, the company is in a maximum taxable position. That may or may not be the case. I'm not arguing that. I'm saying that not all companies are in that position, so not all companies are experiencing the 31 per cent barrel loss, but this particular company may be.

MR. ANDREW: — I appreciate your concern. I think it's only fair that the federal government increase the price of oil. I see the Economic Council of Canada its latest publication is calling for a \$5 to \$6 per barrel per year increase. It further suggests that the price of a barrel of oil in Canada should reach 75 per cent of the U.S. or world price by 1985. Do you support that proposal that we should be tied to the world price or 80 or 75 per cent for something like that?

HON. MR. COWLEY: — I think in general the answer would be yes. Now, obviously, if the Middle East countries tomorrow met and doubled the price of oil from, say, \$40 to \$80 per barrel, then we might not argue that 75 per cent was an appropriate level in the short term. But if you assume that world prices are rising at some kind of reasonable rate, then I think we'd suggest that kind of index of getting toward 75 per cent of the world price. What we've been saying basically (leaving aside all of the philosophy, etc.) is that if the federal government wants additional money from the oil and gas industries (if that's their objective, whether we agree with that philosophically or not) the only reasonable way it can do that is by having more rapidly increasing prices. Then it will be taking that out of the increasing prices rather than taking it out of the current shares it is getting from the producing provinces or the companies.

MR. ANDREW: — I notice in this week's edition of *Oil Week* the president of the Bank of Montreal also calls for the 75 per cent of world price by 1984. He projects that world price by 1985 will be in the neighborhood of \$60 to \$70. I take it that is something that you also considered when you developed your policy of supporting 75 per cent of world price. So, we could be talking by the middle of this decade about a price of oil in Canada of anywhere from \$40 to \$50 per barrel.

HON. MR. COWLEY: — That's correct. That assumes, also, that you see the current rates of inflation in Canada and the western world of 10 or 11 per cent. You just take those to

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\$40 per barrel and you put 10 per cent per year on for four of five years, and you're obviously up to \$60, \$65, \$70 per barrel. That's assuming that other prices are rising at that rate.

What I was saying is that tying a policy to something like 75 per cent of world oil prices may be reasonable and something we wouldn't have any particular objection to. Now, it might be 71 or 79 per cent; I'm not trying to argue 75 per cent will definitively be the right answer. But if somebody overnight dramatically doubled the price of oil, then I think we'd have to reflect and look at that, and see whether or not 75 per cent was reasonable in the light of those changed circumstances. But given the argument the member has put forward, I think that's a reasonable objective for Canada by, say, 1985, given increases in the price of oil that reflect what's going on around the oil industry. By that time we should be approaching 75 per cent, or thereabouts, of the price of world oil.

MR. ANDREW: — Okay, I would like to move on to the whole question of natural gas. Could you tell me how many natural gas wells have been completed to date in the year 1981 in Saskatchewan?

HON. MR. COWLEY: — In 1981 or 1980?

MR. ANDREW: — The first quarter of 1981.

HON. MR. COWLEY: — None has been completed to date, but I am told that normally gas wells are not completed in the first quarter; last year there were four, so it is not a startling difference. I think if the member wanted to ask what the 1980 figures were we could give those to you, but it's none this year versus four last year. The first quarter is not a very good index.

MR. ANDREW: — I think the main point there is the fact (and I think you would agree) that the explorers are not looking for gas in Saskatchewan because, if they find it, there is no way of selling it at this point in time.

An interesting company has been developed in Calgary dealing with the concept of using natural gas for automobile fuel. I believe it's Judd Buchanan, former federal minister, who is involved in that company. He is projecting that it is not unreasonable to convert (they convert the cars to consume natural gas) 500,000 cars in this country within the next decade. The saving of oil would be equivalent to production from Alsands and Cold Lake. The whole question seems to be a fairly interesting proposition as it relates to energy conservation, particularly as it relates to use in the automobile. Has your department or your department through economic development (whatever that department is called) investigated this at all, looking at alternative forms for natural gas?

There is a lot of logic to it, it would seem to me. Firstly, it would provide a market for some of the natural gas that's shut in Saskatchewan. Secondly, it also could spur some further exploration in the search for additional gas fields that many believe are there waiting to be found in the province of Saskatchewan. Have you looked at this concept at all? Would it not be an area that the government could pursue by trying to attract that company to Saskatchewan? I understand they are moving from Calgary into Vancouver and into the Toronto market. Have you looked at all at that plant or tried to attract one of those plants into Saskatchewan, both for the R&D (research and development) value and for the economic spin-offs which, I think, would be very

attractive?

HON. MR. COWLEY: — Well, we're really just getting started there. We have, I think, \$500,000 in our budget for alternative fuel studies this year. I must say I've spoken with Mr. Buchanan, whom I met some years ago when he was a member of parliament. I think there are some unanswered questions here. Obviously, if you are going to go to natural gas for propulsion of cars, distribution, etc., there are problems. I'm not saying they can't be overcome but those are the kind of issues that need to be looked at.

I believe Mr. Buchanan phoned my office today and will be meeting with some officials of the Department of Mineral Resources on Monday. If I'm able to work it into my schedule, I'll probably be meeting with him as well. I know they have had a couple of forays (if that's the right word) into northern Italy to look at what they are doing there (where I believe they have about 200,000 cars that are propelled by natural gas). So I don't think that we've ignored it, but to be quite honest with the member, we're just getting into, as a department, looking at the question of alternative fuels, whether it be ethanol, fuels from vegetable oils, or using natural gas as a propulsion for automobiles.

MR. ANDREW: — Yes, I think it's not necessarily an alternative fuel. It also could come into your department with regard to energy conservation, and I think that's a pretty positive approach to the energy conservation question. Obviously, there are a lot of fossil fuels used in the automobiles of this country, and it would seem to me to be a very positive thing that the government should pursue. I am glad, in fact, to hear that Mr. Buchanan is here, and I hope that you can attract that type of an industry to think province. It is something that seems to me to be very worth while. When would you expect to see more activity in the natural gas area? How long are you tied in with the Alberta contract, etc.? I take it that one of the reasons there is no exploration is that there is no market for it if they were to find it. When is that going to turn around?

HON. MR. COWLEY: — Well, my officials tell me that, first of all, the discoveries of natural gas recently have not been insignificant. That is not to say they are in the level of some of the discoveries in Alberta, and perhaps they never could be. But they have not been insignificant. In terms of the demand for natural gas in Saskatchewan, keeping in mind the power corporation's contracts with Alberta (which I think it obviously makes sense to live up to, for a whole lot of reasons), the demand is partly dependent upon whether or not we decide as a province to proceed with some major industrial projects which might consume large quantities of natural gas. If that was to happen, that would change in the province the demands for natural gas — i.e., the fertilizer plant, which would consume large quantities of natural gas from Alberta, and therefore demand more natural gas from Saskatchewan for home heating, or you could switch that around. I mean it is the same gas. It's a question of where you indicate it is coming from. But that's the kind of thing that could make significant changes in terms of demand. If none of those things came to pass, it would probably be the next decade before there would be substantial changes in terms of the demand for natural gas in the province.

MR. ANDREW: — Okay. I'm following up on the natural gas with the national energy program and some of the positive parts of it: one is the entire question of the encouragement of the use of natural gas. Could the minister advise as to whether there is any progress with regard to negotiations between your government and the federal government about making available to the people of Saskatchewan the \$800 available for converting to natural gas? As well, the national energy program talks about trying to put natural gas into the farms, and into many of the small communities of Saskatchewan — a policy supported by this side of the House. Where are you in those negotiations with the federal government with regard to further uses of natural gas?

HON. MR. COWLEY: — The basic problem here, I guess, and the quick answer is that it is not going very rapidly in terms of our discussions with the federal government. The federal government has indicated that it is prepared to put up a grant of, I believe, \$800 per farmer to convert to natural gas. The problem is that we are looking at \$10,000 to \$15,000 to provide the service to that farmer. Certainly, if the federal government were prepared to provide the costs of the service to the farmer, then we could provide the natural gas. But obviously, the economics are not particularly advantageous — the federal government is putting up \$800 for a \$10,000 hookup and we are putting up \$9,200 (or the farmer is).

That is the difficulty we have with the federal government's program. It may make sense, when you are putting a line into a city of 15,000 people, to pay people to convert to natural gas. However, when you are talking about bringing natural gas to farms, where the cost is about \$10,000 to \$15,000 per farm, the economics change substantially. If one looks at the circumstances in Saskatchewan (and this would be more appropriately asked, I guess, of the power corporation), one finds that, in terms of the number of customers serviced versus the number of miles of natural gas lines, we probably have the highest ratio of miles, kilometres, or feet of line (whatever you want) per customer of any significant utility in the world.

MR. ANDREW: — I simply suggest that that is a program which should be looked at. I think Alberta has done a very credible job in a 50-50 cost-sharing arrangement, or even better. They have put that natural gas in for many of the farms in Alberta.

One other question, Mr. Minister, concerns the International Institute of Applied Systems Analysts in Austria. It is doing some major work in the field of total world energy supplies. I see that both the federal government and the province of Alberta are participating in that study and are members of that institute. Is the province of Saskatchewan involved in that? It is dealing with the questions of oil supplies, uranium supplies and alternative forms of energy. Being that Saskatchewan is a world player, particularly in the field of uranium, are you participating in that or in any other world institute or study in the whole energy question?

HON. MR. COWLEY: — My officials aren't aware of that particular study. We will check it out and give a response to the member. We try to keep abreast of the studies which are taking place. We aren't always members of them, but we try to watch what is going on in terms of world studies on energy. We provide ourselves with access to the information they are providing. I will undertake to get the member a response to his specific question and a list of studies, institutes, etc, which we are taking part in.

MR. ANDREW: — Have you had anything from your study into gasohol through Stanford University, which the minister last year referred to? Is there any progress on that? You could just send that to me. I don't need an answer.

HON. MR. COWLEY: — I'm told there are 50 clients who subscribe to that, five of whom are in the province. The study is proprietary to the clients. We'd have to ask the clients whether or not they'd be prepared to release it. We'll take a look at that and we'll give the member at least a general overview of what came out of that. We may not be able to get the specific things, but I'd be willing to have one of my officials sit down with the member on a personal basis and discuss it with him in terms of what was found in general, and take a look at the study which obviously is not for publication because

we're part of that group of 50. I'll ask Mr. Sully to follow that up. he'll be in touch with you.

MR. ANDREW: — I have one other question on energy conservation. One of the questions asked on a poll that was conducted by your department last year into energy conservation was the matter of reducing speed limits. I think the report as tabled was:

... establish a maximum speed of 90 kilometres: very likely to support it — 43 per cent; somewhat likely — 31 per cent; not at all likely — 25 per cent.

In your capacity, in energy conservation, has your government any plans for reducing the speed limit in Saskatchewan from 100 down to 90 kilometres as an energy conservation measure?

HON. MR. COWLEY: — The Minister of Mineral Resources has no intention of making that request of the Minister of Highways. I have enough problems with speeding tickets at 100 kilometres. We have not followed that up with any particular endeavor to make a pitch to the Department of Highways. I know they have looked at it in the past, and as far as I'm aware, since I've become minister, we haven't made any particular presentation to them urging the reduction of the speed limit from 100 to 90.

MR. ANDREW: — Have you made any calculations, or are you privy to any information (particularly from those of the United States who have brought in that plan) as to what type of energy saving there can be from it, percentage energy saving — that type of thing? I notice that our government is projecting, in conjunction with the national energy program, the target of a 10 per cent reduction in the amount of energy used by the government. Have you made any calculations as to the impact a reduced speed limit would have as an energy conservation measure?

HON. MR. COWLEY: — We haven't made any precise studies. There have been some rough and ready calculations made in the department. There is no question that if you drive slower, you save energy, at least up to a point. The real question is how strictly you enforce it. I think if the member has ever driven through Nevada as opposed to driving through Idaho (at least that's my experience), it's enforced differently even though they both have the same speed limit. I'm sure the energy savings, at least from my experience (I've been watching the cars go by) is greater in Idaho than it is in Nevada. If you assume that if you reduce the speed limit from 100 kilometres to 90 kilometres and that everybody, on the average, will drive 10 kilometres slower, you can project a reduction in consumption of fuel. As I say, it's rough and ready and really depends on how tightly you are prepared to enforce it in a province like Saskatchewan, as dispersed as we are and how able you are to enforce that even if you are prepared to do it. It's a little different in a smaller state with a more dense population and fewer highways per capita to enforce it than in a province like Saskatchewan.

MR. ANDREW: — In the same pool that you conducted with regard to energy conservation, on the one question being asked about moving the price to world price, the overwhelming number of people rejected that because it is taking money out of their pockets. Do you support the concept that to increase the price (not only to deal with the federal-provincial problem in dealing with the oil industry) is the best way to enforce conservation? You should have some benefit as the Clark government proposed to soften that inflationary blow on the lower income people with some kind of a grant or a subsidy so they are not crippled by it. As a general premise, would you agree that one of the most effective ways to curb consumption is to increase the price?

HON. MR. COWLEY: — I will just have to give you a personal view because only the government has a government view. I think there are two effective ways of curbing consumption. One is rationing, and it has all the attendant problems. I'm not advocating it; I am just saying that if one rations gas and says everybody get 5 litres a week and there are 20 million people, you have 100 million litres a week going out, that's it. There are all kinds of problems with that.

The other way is price. If you look at the American experience and the experience of other countries, there is no question that price is reasonably effective in terms of affecting consumption, but only if it is dramatically applied. If you increase the price one-half a cent a litre a month, it sort of gets lost. If you bump it 6 cents a litre at once, it has an impact. And probably even the one-half a cent a litre over time does. But if you look at the United States and the relatively higher prices compared to us, with the more rapid change to smaller cars and so on, one would have to come to the conclusion that price has had an impact there more than it has in Canada. Their prices are higher than ours and so, in general, I would agree with the proposition. Everyone can pick holes in any assumption, but I think that higher prices along the way — not necessarily immediately — result in reduced consumption or changed consumption.

MR. ANDREW: — Just one other question. It relates to what I think is a fairly significant question that is going to be coming down and addressed in the near future, perhaps in five years. That is the entire question of taxation under section 125 of the British North America Act. Presently, both SaskOil and Sask Power are challenging the national energy program as it relates to the 8 per cent revenue tax on those two Crown corporations. Is it correct to say that Petro-Can which is a federal corporation, pays royalties to the province of Saskatchewan, pays income tax (and I suppose that is both a provincial and federal tax) as a wholly-owned Canadian public corporation — public in the sense of being a public sector corporation? Is it true that the argument is going to be made by the federal government: "Petro-Can is our company and we're paying you a royalty, which is a tax by most people's standards"? There is obviously some legal argument as to whether it is or not. "We are paying income tax; therefore, you have to pay or should pay." It seems like an equitable argument that the Crown corporation should be paying income tax the same as the federal government is on a commercial venture. That's the basis of the court action; it will eventually go to the supreme court for a decision. Could you tell me; has that argument been put to you in your negotiations with Mr. Lalonde and whether that is policy the federal government intends to pursue over the next three or four years?

HON. MR. COWLEY: — Can I separate them? The royalty has always been paid by Crown corporations of a provincial or federal nature, as far as I am aware. It has been treated as a payment of the resource. It's true that Petro-Can, as a result of the act under which it operates, pays both provincial and federal income taxes. It would be my legal view (to the extent that I, as a history teacher, can give the member opposite a legal view) that Petro-Can would not be liable for provincial and federal income taxes were it not in the act. I can't speculate why the federal government has done that. It may be that it is a prelude to its arguing that provincial Crown corporations should pay federal income taxes as well. Perhaps other provinces argue that Crown corporations operating in their jurisdictions should pay provincial income taxes.

I would point out that not all federal Crown corporations pay income taxes. I would suggest (if I were trying to pick the reason for the federal government's putting in its legislation that Petro-Canada would pay provincial income taxes) that it was in order to

avoid a hue and cry from Alberta, in particular, where most of its acquisitions take place, that it was simply trying to avoid the payment of provincial income taxes. I don't know that, it's simply a supposition.

MR. ANDREW: — Is the court case potentially going to address the legal question as to whether or not a royalty is a tax under section 125? Is that going to be part of the legal argument which eventually will be before the supreme court?

HON. MR. COWLEY: — Not to the best of our knowledge.

MR. SWAN: — My question deals with the Key Lake report which we've discussed a couple of times in question period. I didn't get the length of time to question it that I wanted. I'm concerned about the idea, from the Key Lake Board of Inquiry, that the contractors in Saskatchewan from Prince Albert south are not eligible to bid on projects in Saskatchewan. It seems to me that we're turning this into two provinces instead of one. They are licensed to practise and to be contractors in the province; yet when they bid on a job in northern Saskatchewan, their bids are not accepted. I believe, actually, that they would have a right to go to the human rights commission because they're being discriminated against. Perhaps it's time that we started treating all of Saskatchewan as one province. I'd like to hear your comments and the reasons for dealing with the southern contractors in the manner that you are.

HON. MR. COWLEY: — I want to say, first of all, that the Key Lake Board of Inquiry is under the Department of the Environment. Secondly, the surface lease agreement, which will enforce whatever terms there are, is under the Department of Northern Saskatchewan. I'm not trying to dodge the question, but I'm saying that's where the responsibility lies.

I think the argument would be, given the particular nature of northern Saskatchewan, that if Northerners are to have an opportunity to participate in a significant way in developments in northern Saskatchewan, there simply are going to have to be some concessions (or whatever you want to call them) made to northern contractors and northern people. The opportunities, heretofore, have been in the South. Southern contractors and southern people, I think, are better able both to bid and to contract for them, in terms of the amount of work they have and so on. To give Northerners an equal footing, at least in the beginning, in terms of those contracts, they're going to have to have an edge. I guess that would be the philosophy or the theory behind it. I think the precise questions and discussions are more appropriately directed to the Department of Northern Saskatchewan which has a surface lease, or the Department of the Environment which commissioned the environmental hearing. That's my answer to the question.

MR. SWAN: — Well, it's easy to make those kinds of statements, but I believe that the actual development of mines falls under your department. A contract to develop a mine at Key Lake will likely fall in your department. So the contractors and the contracts of which I am speaking, I believe, would also then fall under your department, if I wait for the Department of Northern Saskatchewan to come up, I'll get the opposite answer, "Oh, no, that was over in the mineral resources field."

I think that you could find some way of giving the people in northern Saskatchewan, as you say, an edge without discounting completely the right of the southern contractors to be eligible to get contracts in northern Saskatchewan. I doubt very much if you have

contractors in northern Saskatchewan who are really eligible to do some of the jobs, because they aren't qualified yet. Perhaps in time they will be. But is there not a way that you can say that if they are within 10 per cent, or even 10 per cent higher than the southern contractor, they can get the bid? The way you are doing it now, it wouldn't matter what the amount was; you almost use a cost-plus base when you take a contract in the North. So, isn't there some way that you can make it at least partially fair to the people in the South? There has to be some equity brought into it somewhere. I don't think it is there now.

HON. MR. COWLEY: — I want to point out to the member that we don't let any of the contracts; the contracts will be let by KLMC (Key Lake Mining Corporation). They will be let under the terms and conditions of their lease with the Department of Northern Saskatchewan. That lease, presumably, will be concluded in light of the report of the Key Lake Board of Inquiry, which is a creature of the Department of the Environment.

I don't have a fundamental disagreement with the member opposite, except he says that some of the northern contractors may not be capable of handling some of those contracts (that certainly may be true), in which case other contractors will have to be used. If there is not an opportunity given to northern contractors to get that experience, they will never be able to take advantage of it.

The argument is similar on a within-the-province basis of northern versus southern, if you like, to the arguments one gets from the federal government in response to the conditions laid down by the Government of Newfoundland. They say, "We have all of this offshore oil development taking place and we're going to make sure that this offshore oil development taking place and we're going to make sure that Newfoundlanders have a chance." Obviously, they don't have a lot of experience in the oil industry, because they haven't had one before. The federal government is saying, "No, all Canadians should have an equal opportunity to do that." This biases it in favor of those Canadians who have had the experience in the past which, in a sense, biases it against Newfoundlanders. The Government of Newfoundland's objective here is to give Newfoundlanders an opportunity to get involved in that.

There is no easy answer; I agree with the member. Perhaps there's no particularly fair system from everybody's point of view. I guess governments, whether provincial or federal, have to make some decisions here as to whether it's 10 per cent or 20 per cent. It sort of gives an edge to the people in the local areas versus people from outside, whether it's southern Saskatchewan or Ontario or Newfoundland. I don't argue that you can make a case that it may or may not be fair in a particular circumstance; it's a very difficult area. I think it's a frontier area in terms of trying to get local involvement in some developments. So I take with some sympathy the member's arguments as a member from southern Saskatchewan. On the other hand, I think we have a responsibility if there are going to be these kinds of developments in northern Saskatchewan. There aren't a lot of economic opportunities up there and we have the responsibility to make sure that Northerners have a real chance, as opposed to theoretical chance to be involved in it. We're trying to do that. I don't argue we're always perfect. I'll let the member from northern Saskatchewan make that argument (or whoever is administering it). It is a difficult area. There may, indeed, be times when we could have made better decisions, but I think the general policy we're following is a reasonable one. It's one that's being followed by other provinces (in their province versus other areas) and is being tried in some other areas of Canada.

MR. SWAN: — I agree that we have to give the people in northern Saskatchewan opportunity, and I believe that's been needed for a long time. I just think that sometimes

we go a little too far. We go to the point where, basically, the South has no opportunity. I think that's not fair, either. We're dealing with all the people of the province. I just hope that as you go ahead on this, you will indeed look at providing some level of fairness to both sides. Some day we're going to have to class this as Saskatchewan, I hope, and not as a province that is divided at the jack pine line, as they call it. I think sometime, if you're going to give the people of northern Saskatchewan the opportunity that they should have, you're going to have to treat this as one province and them as part of the province. I believe they will start to compete and be much more successful than they will if they're isolated and given preference all the time. It's just one of the areas I've had a concern with. I would ask that you do take a serious look at it.

HON. MR. COWLEY: — I certainly have no quarrel with the member's statement of the objective. I think it's our hope that this policy will, in reasonably short order, coupled with the developments in northern Saskatchewan, put people in northern Saskatchewan on an equal footing with people in southern Saskatchewan, and we can abolish the line. I think we're a ways from that now, if we're all frank and honest about it. But they're not yet in a position where, certainly in all circumstances, their development matches that in the South.

MR. ANDREW: — There is just one more question, Mr. Minister, and it relates to the staffing in your department.

Would you be able to send to me figures as to the number of people that you lost, let's say, over the last 18 months in your department? I take it you have lost a fair number of people. Part of the overall problem is that Alberta is projecting a shortage of something like 1,700 engineers by 1985. Many of the oil people are, in fact, leaving this country to go to the United States, and they are going to be very difficult to replace. Perhaps one of the most serious questions on the national energy program is the loss of people. are you experiencing that problem with your department? Have you any solutions to try to overcome this?

HON. MR. COWLEY: — I just want to say that we haven't lost anybody. We know where they all are. That's not the problem. But I know what the hon. member is getting at. I think opportunities elsewhere, be they in the United States or in Alberta or in the private sector or with the National Energy Board of whatever are a continuing problem in terms of competitiveness. I think it's fair to say (and I haven't checked this out) we're not robbing people from the private sector or from our major public competitors, if you like, because we have too high salaries. So, obviously, salaries are a part of it. I don't think that we can always afford to compete on the basis of salary. I guess what we have to do is try to provide an encouraging (whatever the right word is) work environment, reasonable salaries and, hopefully, exciting work to do. I think it is fair to say that over the last year we have experienced some problems of losing people. not tens and dozens of them, but a few people who have gone off, either to the private sector or to some other public agency, because of either the attractiveness of the work or higher salaries, or whatever. So it is a problem. We are aware of it. Particularly in engineering and geology, we've made our representations and continue to make them with the public service commission in terms of salaries, etc. It's a continuing problem for our government. I suspect it is for other governments as well, such as in Alberta, with a very vibrant private sector there in the oil and gas industry and so on, where people move along after a few years, looking for new opportunities, at the salaries and so on. It's a continuing problem for government. Yes, it is a problem for us.

MR. ANDREW: — The only point I wish to make on this is that I understand you lose

some of your people to the Crown corporations because they are able to pay more money. Obviously you lose some to other Crown corporations or to the private sector because they are able to pay more money. It would seem to me that the Department of Mineral Resources, given the revenue that's coming in to the province, is an area that should be increased in the budget. It should float the salaries up so that you can attract good people to that department. It seems to me to be a very, very important department of government. You must have the ability to attract good people to that department. I think it is said to see good people leaving that department because they can't make enough money there. I don't know the system of raising money there, quite frankly, but it seems to me that is where they should be paying more money — in your department. That doesn't hold necessarily for other departments. But your department certainly is one because of the particular situation, and because of the demand for the type of people that you require — the geologists and the engineers, who are going to be in very short supply.

HON. MR. COWLEY: — Well, if the member would extend that to the minister. I'd certainly agree with him. I have some sympathy, obviously, with that point of view. I think, to be fair though, it's not just salary. People are attracted to other jobs because there are new and different challenges for them, and new opportunities and those sorts of things. It is not just salary. I take the member's point, and we certainly will have a copy of the transcript from *Hansard* when we go before the public service commission, and before the treasury board next year with our estimates. Thank you very much.

MR. PREBBLE: — Thank you, Mr. Vice-Chairman. I want to begin by extending my congratulations to the Minister of Mineral Resources for some of the initiatives that he has taken this year in the areas of energy conservation. I think it's clear, as a result of those initiatives, that Saskatchewan is in the forefront in Canada with respect to many of its energy conservation policies. I'm please about that.

I also want to take this opportunity to urge the minister to introduce a major assistance program, particularly to home-owners, for encouraging home retrofit, improved insulation, and generally improved energy efficiency in homes across Saskatchewan. I think it's certainly in the public interest, and in the provincial economy's interest, for such a program to be initiated. This would essentially involve a greatly extended Warm Up Saskatchewan program with grants instead of loans to home-owners to encourage energy efficiency to be implemented.

But Mr. Vice-Chairman, tonight I want to concentrate on the question of uranium development and engage in my annual debate with the minister on the uranium issue. I intend to keep that short, in view of the fact that we want to get to industry and commerce tonight.

I just want to point out to members of the Assembly that the number of major institutions in Saskatchewan opposing uranium development is growing substantially. Both the United Church of Saskatchewan and the Catholic Church of Saskatchewan now officially oppose uranium mining. They're calling for five-year moratoriums; so is the Saskatchewan Association of Rural Municipalities, the social workers of Saskatchewan, the Saskatoon Community Clinic and a number of the other community clinics in the province, the Canadian Union of Public Employees and the Saskatchewan Government Employees' Association. I just make reference to the major institutions in the province that are now questioning the government's policy.

I also want to point out to the members of the House that in the other major country coming on line with respect to uranium development in the world generally, namely the Government of Australia, there is massive public protest growing. The opinion polls in the two major urban centres there are showing 50 per cent or more of the public opposed to the government's policy of uranium mining. And now at least ten cities and towns in Australia have declared themselves to be nuclear-free zones and refuse to allow the Government of Australia to transport uranium through their cities. I think that displays the concern about the central issue which I'm going to address tonight, the question of the link between uranium mining and weapons. That's certainly the basis of Australian opposition to uranium mining, Mr. Chairman.

I want to re-emphasize to members of this House that there can be little question now that every country that has either developed the bomb or is on the verge of developing nuclear weapons since 1974 has done it, at least in part, through the use of so-called civilian nuclear technology. The examples are: South Korea, Argentina, Taiwan, Pakistan and India. Each of those countries was supplied by Canada with its nuclear technology and all but Argentina were provided with some Canadian uranium.

Additional examples of countries that either have or are on the verge of having nuclear weapons are: Brazil, Iraq, South Africa and Israel. And those were completely supplied by western European countries and not by Canada.

But my point, Mr. Chairman, is that the link between the export of civil nuclear technology in uranium and the development of nuclear weapons is obvious. People throughout the world have been emphasizing that link ever since the atomic bomb was first exploded. I remind members of this House that it was Acheson-Lilienthal committee, reported to the United Nations, that emphasized in its March 16, 1946 report, and I quote:

That most of the knowledge, much of the equipment and the general nature of the organization relevant to making bombs are inherent in civilian nuclear activities and are, in much of their course, interchangeable and interdependent for peaceful or violent purposes.

My point, Mr. Chairman, and the point of this commission has been re-emphasized in the evidence that ordinary nuclear power reactors can be operated in such a way to produce modest amounts of weapons-grade plutonium. That can be done without significantly increasing the cost of operating those reactors. In the Candu it can be done by simply speeding up the operation of the Candu about ten times.

And the other point that has become clear, Mr. Chairman, is that ordinary reactor wastes can provide quite suitable quality weapons-grade material for making nuclear bombs. A more sophisticated bomb design is needed to achieve proper performance from ordinary reactor wastes and the plutonium that's separated from those. But certainly the wastes that come out of an ordinary nuclear reactor are quite acceptable once they have been reprocessed. And the myths about how one can treat uranium wastes in such a way that they can't be used for weapons purposes — in the scientific community they have now clearly been proven to be just that: a myth.

Now, Mr. Chairman, my point to members of this House is that the regular nuclear power reactor is being used by most of the countries that I've made reference to for weapons purposes. It is the primary route for developing weapons, because it provides an excellent civilian cover for doing this. It's not obviously military in nature and therefore these countries are not immediately suspected of weapons development. No

extra cost needs to be paid out by a country operating a reactor for both energy and military purposes. And very large amounts of plutonium can be produced which are quite suitable.

My point therefore, Mr. Chairman, is that nuclear power reactors should really be considered as military production reactors with an electricity by-product rather than automatically being assumed to be benign electricity producers. Now, Mr. Chairman, it's being advocated that, of course, plutonium from waste uranium fuel from any reactor would not be usable unless it's extracted by means of reprocessing.

Secondly, the technical point that I want to make, Mr. Vice-Chairman, is that it is increasingly clear that reprocessing is not a difficult thing for any government to do. This point was made obvious by the Oakridge Laboratory in the United States a couple of years ago. When it undertook a demonstration project of how easily reprocessing could be done, within a matter of a few weeks it developed a conceptual design for a quick and dirty reprocessing plant, which could separate a bombs-worth of plutonium per week and could be constructed in only a year. The Oakridge Laboratory demonstrated, therefore, that any country seeking bombs could build its own crude reprocessing plant and use plutonium from the uranium wastes coming from its nuclear reactor for weapons purposes.

My argument, therefore, Mr. Vice-Chairman, is that once a country has a nuclear power plant, both bomb making and reprocessing can be done relatively easily, if that country is willing to put ordinary health and environmental concerns aside. And the hazards associated with uranium have become compounded by the fact that the advances in enrichment technology are such that ordinary uranium fuel bundles can be made into a bombs-worth of separated plutonium in the course of a year by simply a single person in a basement type of operation using either laser technology or advances in centrifuge enrichment technology to purify the uranium to weapons-grade purposes. This reality, Mr. Vice-Chairman, is confirmed by the fact that the new convention on the physical protection of nuclear materials makes it an international crime for unauthorized persons to meddle with any fissionable material, including ordinary uranium fuel or purified natural uranium. If ordinary uranium fuel or purified natural uranium were not considered to be materials where security would be of utmost concern, the convention on the physical protection of nuclear materials would certainly not have concluded that the theft or the meddling with that product in any way ought to be considered an international crime. There are very few international crimes and that puts meddling with uranium products in the same category as piracy or airline hijacking.

I think that the points I've made demonstrate that the argument governments and the nuclear industry have made suggesting that the atom can be split into a peaceful and a military role is, in fact, false.

The other point I want to re-emphasize to members of the House is the inadequacy of the non-proliferation treaty, which the Government of Saskatchewan argues is adequate. The Government of Saskatchewan is making the argument that the federal government has sufficient safeguards in place to ensure that Saskatchewan uranium cannot be used for weapons. I argue that that is not the case. I just want to draw the members' attention to four inadequacies of the non-proliferation treaty: (1) any country can back out of the treaty with 90 days notice, (2) no provision is made in the treaty for punishments to any countries which break the rules, (3) no prohibition is provided on designing bombs or building and treating their non-nuclear components, (4) plutonium can be stockpiled legally under the treaty.

These last two conditions clearly allow a country to come within hours of having a nuclear bomb without actually violating the terms of the treaty. The Government of Saskatchewan has falsely put its hopes in the provisions and the protections that this so-called treaty is supposed to offer.

It has also falsely put its hopes in the international inspection system undertaken by the International Atomic Energy Agency, which I think has been proved to be grossly inadequate. Signatories to the non-proliferation treaty are free to restrict the access of inspectors to nuclear facilities in their countries. The International Atomic Energy Agency is grossly understaffed. The shallowness of the agency was best demonstrated by the fact that when the news that Pakistan had developed the nuclear bomb was foremost in the newspapers, Pakistan was, the next day, unanimously elected to the board of directors of the International Atomic Energy Agency. I found that very interesting.

I think the case is clear that the international safeguard system is not working. The International Atomic Energy Agency, in its 1977 special safeguards report to member signatories, even admitted that was the case.

The Government of Saskatchewan has also placed confidence in the bilateral agreements that the federal government has entered into with respect to nuclear proliferation. These include the EURATOM safeguards, which involve our sales of uranium to France. I think the inadequacy of that safeguard system is demonstrated by one simple incident, that was the theft of an entire 200-ton shipload of natural uranium in 1968, which EURATOM successfully covered up for 10 years.

It is my view that eliminating nuclear power and uranium mining is the first essential condition for achieving a state of non-proliferation in the world. It is not the only step that is required, but it is an essential first step. Only after uranium mining and nuclear power are eliminated will it be clear that all existing nuclear reactors and ancillary technology have only one purpose — military. It is only when that is clear that the system of timely warning, which is required to prevent a nation from developing bombs, can be put into effect. One cannot stop the spread of the bomb if one only has a few hours notice of that taking place. The present nuclear reactor system around the world fails to provide us with the timely warning system that is needed to prevent the spread of nuclear proliferation in the world.

The second part of this link between Saskatchewan uranium mining and nuclear weapons is the fact that a number of countries that are foremost in the nuclear weapons industry are now investing in the province of Saskatchewan. We see, for instance, five joint ventures between the Government of Saskatchewan and Union Carbide. Union Carbide will be known to members for its extensive role in nuclear weapons production in the United States, and is most remembered, I suppose, for the very extensive training which it gave to the South African technicians just months before South Africa developed nuclear weapons. There is little question, Mr. Chairman, that the training which Union Carbide provided the South Africans was paramount in their ability to develop the bomb. I think it is really a disgrace that the Department of Mineral Resources would allow a company like Union Carbide to explore for uranium and, potentially, develop uranium in northern Saskatchewan.

In the same way, Mr. Chairman, I oppose strongly the investments which are being permitted by way of Amok Canada Ltd. For the French Atomic Energy Agency. I argue,

Mr. Chairman, that that agency has been one of the parties most guilty of above-ground nuclear testing in the world. It tested for years above ground in the South Pacific. It contaminated several islands there and that has resulted in the death of many of the inhabitants on those islands. It has created at least 25 tidal waves in the South Pacific as a result of its testing. It has been foremost in the development of the neutron bomb. It has been involved in assisting and providing reprocessing technology to Pakistan. It has also been active in providing nuclear assistance to the South Africans. I suppose, Mr. Chairman, that the utter, uncaring attitude of French Atomic Energy Agency, for proliferation in the world, was demonstrated by its sending a congratulatory telegram to the Government of India the day after they exploded the nuclear bomb. It is this agency that we have given a direct investment in one of the richest uranium mines in the world, in northern Saskatchewan, through its investment in Amok. I think that is highly inappropriate.

I, therefore, Mr. Chairman, want to ask the Minister of Mineral Resources whether the Government of Saskatchewan would at least acknowledge the clear connection between nuclear power and nuclear weapons, and between uranium mining and nuclear weapons, which I have just outlined. In addition to that, would he take the position that the existing safeguards to which the Government of Canada has agreed are entirely inadequate? Therefore, would he take the step which would logically stem from that conclusion, which would be to refuse to export uranium on the international market?

SOME HON. MEMBERS: Hear, hear!

HON. MR. COWLEY: — I see that the member for Saskatoon-Sutherland at least has two fans. I want to say that the member covered a great deal of ground. I listened with some interest to his arguments.

It seems to me that with respect to the question of the nuclear weapons industry in the world, its connection to uranium mining or uranium extraction, nuclear power and nuclear processing, etc. — obviously, they are connected. I don't think anyone can argue that you can develop a nuclear weapon from nothing. On the other hand, I think argue that you can develop a nuclear weapon from nothing. On the other hand, I think one can reasonably argue that, for a country which has the technology available to it to develop a nuclear weapon, there are many sources of uranium, other than those which may, today, be commercially developed as a uranium mine. In other words, a country with some extremely low-grade uranium deposits could, if it wished to, process and produce that uranium (obviously, at some cost to itself) and have it available. That would include most, if not all, of the countries in the world.

I listened with some interest to his arguments about whether or not we should be selling uranium to France, Pakistan, or India — pick your country. If the member is going to be consistent in terms of his paramount concerns about the development of nuclear power by these countries and what they're doing, then he should be arguing not that we should not be exporting uranium to France but rather that we should have nothing at all to do with France, if he's going to be consistent. There should be no truck or trade with the French because they're involved in the nuclear industry and the nuclear weapons industry, with the British because they're involved with both and with the Americans. Whether we're selling them uranium or involved with them on a trade basis (for wheat or whatever it is), we are indirectly supporting the nuclear industry. If it is a moral question, which the member seems to be suggesting, then one shouldn't be supporting it with practical arguments but rather with moral arguments.

I listened with some interest to his comments about the nuclear industry. I think there are a couple of other areas where one could legitimately have similar concerns. With respect to chemical warfare, presumably we should be having no truck or trade or development arrangements with countries which are building chemical plants, because as the member argues, nuclear development for power can be part of nuclear development for weapons. Obviously the development of chemical plants for agricultural purposes can be equally redirected to the development of chemicals for chemical warfare.

I think the other area in which there is as much, if not more, concern by many people is the whole area of biological warfare and, again, it seems to me the arguments are similar. The training of people in genetics, in all areas of biology, the building of facilities (albeit for peaceful or medical or whatever purposes in other countries), all are quite capable of being redirected toward uses which the member and I might not agree are appropriate.

It seems to me that if one argues the question on the grounds of having no truck or trade with them, it becomes a much broader question. If these countries are in the nuclear area, doing things which we consider totally unacceptable as citizens of Saskatchewan, then it is not a question of whether or not we export uranium to them. In the case of France, for example, which has significant amounts of uranium of its own and access to even greater amounts of uranium in Africa, probably it doesn't make a significant difference in what they are able to do in terms of a nuclear weapons program, etc. if we wanted to have an effective means of stopping that, it would have to be a much broader thing than simply ceasing to develop our uranium and to export it.

With that, Mr. Vice-Chairman, I think I'll cease my comments because I seem to have a little opposition here.

MR. PREBBLE: — Mr. Vice-Chairman, I just want to make one more brief comment so that we can go on to the next estimates. I'm going to avoid, because of time, replying directly to the minister on his last comments.

I wonder if I could have order, Mr. Vice-Chairman.

MR. VICE-CHAIRMAN: — The member for Saskatoon-Sutherland has the floor; if everyone would give him a little bit of breathing space, maybe he would finish his line of questioning.

MR. PREBBLE: — In reply to the minister, I only want to say that I reject the argument that we ought to do it because everyone lese is. I think that that's not a principled argument, Mr. Vice-Chairman. I think that we ought to withhold our uranium, even if no one else does, although I think that there is a significant chance that that will happen because of public pressure in Australia. The government there will also be forced to declare a moratorium, finally, on uranium mining. The combination of Australia and Saskatchewan would certainly be significant on the world market.

But, I want to raise one question in closing with respect to the uranium market and the economic prospects of uranium mining in Saskatchewan. There have certainly been a great deal of literature and many newspaper reports in the last few months about declining uranium prices. The spot price for uranium has dropped from approximately \$44 to something like \$26. *Electrical World*, in its January 1981 issue, paints a very

dim picture for the nuclear industry, and says that the massive capital investment that is going to be required in nuclear reactors in the future will make their economics very unattractive. The *Globe and Mail*, Mr. Vice-Chairman, has been carrying similar reports, even going so far as to quote the uranium executives putting bars on their windows so they won't jump out because of the decline in market and their concerns over it. I'm happy to say that the minister is not about to do that, and I certainly don't want him to, Mr. Vice-Chairman. I don't want to lose him; I just wanted to change his policy. The president of Kerr-McGee Corporation has made a similar statement saying that the market today is a false one, and that much of the trading that is going on consists of utilities selling their uranium supplies to one another. Nuexco, a leading forecaster of uranium prices in the U.S. predicts a very gloomy future for the uranium market. I could go on and on.

I think that one other element that is putting the market in question is the increasing uncertainty that comes with massive protests against nuclear power in Europe, primarily because of safety concerns (and very justified ones, I might add). In the last year we've seen 100,000 people demonstrating in Bonn against nuclear power. In February, we saw another demonstration of about 105,000 people near Hamburg against the nuclear reactor there. There have been similar demonstrations in France and Spain. I think that this is clearly slowing down the nuclear reactor programs substantially and, therefore, dampening the market for uranium mining and the sales of uranium overseas.

My question, very simply, is whether, first of all, the department's projections with respect to revenues from uranium mining in the future can really now be viewed with any confidence; whether, for instance, the projection of revenues that are supposed to come in from the Key Lake mine, which were based on a price of some \$40 per pounds, can now possibly be considered to be accurate. Surely those revenues will be far, far lower than was projected in the Key Lake report.

Secondly, what is the department's actual projection now with respect to the price of uranium in the future, and on what is that projection based? Those are all the questions I have, Mr. Vice-Chairman.

HON. MR. COWLEY: — Mr. Vice-Chairman, I have just a couple of comments.

First of all, I want to say something with respect to the argument that the member puts forward that I am arguing that our mining and export of uranium somehow is inconsistent with the point I took. What I was trying to say (perhaps I didn't make the point very well) is that if we, as a province, government or country, were committed to the position that the member for Saskatoon-Sutherland obviously is, then the correct course of action is not to discuss whether or not we should be exporting uranium, but whether or not we should have any truck or trade with the French, or the Indians, or whatever country you wanted to talk about. It seems to me that if we are so committed and so decided that what they are doing is wrong in this particular case and of such paramount importance, then the appropriate reaction is to bring all the sanctions we can bear on them to change. I don't believe that whether or not we export uranium will result in that (although obviously will have some impact). But if we are that committed to forcing them to change the direction they are going, then we should apply all the sanctions we have. I think that's a broader argument than the member's making but I think it's an appropriate argument if one bases one's position on the moral argument.

With respect to the markets for uranium, I want to say that in the Saskatchewan Mineral

Resources' submission to the Key Lake Board of Inquiry, August 18, 1980, the department presented a wide range of assumptions with respect to price. We don't forecast the actual price; we'll be outside of this range. The low price was about \$20 per pound (constant in 1980 dollars) through 1986-98. The medium price was \$35 per pound (constant through 1998) and the high price was \$40 per pound (constant until 1986) and 4 per cent of a real growth thereafter.

The member talked about some of the forecasts and the comments, etc., from the uranium market and the electrical world. I think one of the interesting comments was by the president of Kerr-McGee who stated that the market today is a false one and went on to say that much of the trading consists of utilities selling uranium supplies from one to the other. I think that's true and that's reflected in your export price, but it is in a sense a false one. It doesn't reflect producers selling to consumers but rather utilities selling or trading their uranium back and forth.

There is no question that the uranium market is now softer than it was three or four years ago. Our forecasts are that this will improve in the late 1980s. I want to say that when we talked about potash, which is a commodity not dissimilar to uranium although different, there were members in this Assembly who suggested that the price was going to be a big problem and nobody would be able to solve it. That has proven to be untrue. It obviously could have gone the other way, but it didn't and uranium is a commodity like that.

I am personally confident that the uranium market is a sound one and I believe that nuclear power is one of the least environmentally damaging sources of energy that we have available to the world today. When one looks at the alternatives, whether it's petroleum or natural gas, the effects on the environment of extracting it, the effects of heating up the world, and when one looks at coal in terms of the sulphur emissions and the problems we are having with acid rain and so on and then one looks at nuclear power, it seems to be one of the most environmentally sound ways to be going. That's not to say it's without problems, but it strikes me as being one of the ways that we should be looking in terms of solutions to our energy problems.

MR. ANDREW: — Mr. Minister, I might say that I would endorse the argument just advanced to the member for Sutherland, but following up on the question as it relates to the uranium market, what is the present status of the proposal to build a uranium refinery in Saskatchewan? I am looking at the economics of that. It seems to have been placed on the back burner. Where is that now and is there any prospect of that being built in Saskatchewan in the near future?

HON. MR. COWLEY: — Well, I guess to ask about the prospects one would properly have to address Eldorado, which was the proponent. I think the site which it first chose, rightly or wrongly, in the Warman area had no particular environmental problems. The committee that reported said that was so. In many ways, from the province's point of view and a global view, it's unfortunate it didn't proceed; that's not to say it should or shouldn't have. It's just unfortunate because I think it would be under construction and going ahead now. Certainly the Government of Saskatchewan is interested in having a uranium refinery in this province and we're continuing to talk to and encourage, if you like, Eldorado to look at alternate sites and to proceed with the development in this province. But I have no announcements to make this evening.

MR. ANDREW: — Obviously, if Eldorado went to the point that they did in the Saskatoon area or in the Warman area, they must have had a pretty firm proposal to proceed with

the construction. You indicated that, had that gone the other way, it would be in the construction phase now. It would seem to me that if they are anxious to proceed with building that in Saskatchewan (which I doubt they are, because of the market, quite frankly), they would be making some alternate site proposals. That doesn't seem to be happening either. Would it be a fair statement and would you agree that it is really sitting in limbo at this point in time with regard to that project?

HON. MR. COWLEY: — Well, I think that's fair to say. I think Eldorado is looking at alternative sites and how actively, I guess, is a subjective judgment. Obviously, they have other options in terms of increasing the size of their refineries like the one at Blind River in terms of what its capacity will be, and in terms of the projected life for which they may operate the Port Hope refinery, which, by the way, I visited. It's right in the middle of town. It's a lot closer to the city than this Legislative Building is to Regina and it doesn't seem to be creating any great problems there and I didn't notice a lot of odd-looking people walking around it either. So, it doesn't seem to be a major difficulty.

I think the member is quite correct that the fact that this site was not chosen — rightly or wrongly, that's by the bye — in Saskatchewan may mean that the opportunity for us to have a refinery in the province has been delayed (again, I think you can argue both sides of this) perhaps for a long time. There are other options in terms of refining somewhere else, or increasing sizes of refineries in Ontario, or an extension of the time which Port Hope might continue to operate.

MR. ANDREW: — Mr. Minister, obviously something of this magnitude, as far as construction dollars and that type of thing, is something that you should be pursuing as minister, if not in your capacity as Minister of Mineral Resources, certainly in some of the other hats that you wear. Now, what is the stage of negotiation between you and the federal people on that very question? Is it a stalled position? Are we to take from your statements that it's going to be a long time before we see the proposal brought up to be looked at again?

HON. MR. COWLEY: — Well, the discussions are continuing. It's a subjective comment as to whether they're stalled or moving slowly, but we're continuing to push our point of view and to argue for alternate sites. I think Eldorado is at least considering them at the corporate level. How seriously, I don't know. You'd best address that question to Mr. Ediger, or perhaps ask the member for Rosthern what his views are. He certainly was a strong advocate of economic development in this province when we were discussing the last site. But be that as it may, we're continuing to discuss with Eldorado, I spoke to Mr. Ediger, I guess, three, four, five weeks ago and said we were still interested in this province, and hoped they were looking at alternate sites, etc.

MR. ANDREW: — My final suggestion to you, Mr. Minister, is perhaps you could proceed with your planned strategy and you could build the upgrader in the west-central part or the northwest part of Saskatchewan, and then let the rest of the province fight over the location of the refinery.

MR. KATZMAN: — Mr. Minister, you made a comment earlier, referring to your opinion — or was it your department's opinion you were stating? — regarding the most efficient way being a nuclear reactor. Do I have clear what you were saying?

HON. MR. COWLEY: — I said my personal view was that nuclear power offered for the world. Not necessarily for anybody else, a very environmentally acceptable way of

producing electricity. Obviously, everybody's economics change and are different, and if one has, for example, substantial sources of hydro power available to him, that's obviously a very attractive method of producing power. The fuel is relatively cheap as long as it rains or as long as the snow falls. So circumstances are different, but all I was saying was that my personal view was, in terms of the world's need for energy, nuclear power was, in my view, an environmentally sound way to proceed . . . (inaudible interjection) . . . Unless it's where? Well, I'll tell you — if the member thinks that a nuclear reactor is liable to go "boom," I think we've got a lot of educating to do there. That's all I can say.

MR. KATZMAN: — Mr. Minister, what you're indicating is that you're in favour of the Saskatchewan Power Corporation's proposal they made to the Bayda commission, which indicated that they thought that they would go through in the year 1990 and build a nuclear power station within the province of Saskatchewan for the year 2000?

HON. MR. COWLEY: — Well, I think I haven't read the Bayda report for a little while, but I don't think that's what they said. What they said was that they would not be considering nuclear power until at least 1990. and in 1990, when I'm here and the member, if he's lucky, is there, I'll answer the question as to whether or not we're going to proceed.

Item 1 agreed.

Items 2 to 7 inclusive agreed.

Vote 23 agreed.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN — Vote 65

Item 1 agreed.

Vote 65 agreed.

HERITAGE FUND

BUDGETARY EXPENDITURE (RESOURCES DIVISION)

MINERAL RESOURCES

Ordinary Expenditure — Vote 1

Items 1 and 2 agreed.

Vote 1 agreed.

HERITAGE FUND

BUDGETARY EXPENDITURE (ENERGY SECURITY DIVISION)

MINERAL RESOURCES

Ordinary Expenditure — Vote 47

April 30, 1981

Items 1 to 6 inclusive agreed.

Vote 47 agreed.

HERITAGE FUND

LOANS, ADVANCES AND INVESTMENTS (RESOURCES DIVISION)

SASKATCHEWAN MINING DEVELOPMENT CORPORATION — Vote 16

Item 1 agreed.

Vote 16 agreed.

HERITAGE FUND

LOANS, ADVANCES AND INVESTMENTS (ENERGY SECURITY DIVISION)

SASKOIL — Vote 61

Item 1 agreed.

Vote 61 agreed.

HERITAGE FUND

BUDGETARY EXPENDITURES

(RESOURCES DIVISION — SUPPLEMENTARY)

MINERAL RESOURCES

Ordinary Expenditure — Vote 1

Item 1 agreed.

Vote 1 agreed.

HERITAGE FUND

BUDGETARY EXPENDITURE (ENERGY SECURITY DIVISION — SUPPLEMENTARY)

MINERAL RESOURCES

Ordinary Expenditure — Vote 47

Item 1 agreed.

Vote 47 agreed.

HERITAGE FUND

LOANS, ADVANCES AND INVESTMENTS (ENERGY SECURITY DIVISION)

SASKATCHEWAN POWER CORPORATION — Vote 60

Item 1 agreed.

Vote 60 agreed.

The committee reported progress.

The Assembly adjourned at 10:00.