

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 4, 1983**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**INTRODUCTION OF GUESTS**

**Mr. Speaker:** — It's my privilege today to introduce some guests from three different areas of Canada. I'd like to introduce a young lady, Missy Parnell, Clerk Assistant of the Yukon Legislative Assembly, who was here at our Table about two years ago and is back for a visit today with the Yukon delegation. I'd ask the members to stand as they're introduced so that the people will know who you are and where you are.

William Brewster is the member for Kluane constituency in the Yukon. Piers McDonald, the member for Mayo constituency in the Yukon. And Peter Fraser, member for Mackenzie Great Bear constituency in the Northwest Territories. Now these members are going to be with us until the end of the week, and will be seeing the way our legislature and our committees operate.

As well today, I have brought in reinforcements to help me along; yesterday the House was a bit unruly. Today I have the Hon. John Turner, Speaker of the Ontario legislature and his good wife, June. And my wife Anita is here to support me a bit as well.

Would you welcome all of them to our Assembly.

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

**WELCOME TO STUDENTS**

**Hon. Mr. Currie:** — Mr. Speaker, it's my pleasure at this time to introduce to you, and through you to the members of this Assembly, a group of visitors from the Douglas Park School in Regina, who are presently sitting in the west gallery. They are a group of 55 students from grades 7 and 8, along with their teachers, Wayne Wilson and Ken Farago. I hope that you young people will find the proceedings enlightening, and that you will have found that the information that you gather here will have had some relevance to the holding of your mock parliament at your school this year. Just for the information of the members, the information that I have received is that these young people interviewed a total of 54 of the MLAs this year. I would ask that the members on both sides of the House join me in extending a cordial welcome to these young people, and for your information, I shall be meeting with you later in the rotunda for pictures, and in room 218 for refreshments.

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

**Hon. Mr. Lane:** — Mr. Speaker, it's with a great deal of pleasure I introduce to you, and to this Assembly, some 20 grade 12 students from the Bert Fox School in Fort Qu'Appelle. They are accompanied by, and they've told me many times that this was the case, the two best-looking teachers in the public school system in Saskatchewan, the principal, Mr. Pat McNally, and Mr. Dick Rathgerber. Mr. Speaker, I hope that the

students have a very interesting and informative afternoon. I look forward with a great deal of pleasure to meeting with them after question period. I hope all hon. members will join with me in welcoming them in this Assembly.

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

## INTRODUCTION OF GUESTS

**Mr. Shillington:** — Thank you, Mr. Speaker. I trust, with leave of the House, I'll be allowed the liberty of adding my welcome to yours, to our distinguished visitors from the Yukon territories. Some of them – at least two of them – I met this summer when I was in the Northwest Territories with the Canadian Parliamentary Association. I remember spending more than one very enjoyable afternoon with Mr. Pete Fraser, and I look forward to renewing those acquaintances and to meeting the other people this afternoon.

## QUESTIONS

### Early Retirement for Dismissed SGI Employees

**Mr. Shillington:** — My question is to the minister in charge of SGI. On February 28th, you announced the dismissal of 120 people of Saskatchewan Government Insurance as part of what you described as streamlining – to trim the fat, I think, is the way you put it. On April 1st you announced that SGI is offering long-time employees an early retirement package, just a month after you fire 120 people, many of whom, I suspect, would have qualified for the early retirement program. My question is, Mr. Minister, were any of the 120 who were dismissed in February offered the early retirement package that you announced in April?

**Hon. Mr. Rousseau:** — Well, Mr. Speaker, I'll take notice of that question and check it out for the member.

**Mr. Shillington:** — Well, Mr. Minister, when you are taking notice of the question, would you also inform yourself and report back to the House on whether or not all levels of employees were eligible for early retirement or whether just the senior levels of employees who were fired might have been eligible for early retirement? I am asking for a complete report.

**Hon. Mr. Rousseau:** — Well, Mr. Speaker, I can tell the hon. member that most, most of the people that were laid off in February were one- and two-year length of service employees, so I wouldn't think there would be very many but, however, as I indicated in reply to his first question, I will take notice and provide the exact information as to whether or not those that were terminated prior to the April 1 decision were in fact offered. I don't know, but I'll get the information for the member.

### Uranium City

**Mr. Thompson:** — Thank you, Mr. Speaker. I direct my question to the Minister of Northern Saskatchewan, and it's regarding the situation in Uranium City today. My question, Mr. Minister, has to do with the government's claim that it will make Uranium City a regional service centre for the Athabasca basin for at least the next two years. The problem with that plan is that time is fast running out for Uranium City and the people there still don't have any details as to how your government proposes to keep Uranium

City alive after June the 30th.

When Eldorado Resources stops paying out the \$80,000 a month in lieu of taxes to the municipality, will he make a clear statement for the people of Uranium City today as to what the Government of Saskatchewan will provide after June 30th in terms of funding for the municipality, funding for the schools and also for the hospitals?

**Hon. Mr. McLeod:** — Well, the short answer, Mr. Speaker, to the question about a clear statement today: the answer is no. But to elaborate on it, and as I believe I did for the hon. member just in recent days, and as well to the people in Uranium City . . . As the hon. member will know, Mr. Speaker, there was a study commissioned and undertaken by Underwood McLellan to do a study on the future of Uranium City. The interim report came in on schedule.

As we have said, we would ask for an interim report to make the initial decision that, yes, Uranium City would remain a regional service centre for the immediate future. I believe you used the term 'two years.' I don't think in any communication from the government or from my department, the two-year term was ever mentioned. We say the immediate and foreseeable future, and really that's very difficult to define. And it has a lot to do with the infrastructure that's in place, with the capital construction of buildings, and very many other things as it relates to health, or the hospital, and school, and various other functions that must be carried on in that Athabasca basin.

The final report of the study by Underwood McLellan is expected in this month of May. We're hoping to have it before the end of this month, and we're hoping to come to it with some very direct sort of answers to the various questions that you ask, and that people in Uranium City are asking. And meanwhile our department officials are keeping in good contact with the people of Uranium City with regard to that. But we are hoping for the report by the end of May and we'll have some decisions on that basis right afterwards.

**Mr. Thompson:** — Supplementary, Mr. Speaker. Mr. Minister, are you indicating to the House today that you did not promise the citizens of Uranium City, and the district around Uranium City, that you would not make it a service centre?

**Hon. Mr. McLeod:** — No, I said that after the interim report was in — we asked for an interim report part way through the very detailed type of report that must come down — and when we receive the interim report, and I just can't remember the date there, but we said that we would make that decision prior to the ice road going out, and we did. And we made that decision, and the announcement that Uranium City would be a regional service centre for the Athabasca basin for the foreseeable future.

**Mr. Thompson:** — A new question, Mr. Speaker, to the Minister of Northern Saskatchewan. I'm sure that the minister is aware that the problem with the report coming in towards the end of May, or about possibly into June, most of the civil servants and teachers will be leaving Uranium City, or will be making plans to move to other positions within the province, or wherever they can acquire positions. And the uncertainty that citizens of Uranium City and the staff of that municipality are facing . . . So that people can plan their lives more than a month or two in advance . . . Many of the teachers and the municipal employees have already found other jobs, or have plans to move this summer. How do you propose to find new people to move to

Uranium City over the summer if these people all leave?

**Hon. Mr. McLeod:** — Well, some of those situations that the hon. member cites, Mr. Speaker, are rather hypothetical. What I would say is that we recognize very clearly that it's a unique situation in Uranium City, and as we've talked about prior to this, and on many occasions in the last year. It's a very unique situation. We are very much on top of it, as much as any government could be, and much more than what you people were when the initial announcement was made. We're on top of the situation. We have, I believe, and the record will show that, we have handled it rather well until this point, and are continuing to do that.

Having said that, I understand the unique situation that people who are now living in Uranium City in responsible positions, elected to council or whatever, are in difficult positions in terms of the uncertainty that they face on behalf of the remaining residents. We know that. We are addressing ourselves to that. And as soon as the report comes down, they have my commitment, the commitment of our department, the commitment of our government, that the decisions will be made forthwith once the report comes down and gives us some direction. There would be no sense to commissioning a report to go into the detail that's necessary if we're going to be making announcements prior to the report coming down. And that's about all I could say at this time.

**Mr. Thompson:** — New question, Mr. Speaker, to the Minister of Northern Saskatchewan. Is the minister not aware that at a meeting last week, the municipal council unanimously passed a resolution to dissolve effective June 30th, and asked you to appoint a government administrator immediately? Will you indicate to the House when you will be doing so?

**Hon. Mr. McLeod:** — Well, Mr. Speaker, yes, I'm aware of that resolution. I'm aware that our department officials are in discussion with the council in that area. If it turns out that that must be the course of action that must be taken in this very unique situation, I can assure the House and the hon. member that we will take the action that's necessary. But I would say, and I would ask the people in Uranium City and the member who represents that community, it's in his constituency, I would ask you to bear with us while this report comes down and I will give you the commitment once again: the decisions will be coming in very short order after the report is tabled.

**Mr. Thompson:** — Supplementary, Mr. Speaker. I'm sure that the minister will agree that the turmoil that Uranium City is in and the hardships that the people that are left there are facing . . . And in order to maintain Uranium City as a service centre, most certainly one of the most essential parts of keeping it alive is going to be the airport in Uranium City. And my supplementary, Mr. Speaker, to the minister is: do you have any plans to take over that airport once . . . And the federal government has indicated that they will be shutting that airport down. Has the provincial government, do they have their plans in place to take over that airport and keep it operational?

**Hon. Mr. McLeod:** — Well, Mr. Speaker, the airport is . . . Certainly the transportation in that whole basin is an important thing. The airport's one of them. Barge services are another aspect. The possibility of winter roads, another aspect. Land transportation, whatever you . . . All of this is addressed and is being addressed by the study that I mentioned earlier, as well as municipal services and hospital services and school services and all of that. And that's what I say. There are some, there are many very important decisions to be made on the thing and I will give my commitment to you once

again as it relates to the specifics of the airport, that those decisions will be announced as soon as the report comes down, as quickly as we can have a chance to look at it and come to some reasonable decisions on it.

But we do give you this much, Mr. Speaker, and we know that there is a need for transportation services in the Athabasca basin. Whatever form they will take and whose jurisdiction they will fall under and so on are all subjects of some negotiation, certainly, with the federal government as it relates to transportation. But they are also decisions that will be based on the needs that will be identified, hopefully, in the report.

**Mr. Thompson:** — A final supplementary, Mr. Speaker, and I direct my final supplementary to the Minister of Highways. Can you indicate to the House at this time whether or not you have been negotiating with the citizens of Uranium City to open up the winter road for next year, and if so, what are your decisions?

**Hon. Mr. Garner:** — Mr. Speaker, the decision on the winter road will be made after the report has come in. And I have had an ongoing line of communication with the Minister of Northern Saskatchewan regarding all transportation-related activities, whether it be Uranium City or for the whole Athabasca region.

### STC Rate Increases

**Mr. Lusney:** — Thank you, Mr. Speaker. I have a question to the minister responsible for the Saskatchewan Transportation Company, and that has to do with the fact that passenger fares and parcel express rates have gone up by some 9.5 per cent. Could the minister explain to this House, and to the people of Saskatchewan, why these increases are beyond the government's own inflation-minus-one guide-lines?

**Hon. Mr. Garner:** — Mr. Speaker, two points to that question: number one, STC lost in excess of \$2 million for 1982, and the reason for that loss . . . (inaudible interjections) . . . We have maybe three or four points, Mr. Speaker, and if the members opposite would be polite enough to allow me to answer the question, I'm quite prepared to share this information with them.

Number one, we have their super fast class bus that lost in excess of 6 . . . No, a little over \$500,000. There was no rate increase for STC since August of 1981. And I think that's quite obvious, because they were simply playing politics with a rate increase. They didn't want to increase the rates of STC before the provincial election of April the 26th. Also, Mr. Speaker, there was 450,000 additional political miles added to the system before April of 1982. Those are some of the reasons, Mr. Speaker, why a very modest increase of 9.5 per cent was added to STC.

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

**Mr. Lusney:** — New question to the minister, Mr. Speaker. Mr. Minister, you indicated that because of the losses that STC had, you had to increase it by some 9.5 per cent. Mr. Minister, you have, in 1982, sold buses, cut lines, taken buses out of service to different communities, for the purpose of being more efficient and saving money for the company. If you have been so efficient, without saying that it was purely the mismanagement of your government that created the losses within STC, if you are so efficient, why did you have to have the 9.5 per cent increase rather than using your own guide-lines of inflation minus one?

**Hon. Mr. Garner:** — Mr. Speaker, we talk about mismanagement. It was the mismanagement of the NDP opposite that has caused us the problems with STC today. I will reassure the member opposite it wasn't the Progressive Conservative Party of Saskatchewan who was the Government of Saskatchewan that bought six quarter-million-dollar white elephant buses for this executive bus service in the province of Saskatchewan that lost over half a million dollars. We did not inject 450,000 miles into the system before April 26th — the NDP were government — at a direct and indirect cost of 2.70. Mr. Speaker, that's why the bus company is having problems. We are going to take corrective measures to change that.

**Mr. Lusney:** — Thank you, Mr. Speaker. New question to the minister. Mr. Minister, I can only remind you that when the NDP were in power, the transportation company hadn't been losing money at that time. It is only since you took power that they have lost the money, and you are saying that because of increased costs and all, you had to increase their rates. Well, Mr. Minister, the people on minimum wage also had increased costs. You didn't increase their salaries any. There are a lot of people who have been cut down to a level of inflation minus one when it came to increase in wages. Why, Mr. Minister, are you saying that these people can afford to accept the increase in costs and take a lower settlement in salaries, and STC, which is a crown corporation that could afford to have just a modest increase, if necessary, hasn't done so? Why did STC not do that?

**Hon. Mr. Garner:** — Well, Mr. Speaker, I will try and refresh the member opposite's memory once more. There has been no rate increase to STC since August of 1981. Now, we are in the year 1983. Nine and one-half per cent, I believe, is a very modest, a very acceptable increase. It will be in that approximately area of about \$2 additional to travel between Saskatoon and Regina. The people that I've talked to in the province of Saskatchewan are very satisfied with the bus service that is there. It's one of the lowest forms, and lowest cost of transportation in the province of Saskatchewan.

**Mr. Lusney:** — A question to the Minister of Sask Transportation, Mr. Speaker. Mr. Minister . . . (inaudible interjections) . . .

**Mr. Speaker:** — Order, please. Give the member an opportunity to ask his question.

**Mr. Lusney:** — Mr. Minister, there have been, as you indicated, no increases since the fall of '81, and I have indicated to you before that there have also been no increases to people on minimum wage since some time spring of '82.

Now, Mr. Speaker, those people have not had an increase for the past year. They will not have an increase for another year; two years of no increases. Why do you not operate the buses in the same manner as you are telling the people to somehow operate their own lives and their own homes? Are you going to increase the amount of fares being charged to the senior citizens at this time — people who are using the bus service who are forced to use it? Are you going to also say that they are going to have to pay that 9 per cent increase, or are you going to give them a reduction?

**Hon. Mr. Garner:** — Well, Mr. Speaker, it's too bad my colleague, the Minister of Labour, couldn't handle this question right here today, but I think it's fairly obvious that we have the lowest unemployment rate in Canada. We have the highest minimum wage in Canada.

Mr. Speaker, the problems with STC we have inherited, whether it's the fast class bus

system, the political miles that were added to the system by the former NDP government in hopes of trying to be re-elected. They didn't fool the people of Saskatchewan; they still aren't fooling them today. The people of Saskatchewan can accept a very modest increase like this.

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

**Mr. Koskie:** — I just want to ask the Minister of Highways whether in fact it's true that those who use the STC, a large proportion of those that use STC are indeed senior citizens, lower-income people, can't afford a car, many of them, single parents — those people are using STC to a large extent. And what I am asking you: are you not in fact here striking out again, as you have in many of your other policies, against the citizens who can least afford to be struck? This is Tory mismanagement.

**Hon. Mr. Garner:** — Mr. Speaker, then I guess the most obvious answer to this question is then: why did the former administration buy the quarter-million-dollar buses for the fast class service, the executive bus service, if they're saying on one hand that it is only the elderly and the poor that ride it? That's just a prime example, Mr. Speaker, of why STC is having problems today.

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

**Hon. Mr. Garner:** — And further, Mr. Speaker, that's another reason why on the April the 26th the people of Saskatchewan could no longer be fooled by the NDP mismanagers.

**Mr. Shillington:** — Thank you very much, Mr. Speaker. My colleagues have suggested, Mr. Minister, that the losses are part of recurring patterns: a pattern of hitting the poorest the hardest, a pattern of crown corporations who have been successful for years in serious trouble. There is another pattern, Mr. Minister, and that is the rate freezes, which you people promised during the election and imposed, have brought disaster in this province.

I remind the minister that the anniversary date for increasing rates was August '82, some time after you took office. My question to the minister is: will you not admit that the rate freezes, which you imposed in this crown corporation and in others, were ill-advised, ill-conceived, and a shoddy attempt to deceive the public about the realities of life in Saskatchewan?

**Hon. Mr. Garner:** — No, Mr. Speaker, I do not agree with the member opposite. I have the greatest deal of confidence in the management at STC. It was their recommendation that we go with this very modest 9.5 per cent increase in rate fares, but they are not recommending that we go out and buy six more one-quarter-million dollar buses that are not adaptable to western Canadian needs. It was most likely a sweetheart deal for the previous administration.

**Mr. Lusney:** — Thank you, Mr. Speaker. I have a question to the Minister of Highways. Mr. Minister, are you not aware that the small business people and the farmers of Saskatchewan depend to a great degree, a large degree, on the express service provided by Sask Transportation during spring and during fall? They depend to a very large degree on that express service. Will you not, Mr. Minister, at a time when the income levels of both the small business and the farmers are down, reconsider the increases and allow these people to be able to stay within at least the inflation guide-

line increases, an increase which they would not have to bear simply because you have mismanaged the lines, you are cutting services, and you are making them pay for something that you were not able to control yourselves.

**Hon. Mr. Garner:** — Well, Mr. Speaker, I don't know of how many farmers or business men out in rural Saskatchewan that would ride on the Prairie Shuttle and have a meal and have coffee and listen to the stereo. I mean, they want service provided in rural Saskatchewan. They want their parts for their combines or their tractors. The business men want their regular express delivered. That is going to be done by STC. We have already gone to a standardization on the C.O.D. rate. Instead of it being from \$4 to \$25, we have put a standard on there of \$8, which is going to help all of the people in Saskatchewan. It's not going to help their fast class bus service, because, Mr. Speaker, I'm sorry to say, it died.

**Mr. Lusney:** — A question to the Minister of Highways. Mr. Speaker, I think that the farmers of Saskatchewan are very little concerned about the executive bus service. Their concern is what it's going to cost them to get freight service, express service, to the communities that they live in at a time when they need certain parts in a hurry. That is what those farmers are concerned about, Mr. Minister. Will you not reconsider your increase and bring down the cost to these farmers and to the rural people of Saskatchewan?

**Hon. Mr. Garner:** — Mr. Speaker, no, we will not, because I will accept, and the board has accepted, management's decision for this very modest rate increase. And, no, I will not take the advice of the NDP opposition to cut service to rural Saskatchewan, cut express to rural Saskatchewan. STC is in the business of providing transportation and express services to all the province of Saskatchewan at the most fair and reasonable cost, and the rates of STC are very comparable to the rest of the trucking industry.

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

## **INTRODUCTION OF BILLS**

### **Bill No. 42 – An Act to amend The Time Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of a bill to amend The Time Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

### **Bill No. 43 – An Act to amend The Municipal Employees' Superannuation Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of a bill to amend The Municipal Employees' Superannuation Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

### **Bill No. 44 – An Act to repeal The Tax Sharing (Pipelines) Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of a bill to repeal The Tax Sharing (Pipelines) Act.



Motion agreed to and the bill ordered to be read a second time at the next sitting.

**Bill No. 45 – An Act to amend The Municipal Tax Sharing (Potash) Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of a bill to amend The Municipal Tax Sharing (Potash) Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

**ORDERS OF THE DAY**

**GOVERNMENT ORDERS**

**COMMITTEE OF THE WHOLE**

**Bill No. 31 – An Act to establish the Indian and Native Affairs Secretariat**

**Clause 1**

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I'd like to ask a couple of questions with respect to this bill, and what I'm trying to find out is essentially what the secretariat is expected to do, and I don't mean in detail what the secretariat is expected to do, but I note it's called a secretariat, as opposed to a department, which presumably means that it will not run a wide range of program services and will not attempt to offer all of the programs which are offered by the Government of Saskatchewan to people of Indian and native origin. And I note in looking at the budget, which is helpful, that there is a proposal that the secretariat would handle grants to Indian and native organizations, and also there is a proposal that it administer some programs with 21 people. I won't get into the details of that because I can raise those on estimates, but I think the question, therefore, I ask is: is it thought that this agency, this secretariat, will be primarily a co-ordinating agency maintaining liaison with native organizations, and assisting them in dealing with other agencies of government, or is it primarily a program agency, and a granting agency, which will have programs of its own?

I will try to be a little more specific. If there is to be a program offering, say, special technical education for people of Indian and native origin, is it likely that it would be operated out of this secretariat? If there's, SUNTEP, for example, Saskatchewan Urban Native Teachers Education Program, will that be offered by the Department of Education, or Advanced Education, or will it be offered by the secretariat? And if there is, and we have heard reference to that, an economic development program for native people, would that be offered by the secretariat or one of the economic departments? I think from that you will understand what question I am asking.

**Hon. Mr. Andrew:** — Okay. In response with regards to the way the department will be run, I think those questions are more appropriately put to the minister when the estimates are being called, which will be fairly soon. It's primarily the concept that we're talking about here in the thrust of the reorganization, is for the Indian and native secretariat to be primarily a co-ordinating body of government, to try to co-ordinate the policy delivery, co-ordinate the approach that we would be taking to the native people of this province, as opposed to having it shot-gunned across government departments.

What we have tried to do is to bring that into one focus, and this is the mechanism that we would see of bringing that into one particular focus. It does have power to make

grants. It has power to develop policy. It has . . . to develop social and economic development, and clearly the policy development will come through there. The nature of that policy, and the emphasis on one versus the other type of policy, I think, is again more appropriately put to the minister responsible. This will simply allow us to co-ordinate that attack, and move in that direction.

**Mr. Yew:** — I wonder if the minister can advise the Legislative Assembly how this Indian and native secretariat branch will function with respect to, say, another organization coming into existence. We have at present two parent native organizations, and it is my position, and the position of many, many other native groups and communities that those two native organizations are recognized. Namely, I'm speaking about the Federation of Saskatchewan Indians and the Association of Metis and Non-Status — AMNSIS — of Saskatchewan. How do you see your agency working with a different group that comes into the scene all of a sudden? Like, we've had the National Metis Alliance; they reported just a few days ago. How do you see the secretariat branch working with a new group? Would you recognize that group or would you not?

**Hon. Mr. Andrew:** — Well, as I explained to the Leader of the Opposition, those type of questions are more appropriately put to the minister responsible when the estimates come up. This particular change is simply a reorganization or a structural change in government. How they approach that is going to be the policy that would develop out of this, and that's certainly not for me to say, only to, I suppose, indicate that I don't believe that this change of legislation would have impact one way or the other with regard to the point that you raised.

**Mr. Yew:** — Thank you, Mr. Minister. In other words, then, you don't see this new branch undermining the two existing native organizations. Or do you?

**Hon. Mr. Andrew:** — What I am simply saying is that this particular change in legislation will have absolutely no impact on that, one way or the other. As to what policies are developed, and I certainly don't want to speak for the minister responsible, you will be able to ask that specific question when estimates come up. Under his department he will have his officials there in order to respond as to what he would see his department doing. And I'm sure that he would anticipate that type of question and I'm sure that you can discuss it or debate it at that time. I think that's the most appropriate forum by which to do those particular questions in, rather than here.

**Mr. Yew:** — With respect to your government's initiative to create a new Indian and native secretariat branch in your government, have you contacted the FSI and AMNSIS with respect to your initiative to gain some insight into say, to have the two native organizations in question have some input into your initiative?

**Hon. Mr. Andrew:** — Well, I am, with regards to whether or not it has been discussed prior to it being announced, I would not be able to respond to that. I can respond in saying that the minister and his officials certainly have been dialoguing with those two organizations. With regards to how they are going to, again, approach the questions identified or otherwise, and again, I'm not trying to beg off answering the question — it's just a more appropriate question to ask directly to the minister when his estimates are coming up. His estimates will not proceed until we deal with this so that we are then legally entitled to deal with that in the legislature. And that's really what I'm saying now.

But what we're doing with this bill is to try to co-ordinate it, and I think that you would

agree with me that if you . . . Rather than one area being in Agriculture, and another area in Social Services maybe, and another area in government services, and another area in industry and commerce, another area in Highways . . . Wherever it's going to be, it makes far more sense to try to do it and try to collectively use your resources allocated in the most meaningful way, so it is properly co-ordinated and therefore more dollars, in effect, out to the appropriate people.

**Mr. Yew:** — Well, certainly the new branch . . . The bill that we're discussing at the moment will have some legal implications, Mr. Minister. In terms of the constitutional talks that were held in March in Ottawa, do you see this bill having any implication either for or against recent agreements at the Ottawa talks?

**Hon. Mr. Andrew:** — No, my information it will have absolutely no impact on that at all, as to the structural changes of creating a secretariat.

**Mr. Thompson:** — Thank you, Mr. Chairman. Just one question. Mr. Minister, and it's number 10, financial assistance.

The minister may, for any purpose provide financial assistance . . . (and I'll just go right to the bottom of the paragraph) . . . within or outside Saskatchewan.

I wonder if you could just explain why it would be within Saskatchewan and also outside Saskatchewan.

**Hon. Mr. Andrew:** — Okay. I think first of all it's a standard form of legislation; in other words, each legislation allowing a department to grant money has that sort of standard clause to it: within and outside of Saskatchewan. I think the purpose of it is to allow the flexibility, that if you get into perhaps a grey area where one might argue, well, this is not wholly within the province of Saskatchewan for some reason — there might be a dimension of it that is beyond our borders and yet still primarily focused here — you'd still be able to grant that and do it in a legal way without the wrath of the auditor coming down on you and saying that you didn't technically have the legal power to do it. So it's a standardized clause to give that flexibility that you're not caught in something that really it was not designed to do.

Clearly, from a government point of view, funding will be . . . you know, is aimed primarily at people within the province of Saskatchewan. We have no bent, if you like, to start funding organizations and making grants to people outside of the province of Saskatchewan, whether it's within this department or any other department of government, although that does happen at some times, as you are familiar, perhaps not with this department, with other ones, but primarily the focus is going to be in Saskatchewan. This is simply a drafting position, and a standardized drafting position.

**Mr. Yew:** — In terms of the administration and policy decision making of this new branch, Mr. Minister, how closely can the existing native organizations monitor and evaluate the functions of this new branch?

**Hon. Mr. Andrew:** — I'm sorry, but I didn't really quite catch the drift of the question. Are you saying how . . . When you talk about organizations, are you talking about AMNSIS and FSI as to how they monitor it? Again, I simply say to you, that's a type of question as to what the department . . . and how their dealings are with that particular

organization. This bill will have nothing to do with regard to how they deal with it.

I think that again that question should be addressed to the Attorney-General when the estimates come down for this particular secretariat, and you can get at that point into some questions back and forth. Clearly, this legislation does not prevent dialogue, nor should it prevent dialogue, and we will allow dialogue whether we had this particular legislation or not. And that would tend to be the position I think the Attorney-General would be taking.

**Mr. Yew:** — Mr. Minister, I look at section 6(1) and I see that you have allotted an opportunity for an advisory committee. Do you foresee having this advisory committee established with your administration and the existing two native organizations?

**Hon. Mr. Andrew:** — Well, again, I don't wish to beg off the question. What I am saying is the legislation clearly allows for an advisory committee, and I think that's the debate we have here. We've certainly allowed for an advisory committee. It's a standard clause used in all the legislation, the reorganization legislation. As to what the structure of that committee, when it will be implemented, when it would be used and what form it would take, is a question for the estimates again, as to those type of questions. This will certainly allow that to happen. I take it that you support that concept of an advisory committee. There is nothing in this legislation that will prevent it from being AMNSIS and FSI. Nor would there be anything in this legislation to allow it to go beyond that, if that was the decision of the department or the secretariat.

**Mr. Yew:** — I suppose the initiative proposed here by your administration is not all that bad, but I am a little concerned because the existing parent native organizations are concerned with respect to other organizations trying to come into existence. The legislation that you have here in front of us leaves it quite open for your administration to try to undermine existing organizations, existing parent organizations, and this is my main concern. This is my main contention with regard to this bill. Otherwise I see your initiative as being quite position, Mr. Minister.

**Hon. Mr. Andrew:** — All right, I think the concept, if I can again indicate what we're talking about, is we're trying at this point in time to set up structures with regard to the policies that will be developed once this structure is in place. Certainly we'll be open, I suppose, to debate – whether the government is doing the right thing or whether it's doing the wrong thing. And that debate goes on, and that's part of the political process. It's important that we have that political process.

What I am saying that this bill does is simply structure in a way that is flexible enough that it can take place. The main thrust of this bill is simply to co-ordinate and try to have that co-ordination in one place – organized. And it's simply drafted around . . . It's pretty much all standardized drafting here. There's no special drafting for this particular secretariat as opposed to another department of government – whether it be Advanced Education, Highways, or Agriculture, you'd find the same clause in there. It's just the manner of drafting is that you tend to draft legislation at least flexible. We are doing nothing different here than we did before. It's a standardized form of drafting. I think you've indicated that you, in principle, support the concept of trying to co-ordinate that.

Members opposite voted in favour of it in second reading. I can simply give you the assurance that there is no ulterior motives in the various sections of this particular bill, and any dispute that you might have as to the way government is handling that problem

is clearly a question for estimates for the Attorney-General.

**Mr. Yew:** — I have two more questions, Mr. Minister. You have on section 10 here something that I really can't understand. Under section 10 you have financial assistance, and I suppose that is to any person, like the bill states. Financial assistance can be given 'to any person, agency, organization, association, institution or other body within or outside Saskatchewan.' And I'm a little bit concerned about why would you have outside Saskatchewan on there? What was the objective of that?

**Hon. Mr. Andrew:** — As I explained to the hon. member from Athabasca on the same question, that is a standardized granting clause on all legislation. We're primarily interested in making grants to the people within Saskatchewan. I take it that the reason for it in this bill, as well as in other bills, is that you might end up making a grant, let's say, to an organization that if you crossed the t's and dotted the i's were not technically and legally within the boundaries, or exclusively within the boundaries of Saskatchewan. You would end up then with perhaps a problem making that grant and drawing the ire of the auditor. It is illegal, in effect, what you did.

Because I'm not fully cognizant of all the various organizations and where they come from, and whether they're within Saskatchewan, or if there's, you know, edges of them outside of Saskatchewan, but I throw this just as an example. And perhaps it's not completely accurate, but by way of trying to explain it to you . . . The government made grants last summer to the world conference being held in Regina, let's say for example. Now I suppose you can get into the legal argument: was that a Saskatchewan . . . within Saskatchewan, was that organization that the grant was made . . . Was that a Saskatchewan organization, or is it not?

To avoid that type of an argument and still have the flexibility of funding, you have to draft the legislation this way. That is the purpose as to why it is being drafted. Again, as to who the grants were made to, again that's a legitimate question. Should it be granted to A, B or C? Clearly the intention with this is a standardized form of drafting, and we have no intention, quite frankly, as a government, of doing a lot of funding outside the province. Any funding that we can keep within the province makes eminent sense to us, as I'm sure it would to you, were you government.

**Mr. Yew:** — One final question, Mr. Minister: have you received any formal support to the creation of this new agency?

**Hon. Mr. Andrew:** — I'm sorry, I cannot answer that question of support. I can say that, as a general response, we haven't had a lot of negative response with regard to the total reorganization of government, in the sense of the reorganization bills that we have put forward. It hasn't been such that it was a tremendous resistance to the things that we are doing. There could be a disagreement between opposition and government as to why we're doing it; obviously that has been debated in here. But as to the structural change, we have had no serious opposition to this or to any other one.

**Mr. Yew:** — One final question, then. But you have not received any formal endorsement of any sort from the existing native organizations — have you or have you not?

**Hon. Mr. Andrew:** — As I say, I simply can't say. I don't know. I suppose what I can say is both members, yourself and the member for Athabasca, have indicated that generally you are in support of the principle and the concept. I accept that, and I'm

encouraged by that statement. I simply take it from that. Whether we have in fact received endorsement for it or letters on it, I don't know. I can only try to assure you that it hasn't created a lot of serious and strong opposition or criticism.

**Mr. Yew:** — I suppose, Mr. Minister, what I'm trying to establish here is that at least the existing native organizations will be consulted and will be involved with your new agency to the fullest extent possible, because those are the two recognized bodies, native bodies, of Saskatchewan, and I guess this is what I'm trying to base my questions on. If I can get assurance from you that the existing native organizations will be consulted, will be involved, and will have input into your new agency, I have no argument with the bill at all.

**Hon. Mr. Andrew:** — Okay, I think the point, again, I would simply wish to make is that those are questions more appropriately put to the estimates of the minister responsible for the secretariat as to how he plans to proceed. You can't simply pass a bill in the legislature that would say: 'In the future here is the commitment that we have to make as to who we are going to consult with as to how the organization works.' I think if you develop any kind of an organization, if you're going to be a government that tends to want to hear what the people have to say, hear from the various action groups or lobby groups, then, as a general rule, I would simply say yes, that we would listen to them.

I'm simply putting a mechanism or a structure in place here, that will then be manned by X number of people and I suppose, over a period of time, they will develop policies and probably change those policies, as times require all policies to be changed. So from that point of view, that's really the ongoing basis of what government is about.

So I'm simply saying, the bill is here. It's designed to try to co-ordinate what we're doing. Any specific questions as to how that department will function today, or a year from now, is clearly questions for estimates – grievance before supply – and that's the purpose of the estimate process. I simply don't want to beg off the question, but I also don't want to try to explain what another minister is doing in his department and his intentions are in his department.

**Mr. Yew:** — Just one final supplementary, Mr. Minister. What kind of an impact do you see Bill 31 having on the native community in terms of the social, cultural and economic conditions?

**Hon. Mr. Andrew:** — Well, we believe that it will allow us to better address those particular questions and that's quite frankly why we're doing it this way. So from that point of view it is our hope, it is clearly our intention, that this new focus, co-ordinated effort will have a positive effect, and that's clearly why we're trying to do it.

**Mr. Koskie:** — Yes, I just want to make a brief comment. The area that I want to comment is in respect to the question addressed by my colleague from Cumberland, and that is the degree of consultation that you have had with the particular groups which will in fact be affected by the establishment of a secretariat. And I'm rather surprised at the nature of the answer of the Minister of Finance. And I say that because I know in the past in the areas of, for instance, liquor legislation, before we introduced it into the House, we did in fact set up a legislative committee.

I can recall we were bringing in amendments to The Mechanics' Lien Act, when we were government about a year ago. And one of the various objections that was raised by now the Minister of Justice is whether or not we have consulted with the construction industry in order to determine the consequences of the legislation.

Here we have, it seems to me, a specific group that we are working with – the AMNSIS (Association of Metis and Non-Status Indians of Saskatchewan) people and the Indian people. And I am basically very shocked that the Minister of Finance is begging off from the direct answer in respect to what consultation is going on, because following the second reading, and a number of the leaders were here present, they in fact, it is reported in the press, were not in agreement, and were not in agreement with the concept as initiated, and had some doubts, or indicated that their consultation process was lacking in so far as the development.

And so what I am saying here is I think that the member from Cumberland raises a very, very legitimate concern. And how can you have, Mr. Minister, a concept which you are trying to purport to the people of Saskatchewan that this is a government that does consultation, and at the same time you come in here, not even the minister in charge of the legislation, and give us this that we have to transfer over to the estimates after the bill is enacted? I would have thought that you would have come in here with a documentation of the discussions that you have had with the various groups, and whether or not in fact you have a consensus. So I guess in conclusion what I'm saying: what in fact has been the consultative process with the two major groups which my colleague from Cumberland has alluded to?

**Hon. Mr. Andrew:** — Well, you made reference to the mechanics ... (inaudible) ... and The Mechanics' Lien Act ... obviously was a policy change as to the way The Mechanics' Lien Act would function – a policy change in the sense that you were going to do something, something different that would impact with regards to that. I raise that for this point: what you're talking about, and I think what the various native groups were talking about, is what policy will this particular department pursue? What policy will this department pursue? This will not mean that a consultative process would be any different than it would be prior to this legislation coming into fact. That's all I'm simply saying.

The government tried when it first came into office, tried to develop a system of co-ordinating that under one minister where it was under a variety of ministers. That was obviously talked about, that co-ordinating approach. Well, you would still be able to do your consultation whether it was a secretariat, whether it was a department, or whether it had stayed before. The consultative approach is how you ought to run government. And that's simply the way I'm trying to answer the question to you. This is a structure with regard to how we're going to deliver that service in government, and how it's going to be structured, not what the policy is going to be. And that's all I'm simply saying. When that policy change is implemented, you clearly have the right to ask questions. I'm simply saying what an estimates function and question would be.

**Mr. Yew:** — With respect to the advisory committee then that section ... With respect to the advisory committee, have you established any communications and agreements, Mr. Minister?

**Hon. Mr. Andrew:** — Well, certainly you couldn't establish any agreement, because until the legislation is law, it would not be a valid and legal agreement of any kind. So all

I'm saying is: what this legislation allows, and does nothing more than that, is allows for an advisory committee, and it lets that advisory committee be whatever it is, and I assume that at the point in time when that advisory committee is appointed, it will be set out the components of that advisory committee. At that point in time, I simply say, you disagree with it, and what changes you think should be made to it, or what you think was wrong with it, or what you think was right with it. This simply allows us to have them, and I'm sure you agree with me that an advisory committee, and that this makes sense to have this in the legislation. That's all this does; that's all this bill does.

Clause 1 agreed to.

Clauses 2 to 12 inclusive agreed to.

Clause 13 as amended agreed to.

The committee agreed to report the bill as amended.

### **THIRD READINGS**

#### **Bill No. 31 – An Act to establish the Indian and Native Affairs Secretariat**

**Hon. Mr. Andrew:** — I move the amendments now be read a first and second time.

Motion agreed to.

**Hon. Mr. Andrew:** — I move the bill now 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 EXPENDITURE**

#### **EXECUTIVE COUNCIL**

#### **Ordinary Expenditure – Vote 10**

##### **Item 1**

**Hon. Mr. Devine:** — Mr. Chairman, it's a pleasure for me to introduce, on my right, Mr. Derek Bedson, deputy minister to the Premier and secretary to the cabinet. Beside me is Mr. Michael Leddy, adviser and assistant principal secretary to the Premier. And behind me, or behind Mr. Leddy is Mr. Brian Leibel, acting director of administration for Executive Council. And directly behind me is Mr. Gren Smith-Windsor, assistant cabinet secretary and Clerk of the Executive Council.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Premier, I want to start off with some questions which are broad questions of government policy. And I want to start by asking you what your general policy is with respect to the development of northern Saskatchewan. You, Mr. Premier, will be aware that the previous government, and I suspect previous governments in different distributions, relied upon traditional industries – that is, fishing and hunting and trapping; relied upon mining, largely carried on on a joint venture basis with private mining companies; relied upon private exploration for minerals; relied upon woods operations, some of them commercial and



attached in a general way to the Prince Albert pulp mill, and some of them only quasi-commercial and designed primarily to provide employment, and secondarily to provide posts or lumber or whatever the product might be.

Then there were government projects – the construction, principally in the 1970s, of roads and housing and airfields and sewer and water systems. Those were the engines which gave rise to a good deal of development in northern Saskatchewan, and a good deal of employment. Efforts were made to protect the environment by insisting upon environmental studies before major projects were proceeded with. And it will be recalled that the proposal to build a power dam on the Churchill River was preceded by an environmental study, and it was decided not to go ahead with that project. Similarly, the decision to go ahead with a mine at Cluff Lake was preceded by an extensive inquiry into uranium development in northern Saskatchewan, headed by a Mr. Justice Bayda, as he then was, now Chief Justice Bayda. And similarly projects that might have involved dams on the Fond du Lac River were subject to an environmental inquiry, and that project did not go forward. Generally, then, a varied pattern of economic development, combined with a great increase in the amount of educational opportunity which was available in the North, together with efforts to protect the environment, efforts of the kind that I have indicated to you.

In that context, I wonder if the Premier would outline what the general directions of his government are with respect to development in northern Saskatchewan and the provision of employment in northern Saskatchewan.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I suppose the main element of our development strategy for northern Saskatchewan is to make sure that the northern half of the province of Saskatchewan becomes part of mainstream Saskatchewan, both in terms of employment opportunities as well as in terms of the provision of goods and services for the public sector, particularly. Clearly that is a difference in the industrial strategy for northern Saskatchewan compared to the previous administration. But I won't dwell on that.

Given that change in policy to incorporate the life-style and the opportunities of northern Saskatchewan into mainstream Saskatchewan, and indeed into mainstream Canada, and in North America, our strategy includes the development of many of the things that are taking place across northern Canada and neighbouring provinces, right from coast to coast. They include education. They include health services. They include, clearly, the development of mines, many things with respect to resource development linked to the activity that's there today: copper, zinc, uranium, precious metals like gold, that have both public and private enterprise involved. It also includes tourism, agriculture. We're working on projects now that have some increased potential with respect to wild rice, game farming and so forth, timber, fish, clearly water projects – as things that hold a great deal of potential.

The kinds of activities that we've identified for Saskatchewan are now being included in northern Saskatchewan, and in our estimation were included before. So I guess I would say that the whole question of our industrial strategy, that includes food, includes energy, includes mining, tourism, and technology and communications, would apply equally in northern Saskatchewan as they do in what has traditionally been known as southern Saskatchewan, or the main part of the province.

In general, it's to change the opportunities for people in traditionally or classical, or I

guess under the former administration, northern Saskatchewan, to make it a very vital part of mainstream Saskatchewan, and indeed mainstream North America.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I wish the Premier would be a little more explicit. I think mainstream Saskatchewan depends upon agriculture, manufacturing for the prairie basin market, and the development of oil and potash. And once you disposed of those items, you have disposed of a very, very large number of the income-generating aspects of the economic life of mainstream Saskatchewan. Which of those do you think has major potential in northern Saskatchewan? Is it agriculture, manufacturing for the prairie basin market, the development of oil, or the development of potash?

**Hon. Mr. Devine:** — Well, Mr. Speaker, I would just say that, again, economic development in the province of Saskatchewan involves our entire industrial strategy. It involves agriculture and renewable resources, and it involves the non-renewable resources like mining. I don't know if there's any potash in parts of northern Saskatchewan where there's uranium or gold or copper, but again at Allan, Saskatchewan, or at Belle Plaine, there may not be any uranium either, so where you find those metals you mine them.

We are exploring an industrial strategy for the entire province that includes agriculture, which is both in all corners of the province. And I mentioned two that are indicative or peculiar to northern Saskatchewan, and that is wild rice, which is a growing world market and one that we're exploring . . . The same with game farming, the same with fishing, the same with timber — those are renewable. Those renewable activities take place in southern Saskatchewan, if you will, and in northern Saskatchewan.

We want those same opportunities to be developed all across the province, not having a separate jurisdiction that may force people interested in mining or interested in agriculture or interested in something else, having to deal with a local northern co-ordinator that may not know anything about any of them. So we want to connect Agriculture straight through the entire province. We want to connect Economic Development and Trade straight through the entire province, from one border to the other. It's to make sure that the strategy throughout Saskatchewan is consistent from one corner to the other. That's the basic policy.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I understand what you're saying. I want to ask a few questions with respect to whether or not you think it's entirely applicable.

If a potash mine is opened at Lanigan or at Colonsay, there's no great difficulty in getting people from the Lanigan area or the Colonsay area to work at the potash mine, and there's no great difficulty in persuading the operators of the mine to hire people from the Lanigan or the Colonsay area. And the record illustrates that and one doesn't need to prove it because history has proved it. Not so with respect to a uranium mine at Wollaston Lake. It is not self-evident as it very nearly is if you open a potash mine at Colonsay. It is not self-evident that if you open a uranium mine at Wollaston Lake or near it that there is going to be any significant amount of employment enjoyed by people in that area. And what I would like to ask you is: what is the policy of your government with respect to ensuring that economic development in northern Saskatchewan provides employment for long-time residents of northern Saskatchewan as opposed to employment for people from southern Saskatchewan or elsewhere in Canada who may move in to accept the employment?

**Hon. Mr. Devine:** — Well, Mr. Speaker, or Mr. Chairman, pardon me, our policy is to provide equal opportunity for every Saskatchewan resident – equal opportunity. And for those that may be less equal because of perhaps less training and so forth, we have made a major commitment for training and particularly training in technical skills. That's why we have announced a major expansion in technical training facilities in the province of Saskatchewan and indeed in one of our more northern cities, Prince Albert – not northern but it's about the middle of the province, not even in the middle – that has the capacity to train 632 students annually. Now that's one of the biggest in this part of the country and certainly will be one of the newest and probably the most contemporary, one of the most contemporary, in North America. The capital cost of this has increased, I believe, from about \$15 million to about \$25 million and employs lots of people.

Basically what I want to point out, I'm dwelling on it for the hon. member, is that we want to provide Saskatchewan people with as many of the skills as possible to take advantage of the resource development. One of the best ways in the long run – and I believe the hon. member used the word long run or sustained; if he didn't, I will – sustained employment opportunities for Saskatchewan people is to have them well educated. I would point out the projects. Even today, the hon. member is certainly aware of this, I believe the figures are about, Key Lake, I think we're employing about 1,000 people right now, 1,000 men and women. And I'll get the figures, but off the top I think almost half of those people are local people and/or native people in that area, or within 100 miles or so many miles of that area, which is indicative of the activity. There is a joint public-private venture where we are trying to provide opportunities for Saskatchewan people.

But again, I will admit that previous administrations didn't get the job done. To train everybody, and to bring everybody up to the level of comparable training – it's a long process, and it's not easy. But it's part of our complete industrial strategy for across the province of Saskatchewan – public expenditures, private expenditures, labour and education, and education here means technical training. Now, we have sacrificed probably some expenditures at the university level because of this.

But it is a major commitment, and it's an expansion over any commitment made by perhaps others, in terms of the capacity for us to produce that quality of an individual to take advantage of these resource skills, all over the province including the North.

**Hon. Mr. Blakeney:** — Mr. Minister, are you caring to predict that two years from now, when there are presumably students at the technical institute at Prince Albert, that a significant number of them will be native Northerners?

**Hon. Mr. Devine:** — When we provide educational facilities in the province of Saskatchewan, we can only encourage people to use them. We encourage people from all walks of life to use them. It's impossible for me to predict the breakdown of the graduates two years from now when we're turning out 600 new graduates, or 500, or whatever the case may be – what per cent they are. I can't do that. I can only encourage people to attend, and clearly you can bring a horse to water but you can't make it drink. We can provide the educational facilities and we would encourage people to use them, to take advantage of the development of their skills and of our resources. But it would be a little difficult for me to predict the demographic breakdown of the graduates two years from now.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I think this comes to the nub of the matter. Many, many people in northern Saskatchewan are of a very different cultural background than the people in southern Saskatchewan. They have not shown any disposition in large numbers to come to southern training institutions. And this is true not only in Saskatchewan, but elsewhere.

I take it you are saying that you are going to provide the technical training facilities in southern Saskatchewan, southern being defined as that area inhabited by people of non-native extraction primarily, including Prince Albert, and if natives do not come out of the North to take the training, then that's their problem. I suggest to you that it's our problem as well, and I think that it is not necessary that technical training be obtained only at a technical institute. Technical training can be obtained on the job, as it has been by the close to 50 per cent of the people who are of native origin who are building Key Lake.

I want to remind the minister, the Premier, that that number is there because of a specific requirement in the contracts that the developers of Key Lake were required to sign, that 50 per cent or thereabouts — it varied a bit, depending on different phases — but roughly 50 per cent of their employees would be of native origin. And it has, on the Premier's own admission, been a success in that sense of the word, as I think any realistic analysis of the results of Cluff Lake would say it was a success. What I want therefore to ask is: is your government pursuing the same policy of requiring people who develop uranium mines to employ a given stated percentage of people of northern origin, a given stated percentage set out in the contracts by which they get their surface leases or other rights to develop?

**Hon. Mr. Devine:** — Well, Mr. Chairman, two responses, very briefly. I'm advised by our educational people that we are providing training centres, not only in technical education, not only in Prince Albert, but in fact in northern communities. One is La Ronge, for example, and I don't know the extent of the expansion there, but it's my understanding that there are some educational provisions being provided and certainly . . . I mean, it's part of our industrial strategy to provide education throughout Saskatchewan. Now, I mention the P.A. one because it is brand new and it is sort of in the middle, so people from both corners, or all four corners, can get there. But it's not limited to Prince Albert, and I want to make sure that that's clear to the public — that there are other places. I believe there's the expansion of the same sort of facilities in Meadow Lake. There may be expansion of other facilities farther north.

With respect to ensuring that there is, or are, I suppose you might call them affirmative action procedures and guide-lines, etc., for the participants up there, what we are striking to find and striking to build is a balance. I suppose our view of a balance may be a little different than the previous government's view of a balance, but a balance that encourages public and private enterprise to work together, provide as many opportunities as possible and include local people.

Now the guide-lines designated by the previous administration may not be copied exactly by this administration, but there will be guide-lines. Certainly the guide-lines and the incentives provided to encourage more people to come in and develop and work and create and explore and mine, etc., may be different than under the previous administration, that is to provide more jobs for more people which, as the hon. member says, the objective is on-the-job training. So the key is to create economic activity to provide the jobs, and that's the balance that we're trying to strike in our industrial strategies, to include a healthy balance of private and public in areas so people can feel

comfortable with the development and they can have on-the-job training as well as, I suppose, the more academic training in technical schools, whether it is La Ronge, or Meadow Lake, or Prince Albert, or maybe some other places that I just don't have at hand.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I want to pursue this a little bit because I think we obviously do not agree on what is balance. I would have thought that where a major economic development is going to take place in a remote area which offers very few other prospects for employment, and where the population is increasing very rapidly because of the relatively late introduction of high-grade medical services, as happened in northern Saskatchewan after World War II, that a balance would be at least 50 per cent of the employment being provided by the people indigenous to the area, and not more than 50 per cent of the employment being provided by people who come in from outside the area and had no other relationship with the area, and no historic relationship with the area. And certainly I would have thought that that was the minimum level of employment which economic activity ought to offer to the people indigenous to the area.

The story of development in remote areas occupied by native people in Canada makes it very, very clear that there is no necessary relationship between economic development in an isolated area and employment of the people who are indigenous to that area unless you make it happen.

There are mines all across northern Canada — which are in areas previously occupied by native people — whose work-force is, as to approximately 100 per cent, people who have come into the area, and whose work-force is, as approximately zero, people who are indigenous to the area. And you can find that all across northern Canada.

And the question is whether or not we're going to develop our North by that model. I'm simply saying: come in, develop the mine, hire the people who you think you would like to hire, do not discriminate against anybody, but otherwise hire the people you want. The result will be as it has been everywhere else; that they will hire the people who they are comfortable with, and the people they are comfortable with are people with whom they had worked elsewhere, non-native people who are not ordinarily indigenous to the area.

It takes a very, very conscious effort to break that cycle. And I believe that the Government of Saskatchewan, regardless of who occupies the treasury benches, should pursue that endeavour. And I know of no way that one is likely to achieve any better results than combining technical education, which the minister has quite properly emphasized, the Premier has properly emphasized, and specific guide-lines requiring native employment which the Premier has de-emphasized.

I remind the Premier that so far as I am aware the contract which he has recently signed for the development of the second phase of the Gulf mines property, if I may call it that, the Rabbit Lake property, does not provide for specific guide-lines as the one at Key Lake did. Key Lake has been really quite an outstanding success, as has Cluff Lake, and one can compare that with, let us say, Eldorado, where the work-force would never be more than 5 or 10 per cent native, because it started at a different base, and compare that with Key or Cluff, where the work-force has frequently been of the order of 50 per cent and sometimes more.

I'm asking the Premier whether he believes that the Cluff Lake-Key broadly model, stated, is the way we should go, or the Eldorado model, broadly stated, is the way we should go, which produced remarkably little employment for native people even though it was in the very heart of country traditionally occupied by native people.

**Hon. Mr. Devine:** — To add, Mr. Chairman, to the previous information, we do have satellite training centres in the North — part of the Outreach program. And these are continuing to be expanded. So I agree with the hon. member, Education is extremely important, and we're going to focus on that. And I want to add to that. I think they're in La Ronge, Meadow Lake, and possibly Buffalo Narrows.

But one of the things that the native population said to me, and I believe I'm sure that they've said to the hon. member opposite, is that the forced assimilation and many examples of the affirmative action have not been satisfactory. And the people that were sitting in the rooms of the legislature recently said, 'It's not good enough.' When I was in Ottawa at the constitutional conference many of the chiefs and many of the leaders said, 'I don't want forced assimilation. I want to be able to have the choice, and I want to be able to be educated enough to have the choice to decide where I want to go, not just because somebody else decides you will work there because it's the law.' And I respect that. That's why I've said we want to strike a balance. I want to strike a balance all across Saskatchewan that says that there is the opportunity, and to have that opportunity and to exercise it, it takes time.

Now I don't want to dwell on the record of the previous administration. We dwell on the record of the . . . I don't want to. We go on in terms of the problems that have existed year after year after year, and many cases didn't get better. And I'll just leave it at that. There is much more we can do. All I'm suggesting is that the native communities are saying to me, and many of their leaders are saying to me, 'I don't want this forced assimilation,' and in many cases this affirmative action hasn't been successful because they are just being hired because it is the law. And it didn't do anything to the dignity of the individual. It didn't end up in a successful relationship either way. If they can have the education and the training, and feel comfortable with it, the whole world opens up to them because they've developed their talents.

I respect that. I'm going back and saying, your arguments in some circumstances, in some arrangements, have validity. I'm not saying that our balance will be the same as what you think is the balance. I believe that we'll have more of a balance, or our balance will emphasize education and training, as opposed to saying this is the law and you must hire these people regardless of their qualifications, because education and the development of personal skills, human resource development, is extremely important to everybody. It isn't isolated to natives. It isn't isolated to any ethnic origin. It isn't isolated to any individual. That's the key to develop anywhere. So our balance is an industrial strategy based on, again, education, industry, government, and labour. That combination. And I want to see that balance in northern Saskatchewan, as I do in southern Saskatchewan.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I certainly hope there's a technical training facility at Meadow Lake, if there isn't it's been closed down the last couple of years. And I certainly hope there's one at Buffalo Narrows, because if there isn't it's been closed down in the last couple of years. And I hope there is one in La Ronge, and if there is one it is one which has been expanded in the last year or two because the La Ronge facility was not a particularly adequate technical facility a year ago. And I am glad to hear, if you're saying so, that there is now a much larger

technical training effort going on at La Ronge, other than that which was offered by the community college prior to that.

I am again saying to the Premier that if he is relying upon education being offered in Meadow Lake or Prince Albert for people at Southend, Reindeer, or people at Cree Lake, or people at Patuanak, I think he's relying on a very weak reed because I do not think that they will seek the training. I think that efforts have to be made to take training to these villages and towns which have been isolated in the past. And as I say, all training doesn't have to be in a technical institute. A lot of it can be on the job. Many of the people who are now working, and working quite successfully in mining operations in northern Saskatchewan, got their first job with the Government of Saskatchewan, operating road construction equipment, and learning to operate it successfully, and constructing roads and getting training at the same time, and are now working at Cluff Lake or Key Lake as the case may be.

Nobody suggests that this is a perfect model, but I will be exceedingly interested in seeing whether or not any other model of getting them to come down to Prince Albert is going to be more successful. And that's the real test. The people of northern Saskatchewan are our fellow citizens. They are going to share in the bounty of the industrial production of this province, and the mining production and the agricultural production. And they want to share in the production end as well as the consumption end. They are not now taking their full share in the production end and they know it and we know it – and they want to.

And so far, we're not doing that well. The rate of unemployment in northern Saskatchewan is depressingly high, and has increased in the last year, and I don't think anyone will deny that. I am raising real questions as to whether the strategy outlined by the Premier is going to be successful, and urge him to consider whether or not he ought not to continue to have employment requirements when a major mine is being developed. I take it from the language he has used that he is talking only now in generalities, and there will be no requirement that a given number of people of northern origin be hired. And if that be so, then I think that's a mistake. And I want to urge that point of view on the Premier.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I take the hon. member's recommendations, and we consider all the possibilities. We operate the mines, Key Lake and that joint venture, and we know whether they are failures and the successes. We look at them. We look at what we can do in terms of education, in terms of Outreach – the whole balance of elements. It's a matrix of things that you do at the same time, and I'll take his advice under consideration, and we'll give it our best shot.

**Mr. Yew:** — Mr. Premier, don't you feel that uranium development, mining and forestry that happens in your front yard . . . Don't you feel that Northerners ought to have a say, that Northerners ought to be given preference over such developments?

**Hon. Mr. Devine:** — I'm not sure that I understand the consequences of your question. Those that live beside a mine are obviously closer to the mine and it has a bigger impact on them. That's true. That's true on Colonsay, as well as it is true in Uranium City. So I'm not quite sure where you're leading us.

**Mr. Yew:** — No, Mr. Premier, my question was this: like the Leader of the Opposition, my colleague from Elphinstone was suggesting, there ought to be a special clause for Northerners – when a development is happening in your own backyard it should be

natural that whatever development is happening, like in northern Saskatchewan, uranium development, forestry or whatever, people in northern Saskatchewan ought to be given special preference. Don't you agree?

**Hon. Mr. Devine:** — Well, I believe that they, your colleague and the Leader of the Opposition, pointed out that prior to any developments there are environmental studies, there are impact studies, there are local hearings, where people express their views on that development. They expressed a view, number one, they would like to have the employment and the economic activity so that they can increase their wealth and have on-the-job training. Secondly, they expressed the view on the other hand that it may have an impact on their environment and on their traditional way of life. We all wrestle with those. I mean, when you break the prairie it changes the prairie. And it has some benefits and it has some costs. You lose the prairie-dog towns on one hand, but you can grow wheat on the other. The same with mining. You start mining and it changes from one life-style to another. But they have opportunity to express themselves. As your colleague has pointed out, some of the projects go, some of them stop because of impact studies, and environmental and others. So you're right. They have a significant say. I couldn't argue that.

**Mr. Yew:** — No, what I'm trying to get at, Mr. Premier, is the fact that the hon. member from Meadow Lake expressed on March the 24th that they wanted to change the existing surface lease agreements specifying to an extent that a certain number of northern native people ought to be hired at those developments, and I raised the question at that particular time and I raised it here in the legislature with regards to that surface lease agreement. Where did Mr. McLeod, hon. member from Meadow Lake — I see him walking — get his advice? Did he get his advice from the local councils in northern Saskatchewan? Did he get the advice from the LACs, the LCAs? I guess not too many people here know they refer to the local councils in northern Saskatchewan as LACs — local advisory councils and local community authorities. And my question to the minister was: where did you get your advice from? Did you get it from an individual or did you get it from a local council? And he said it was from an individual.

My question is, you know, the seriousness of the question that the member for Elphinstone was raising, the seriousness of that issue is the fact that there is at this moment 85 per cent unemployment at the very minimum, and possibly 98.9 per cent unemployment at the maximum. My question to you is: will you retain those surface lease agreements? I mean the clauses specifying that a certain number of Northerners will be maintained in the work-force.

**Hon. Mr. Devine:** — Well, this is somewhat like DNS estimates, but I understand from the minister that the surface lease agreements are in force, and section 3 of those agreements deal with socio-economic concerns and impacts, and they are to be recognized and dealt with on a continuing basis. I mean, again it's a balance of all these things that are under consideration, as economic development and as training and as employment takes place.

So, yes.

**Mr. Yew:** — I guess what my colleague from Elphinstone and I are trying to get from you, Mr. Premier, is the recognition that is required for this special area.

The northern administration district is very unique in a sense that we have such high



unemployment. Welfare – it's sky-rocketing.

Now the development is happening right in our own back yards. The resources are being extracted by multinational corporations, what have you, and all we're simply asking your administration is to recognize the problem of the high welfare and high unemployment problems that we have in northern Saskatchewan, and designate or maintain the existing surface lease agreements that we have. And I guess my question to you, Mr. Premier, is this: will you maintain those surface lease agreements, or not?

**Hon. Mr. Devine:** — I just replied, Mr. Chairman, that I'm advised that they are in effect now, and section 3 of them applies to the socio-economic conditions, and they are in effect. I can't really add any more than that. They are in effect, and they're there for that purpose, and they're carrying on.

Let me just add that I have confidence. I have confidence in the minister, and I have confidence in the ministers of economic development and the ministers involved in agriculture, and the ministers involved in our total industrial strategy – in their ability to provide opportunities, economic opportunities for Saskatchewan people from one end to the other. I have that confidence. I cannot agree that our policies will be precisely the same as the former administration. If you want me to say that, no, unfortunately I can't say that. Clearly, people in Saskatchewan made a choice, so . . . But yes, I recognize those special problems, and we are giving it very serious consideration, and the minister in his estimates has explained it probably in much more detail than I can.

**Mr. Yew:** — Mr. Premier, I raised that specific question, because on March 24 the minister indicated to the local advisory councils and the LCAs involved at this particular meeting that – I think what he referred to was the retention of rate – that you would be introducing a new clause or something, to the extent where you would do away with this agreement. And basically my question to you is: will you retain the existing agreements that we have, or will you not?

**Hon. Mr. Devine:** — Again, I'm advised by my minister that those provisions are in force now, and he advised me that when they come to an end, and they're renegotiated, the same sections that are of paramount concern, section 3 in existence today, will still be there. So those applies to the socio-economic impacts on local residents, as I understand it. So he has said that in the House, I believe, and in his estimates, so I can just reiterate that.

**Hon. Mr. Blakeney:** — A short question, Mr. Premier. Clearly what has upset some of us is that a pattern was followed with respect to Cluff Lake – which at least in our judgement worked out successfully, and provided a substantial amount of native employment – which provided for a given percentage of the work-force to be of northern origin. The same with Key Lake, and on the Premier's own admission, working well. The recent contract signed for the next phase, phase 2, of Rabbit Lake, under whatever name, did not contain any such clause, but talked about best efforts or words to that effect, which is a really quite different policy, and I wondered whether this represented a change of direction by your government from the pattern which had been followed at Cluff Lake and Key Lake, or whether there were some other reasons why the pattern for those two mines was not followed with respect to the new mine in being at Rabbit Lake.

**Hon. Mr. Devine:** — Well, my minister advised me that, in this example that the hon. member has asked me about, we are following the tradition that has been practised by

primarily I guess it's Gulf Minerals in their operations in the Athabasca area, and they have had a very successful rate of native employees and local employees. And it's relatively well recognized in the Athabasca basin that it is successful. So to that extent, we followed along the same tradition, and I think it goes back again to the balance that I was talking about. We are there to make sure that it works, and we want to do whatever we can to strike that balance to encourage, one, economic activity and, two, to facilitate the employment opportunities for Saskatchewan people, particularly where they live. And so I can just go back and say that this example may prove to work, as it has in the past, that didn't have the same rules and regulations, or the laws, that some other example might have had. But our objectives, I'm sure, are the same. Methodology, as I said, may be different from one administration to another. The objective is to make sure Saskatchewan people have the greatest opportunity for employment, and I don't really think I can add much more.

**Mr. Thompson:** — Thank you, Mr. Chairman. Mr. Premier, in your opening remarks regarding an economic strategy for northern Saskatchewan, you indicated that the priority of your government was to bring northern Saskatchewan into the mainstream Saskatchewan. And I would hope that when you said that that you meant that they would be given equal opportunities, the same as everybody else in this province. You have been in government now for one year, and I question the statement that you just made, given the fact that in Saskatchewan we have a 9 per cent unemployment rate, 8, 9 per cent. And in northern Saskatchewan we have an 85 per cent unemployment rate. Now that is quite a difference, and that most certainly did not exist one year ago today. In Saskatchewan we had an unemployment rate of 4 per cent in this province. Today we now have an unemployment rate of 9 per cent, and I would say probably closer to 10, 11 per cent.

In northern Saskatchewan one year ago today we did not have 85 and 90 per cent unemployment, but we most certainly have that today, and it's increasing day by day. More and more of the work-force in northern Saskatchewan are becoming unemployed and drawing unemployment insurance and are on welfare. You have indicated that you want to bring them into the mainstream of life and that you are exploring ways of doing this. You speak about the educational facilities that you are constructing in Prince Albert, and that is fine. I compliment you on that, but the fact is that will not be taking anybody from northern Saskatchewan or any place in this province to go into any courses probably till 1984 or '85, which is two to three years down the road. And I think that that poses a serious problem to northern Saskatchewan.

My first question to you, Mr. Premier, is: do you recognize the fact that education is a very important part of developing northern Saskatchewan and a strategy for northern Saskatchewan, a long-term strategy?

**Hon. Mr. Devine:** — Pardon me, Mr. Chairman. Did you just ask . . . Did the hon. member ask if education was an important part? Long-term strategy? Yes, I could only reiterate that it is, and that's why we're spending money on it, that's why we have our Outreach programs, that's why we've got the expanded technical schools, and particularly the new one in Prince Albert. So, yes, it's a very important part of the long-run economic and development strategy of the entire province, but I think it's particularly important for the northern half.

**Mr. Thompson:** — Yes. I most certainly agree that education is a very important part in northern Saskatchewan. We have to provide the best possible education and the

best possible educational facilities to the citizens of northern Saskatchewan, especially to our young people up there.

Mr. Premier, two weeks ago in this House, when I asked a question of your Minister of Education regarding the replacement of a school that was destroyed by fire two years ago in La Loche, I asked him if that school would be ready for the 1983 fall term. He indicated to me, and to this House, that that school would not be completed for La Loche until the fall of 1984. Do you consider this a proper way to facilitate education in northern Saskatchewan, by reconstructing a destroyed school that was destroyed two years ago and now you're saying that it will not be ready until the fall of 1984, because it's just too fast to go in there and construct a facility of this type in that short a period?

**Hon. Mr. Devine:** — Pardon me, Mr. Chairman. When did you say it was destroyed? What was the date, do you know?

**Mr. Thompson:** — Of what?

**Hon. Mr. Devine:** — Of what year? Mr. Chairman, if the school was burned in February of 1981, I am sure that the hon. members would have liked to have got it rebuilt by '82. They were still in power at the time. They had a year to look at it. I would like to see schools being rebuilt just like that. I can only . . . (inaudible interjection) . . .

**Mr. Chairman:** — Order, order, order, order! If the member wants to ask a question, would you ask the question from your standing position? Anybody in . . . (inaudible) . . .

**Mr. Thompson:** — Mr. Chairman, I didn't get an answer from the Premier on my last question.

**Hon. Mr. Devine:** — Well, the question was: can we have the school built before '84? I don't know whether it can be built before '84. I reiterated the point that it was apparently destroyed in February of 1981. I don't know from our records if we found that there were any plans at all by the previous administration, which was yours, to rebuild it at all. It takes a while to rebuild a school, to have it available in a particular area and to do it right. I would like to have them be able to be built in a week, but I guess they can't be.

We are committed to education; we are committed to education all over Saskatchewan and indeed in northern Saskatchewan. So our commitment will continue and I can assure the hon. member that our commitment to education will continue.

**Mr. Thompson:** — Mr. Premier, you have just . . . I'm not too sure of the date. I indicated February of '81; I'm not too sure. It's approximately two years ago that that school burned down. Regardless of what the date is, you asked me what the date is. I don't think that the date of when that school burned down has anything to do with the rebuilding of that school. I think that you're trying to shrug away from the responsibility of rebuilding that institution. To get up and answer a question and say, 'Well, what date did it burn down, what month?' . . . You know, to me the most important part is to get that facility rebuilt, and get them students into a proper school as soon as possible. And your minister has got up in this House and indicated that it will not be constructed for another 18 months.

Well, I want to say that when we left government last year, plans were already in place to

start the planning of that school, but your government took over on April 26th and what did you do? You scrapped, and you cancelled the plans to rebuild that school. There's no reason why that school couldn't have been planned, and rebuilt, and ready to go in the fall of 1983, this term. My question was: do you consider that as a priority in education, by holding off the expansion of that school that was destroyed by fire until the fall of 1984? Do you consider that as putting education as a priority in northern Saskatchewan?

**Hon. Mr. Devine:** — Well, I won't debate at length unless the hon. member wants to, Mr. Chairman, about this school. I've just reiterated. It burned well over a year prior to your defeat, and we have no records at all of any plans to rebuild it – to build it at all. There's nothing. Maybe it went through the shredder; I don't know, but there's no records that we can find that you had planned to rebuild the school at all. So it is a little bit out of order, perhaps, for you to come on and say: 'Well, where's our new school?' We have committed over \$4 million to build the school, and that was more of a commitment that we could find anywhere from the previous administration, so, I mean, be fair. We haven't even been in power for a year; a year of transition, and doing all kinds of things, and I could go through them. I don't think you want me to do that.

And we have made a commitment to the school, and you had an opportunity immediately after it was burned to build it, and there's no records at all that you were going to build a thing there. I'm really going to leave it there. We've made the commitment and it will be built, and it will be done right, and so forth.

**Mr. Thompson:** — Mr. Premier, you have indicated that your government has committed \$4 million for the reconstruction of the school at La Loche that was destroyed by fire over two years ago. We've determined now that it was over two years ago, because it was well over a year under our administration, and you have had a year, so the school burned down well over two years ago by your own admission. And you have indicated in the House that you have allotted \$4 million for the reconstruction of the school, and yet you're saying that it cannot be constructed until the fall of 1984. If that \$4 million is in there to rebuild that school, I say: why are the plans not out? Why are the tenders not being put out by the unit board in La Loche? They have 1,500 children in La Loche that go to school. The largest population of schoolchildren of any community in Saskatchewan, and you are saying that you have committed the \$4 million, yet your minister indicates that the school cannot be ready for use until the fall of 1984. And I say that that's not a priority for education in northern Saskatchewan, just like when you got in you cancelled the bus line. That wasn't a priority for La Loche either. And you cancelled, and you studied, and as a result we had massive unemployment in northern Saskatchewan. You indicated . . . I'll get off that. I've got the answer. I'm not going to get any further with you.

I want to ask you a few questions. You went over some of the things that you felt were important to bring northern Saskatchewan into the mainstream Saskatchewan. You indicated that your government was planning to start some game farms. I wonder, Mr. Premier, if you could comment on the game farms that you're planning for northern Saskatchewan.

**Hon. Mr. Devine:** — I can't provide any more details other than that we have an advisory . . . well, several advisory councils . . . one in terms of general development in the province of Saskatchewan. I have one in terms of native development and agriculture, but I don't . . . I can't give you any more details on that. I know I can on the wild rice and some other things, but they're ongoing and they're active, and we're

exploring them, very sincere research, and actively involving people in that area with respect to their interests, and their trainings, and the markets, and all the elements necessary to make them go, if at all possible. I could add to the hon. member that in terms of some of our Outreach training program for our people . . . And incidentally the school is to be opened the fall of '84, right, which means it's being built between now and then. Now, that's just a little over a year, because this school year is coming to an end and by next year, we'll have it built. So I hope he includes that in his record that he provides his constituents. In terms of Outreach training, there's truck driver training, a 7-week course that is in the La Ronge region. There is office education training, a 38-week course, La Ronge region. There's chemical lab and environmental lab technology training, 40 weeks, in the La Ronge region. MVNR training, 28 weeks, La Ronge region. There are some examples of some of the things that are being provided for people to be able to take advantage of the economic activity in the local areas.

**Mr. Thompson:** — Just a short comment, Mr. Chairman. You made the remark that the school is going to be constructed, would be ready for the fall of 1984. Most certainly that's what we were just discussing. I wasn't discussing that you were going to build it in the fall of 1984. I was concerned that it wasn't going to be open in the fall of 1983. That's when I feel that it should be ready for occupancy, not the fall of 1984.

To get back to the game farms, you specifically said, 'game farms in northern Saskatchewan.' You didn't distinguish between fur-bearing animals – and I speak of raising foxes, and mink ranching, or anything like that. You zeroed in on game farms. Could you indicate what type of games, or what type of animals? And I know you must . . . You've been discussing it. You mentioned game farms. What type of animals are you talking about – buffaloes or wild animals of the forest?

**Hon. Mr. Devine:** — Well, I can't provide that information. Well, we are studying several possibilities and I'm advised that, and we've had several projects under examination and when they become pilot projects or when we do these things, then it'll be known to the public. But we're looking at all sorts of activities in terms of renewable resources and non-renewable resources. Renewable obviously are timber and agriculture, game, fish, water, etc.; the non-renewable – mining, so forth. So they're actively being examined by people who understand them and know them and have been involved in them. And when they're ready to go to the public in terms of some pilot projects, the public will be informed.

**Mr. Thompson:** — Mr. Premier, I wonder if I could get you to comment on the Northlands agreement that was used in northern Saskatchewan. I believe there were five-year agreements and then I believe there may have been another addition added on that. And a lot of that money was used to develop the infrastructure that we do have in northern Saskatchewan today – highways, schools, fire halls and such things as this. Are we still in the Northlands agreement or are we re-negotiating? And if you are re-negotiating, do you have any idea of when it might be signed?

**Hon. Mr. Devine:** — I am advised, Mr. Chairman, that we are operating under an extension of the Northlands agreement and we have preliminary negotiations under way with, between the two levels of government about the future . . . (inaudible interjection) . . . Pardon me? Yes.

**Mr. Thompson:** — Mr. Chairman, in closing I want to impress upon the Premier that the situation is severe in northern Saskatchewan and you've talked about the mines,

and you've talked about tourism and you've talked about timber and fish and water projects. And I would just, in closing, encourage your government to seriously look at and encourage that type of development, whether you get involved with it as a government or encourage private enterprise to go in there and develop the tourism, the timber and the fish and the type of projects, the limestone mine that is a possibility and I hope that it becomes a reality in Pinehouse and the graphite mine at Southend, Reindeer.

In closing, I would also ask that when the graphite mine or the limestone mine or any new mines are developed in that area, that you negotiate the type of a surface lease that will at least give Northerners that opportunity that they have now under the surface lease agreements at Cluff Lake and at Key Lake. I question the validity of the statement that the Gulf Minerals mine at Wollaston Lake is working very well, because I don't believe if you go in there, that you're going to find that 50 per cent of the employees at Gulf Minerals are Northerners. I think you will find that it's quite low. They draw mainly from the Stony Rapids, Black Lake, Fond-du-Lac area. But I would encourage your government to continue with this type of surface leases and to get some development into northern Saskatchewan as soon as possible and take a serious look at expanding the vocational training centres that we do have already situated in La Ronge, and especially in the west side where we have such a large labour force in that west side. Thank you.

**Mr. Shillington:** — Yes. I have a question to the Premier. It has to do with the suggestion by native groups that native rights . . . the constitution be amended to include native rights. And I refer to the constitutional conference which you just had. My question to the Premier is twofold. First of all, what do you understand the position of the native groups to be? What are they requesting? And secondly, what is the position of the Government of Saskatchewan with respect to that request?

**Hon. Mr. Devine:** — Mr. Chairman, I don't profess to speak, nor do I want to for the FSI or for AMNSIS (Association of Metis and Non-Status Indians of Saskatchewan) or for anybody else. And they can express their concerns. Basically their concerns is for equal opportunity in this country, and for some constitutional protection of some agreements that were signed years and years ago, that would give them opportunity to develop and to have their children develop. And what we agreed to in Ottawa was a process to allow all these concerns and aspirations to be solidified. Some of them are not constitutional. Some of them are. And for many areas it's not quite clear in the minds of a lot of people what, for example, some things like sovereign governments might mean. And everybody admits that. It's a little difficult to totally understand. It means one thing at a local level, a municipal level, or on a reserve, and so forth. It means something else when we get into international trade.

So the agreement that we struck really was a mechanism that allows us to proceed for ongoing negotiations, and I believe was a milestone for natives in general. Certainly the inclusion of women's rights in there which was — we supported at the outset — was a major milestone for women, not only native women, but for women right across the country. So generally, it's always the question of equal opportunity for people, regardless of ethnic origin, regardless of demographics, regardless of geography. And that's the concerns that the natives brought to the table, and I believe we were the only province to hold a day and a half, or two days meetings here and prior to the convention in Ottawa, to deal with these, and to understand them fully. So we had an entire Saskatchewan delegation, which was excellent. The relationship continues to be good, and I'm looking forward to very positive results in the future.

**Mr. Shillington:** — That's a surprising claim, Mr. Premier, that your relationship with native groups is good. At least some of your ministers have been conducting a growling match for months over various issues. I don't however want to get side-tracked on that for the moment. I want to know what . . . apart from ongoing meetings, is the process any more definite than that? Is there any ministerial committees meeting and working on it? Is there anything more to it than just an agreement to meet and discuss it again? If I were a native . . . if I were a leader of a native group, I'd be somewhat concerned if there were nothing more definite than an agreement to meet and discuss it again. That may not result in very much progress. Is there something ongoing now, are there a group of ministers working on it, or what's happening? When do you expect . . . (inaudible) . . . summarize my question . . . When do you expect to meet and discuss it again? And what is ongoing in the meantime, if anything?

**Hon. Mr. Devine:** — The ongoing process is just that. Our officials are meeting with native leaders and native officials on a regular basis, discussing all kinds of things – land claims, economic development, development packages, financing, education, independence, in the sense of economic independence and the kinds of things that we can do to encourage that – generally to facilitate the development of the native in an independent economic fashion, because clearly with economic independence comes more social and more political independence.

Those discussions are going on, well, daily. We have a complete staff that's doing that on a daily basis. And the minister responsible and I discuss it, and I meet with the native people. The next processes will be us dealing with more and more of the specifics, and then generally there will be another convention or conference or super mega visit on the whole topic, and in fact, there may be several. So it's an ongoing process. My officials are involved on an ongoing basis; the minister is involved on an ongoing basis; the native community is actively involved on an ongoing basis.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Premier, I want touch now on the broad policy of the government with respect to environmental impact studies. And I pointed out that when the Cluff Lake mine was put on stream, there was an environmental study and public hearings. And when the Nipawin dam project was put on stream there was an environmental impact study and public hearings. And that was true with respect to somewhat more minor projects such as the Squaw Rapids-The Pas power line. The question I ask is: have any public hearings been set up since you assumed office?

**Hon. Mr. Devine:** — Mr. Chairman, in answer to the hon. member, we'll dig up all that we can find. I have a couple here. We had several types of hearings.

There's one that was filed and was an impact and environmental impact study on phase 2 of Cluff that was reported in November this last year, November 30th, 1982. The Department of the Environment completed its technical review along with Environment Canada, Atomic Energy Control Board and independent consultants. The 30-day public review period was just closed on April the 26th, 1983, and the issues raised are now being evaluated and the need for additional public inquiries shall be assessed, and are being assessed.

There was a study completed, well, I believe that one was 1981 – pardon me. A symposium was held in April of 1982 in Saskatoon to deal with hazardous wastes. There still may be ongoing concerns in that area. There is the possibility of some

environmental work with respect to the potential for something like Rafferty Dam, and in the event that a decision was ever made to increase the possibility of coal-fired generators in that Estevan area, and if water was needed, there would have to be some environmental studies there.

I will see if I can locate, through SMDC or anybody else that is active in our employment, to pull together any other environmental things that may be going on.

**Hon. Mr. Blakeney:** — Mr. Chairman, Mr. Minister, I was asking a rather narrower question. I'm sure that environmental impact studies are still carried on, and when an environmental impact study is done, then a decision has to be made as to whether or not there are going to be any public hearings. And that is the time when the public gets an opportunity comment. And my question to you is whether or not in the past year, less three or four days, your government has made any decision which would require public hearings on any issue involving the environment of Saskatchewan.

**Hon. Mr. Devine:** — Well, as I mentioned, Mr. Chairman, I will endeavour to get any information that, with respect to decisions we may or may have not made, with respect to environmental hearings . . . I don't have that information with me. I can't recall, at this time, that I've made decisions, or that we have made decisions, to go ahead with one or more or whatever. I will endeavour to provide the information as quickly as we can get it.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I want to turn to another subject, and that has to do with crown corporations and the broad policy that you are pursuing with respect to crown corporations. And I will confine it now to utilities, and confine it now for the moment to power, the Sask Power power utility and in its gas utility, and Sask Tel, and, if you wish, The Automobile Accident Insurance Act.

But I will perhaps start with Sask Power in its power and gas, and Sask Tel in its non-competitive aspects. And what I'm asking is: what is the policy with respect to aiming at profits? Is the proposal, and I am now wanting to use the terms with some precision, the business or financial terms, the accounting terms . . . Are we aiming at a break-even figure, or are we aiming at a profit, and if so, what are the broad profit objectives? Because . . .

And I will give a little preface to this because, when the party which is now the government was in opposition, they strongly advocated the idea that the utilities should be operated at a break-even figure, and that profits were undesirable, whatever they may be used for: even if they were used to reinvest, they were undesirable. They should be used at a break-even figure, and indeed, at times arguments were suggested that they should be operated at a loss.

Since that, we've had the Wolfgang Wolff commission which suggested really some different profit objectives, and we've had the public utility review commission legislation which I think includes some different profit objectives, and I am trying to find out what the government's broad policy is with respect to the profit policy of Sask Power, Sask Tel.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I spent quite a bit of time at length going over this in the last estimates, and I'm sure the same question, I'm sure you'll find it's identical.



Generally public utilities are viewed by this administration as natural monopolies. Natural monopolies tend to be industries which have large economies of scale. In other words, it could be monopolized by perhaps only one firm. Because of the economies of scale, that firm, if it could take over the power, would have a natural monopoly position which could extract monopoly profits from the public.

The theory behind natural monopolies and why they go into public utilities is that we want to capture some of those monopoly profits, or if you will, run down that long-run cost curve so that the consumer can take advantage of that by providing the service at cost, somewhere close to the long-run average cost, and not be in a position to extract monopoly profits, or if it's run in the public sector, not be in a position to tax people above those long-run costs.

Our objective in public utilities, as it is for most administrations across Canada and the United States, is to provide that service in the long run at cost to the public – run it efficiently and effectively. That includes the capital projects that generate the service, whether it's a power, hydro-generated or coal-fired generated or something.

But they, in the long run, break even. It does not include, and the reason you were criticized before, is to use that public utility as a source of taxation to rob Peter to pay Paul. And that's what causes people to be upset. In the event that you raise power rates or you raise telephone rates above what normally would be the case, when they are already in a profitable position to subsidize something else, that isn't what they were designed to do. And they weren't designed to lose \$50 million either, as some utilities . . .

**An Hon. Member:** — Under your administration.

**Hon. Mr. Devine:** — I won't get into that. All I want to suggest, sir, is that in the long run it's to break even, it's to cover costs. It's to run as efficiently and effectively as possible – not to incur large debts in this public sector, not to use it as a source of taxation, but to cover the capital cost to get the projects done and provide the service.

I believe in theory and in, I suppose, just the intuitive minds of the public, that's what they'd like to see a crown or a public utility operate now. The role for the public utilities review commission is precisely as a watch-dog to say, 'Aha! Is this rate justified? Are you using this as a source of taxation? Are you efficient enough? What does the product line look like? Are your rates corresponding to the service you're providing?' And in most jurisdictions around North America that public utilities review commission is looked at as a watch-dog on behalf of the consumer, because this is a monopoly. It is a publicly run monopoly. A monopoly, clearly, has an awful lot of power. So our objective is to have a well-run, efficient, break-even analysis, in the long run. If there are huge losses that have to be looked after, something has to be done to make sure that we pay for those losses. If they're capital projects, something has to be done to look at that. If there is an unhealthy debt-equity ratio in the conventional sense, and something has to be done to correct that so it is healthy in the long run, the consumer would like to have that.

So, I don't think I can add any more, and it's to a large extent what I said the last time.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, you can add a good deal. You could add some precision, and I'm going to ask some precise questions, and ask you

what you're saying.

First, do you believe there is a place for a dividend in your analysis? Is there a place for a dividend payable by not a utility in vacuo but Sask Power – Sask Power, which is in broad terms using perhaps \$1.2 billion, most of which is provided by borrowed money and some of which is provided by retained earnings? You know the financial statement of Sask Power. You're an economist. I'm asking you: are you saying that in the future Sask Power should be paying any dividends or should not be paying any dividends?

**Hon. Mr. Devine:** — I think it's fair to say, Mr. Chairman, to the hon. member, that there is a difference, and the Wolff commission pointed this out. There's a difference between the public utilities on one hand, and resource crowns on another – made that separation. I make that separation. I don't believe people of Saskatchewan look at Sask Power the same way as they would Saskoil, in terms of dividends. So, in the conventional sense, in practice and in theory, public utilities are not a mechanism whereby you adjust the rate structure to tax people so that you can generate a dividend.

On the other hand, resource companies, if you have them you must have them for a reason. What are they going to do? They're not just there for the sake of philosophy. Hopefully, they can pay a dividend to the people of Saskatchewan. So the resource companies – yes, they had best be paying a dividend because we've put a lot of money into them. Public utilities to run on a cost-break-even basis, long run, paying the cost of the long-run capital projects to provide the service, whether it's the telephone equipment or the power, or whatever. So I just throw out the distinction between a utility, a natural monopoly on one hand, and Saskoil, which is certainly not a natural monopoly by any stretch of the imagination.

Resource crowns can pay dividends. I think that's fair ball. They should. The utility – I'd have serious problems. I'm sure a lot of people would, in saying that you can now raise the rates to form a dividend, to form a pool of monopoly profits to pay a dividend. As I mentioned, they're not set up to rob Peter to pay Paul. They're set up to provide that service at cost, because of their structural characteristics in the market-place.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Premier, I started out making very clear I was talking about utilities, and not resource companies. I hoped to avoid these rambles off down every lane in the country. I take it your answer is no. I take it your answer is that in your opinion, Sask Power should not pay a dividend. Am I right?

**Hon. Mr. Devine:** — Yes. In the normal sense of a public utility, it should not have as its mandate to pay dividends. The mandate is to provide the service in long run at cost, not to go in the hole, not to raise monopoly profits, but to run it at cost.

**Hon. Mr. Blakeney:** — That gets us step one. Now, as the Premier will know, one of the ways of measuring costs, which an economist or an accountant might well use, is that you have to pay the costs of the capital employed. Now, with Sask Power, the great bulk of the capital employed is borrowed capital, and there's no question about your paying the costs of it, because they show up in the operating statement as interest, and accordingly they are paid in the ordinary course of business activities. I am now asking you – and you know that there's a couple of hundred million dollars of somebody's money in the power corporation which does not bear interest; it is retained earnings – in your judgement, should the cost of that money be included in the rates, or should it not?

It is a question of whether you say that that money belongs to the people of Saskatchewan, in which case they should get a return on it, or belongs to the ratepayers, the customers of the Saskatchewan Power Corporation, in which case presumably they should get the benefit of those retained earnings. And it's a question of one's philosophy of utilities, whether or not you say that those retained earnings are what has accrued to the Crown for providing all of that borrowed money at no return to the Crown, the risk taken or whatever, or whether you say that those were amounts accumulated from customers in the past and the future customers should get the benefit. And it makes a reasonable difference, because we're talking about \$200 million at 10 per cent is \$20 million, and that's a not insignificant sum of money in deciding whether the corporation should make a profit or not. And I'm asking: whether or not, in the view of the government – and I use Sask Power as an example; I could go on with other utilities as well – should there be a return on the equity and, if so, who should get the benefit of it?

**Hon. Mr. Devine:** — Well, I'm not quite sure where the hon. member is leading. The more retained earnings that you have, the less money you need to borrow to build the capital projects. I mean, if you have retained earnings and you can use that to build a new dam or to build a new generator, then you have to pay less interest on money that you may have to borrow to do that. So, in the long run, it is reflected in the health of the crown corporation, which is reflected clearly in the level of the rate.

If you're running the operation poorly and you have no retained earnings, and you couldn't put it together, then you wouldn't be able to contribute that retained earnings towards that capital project. Therefore, you'd have to borrow money, and therefore you'd have to pay more interest on it. So the better run the corporation, private or public, the more internal capital that it can generate, the more money that it has to put in its own projects from internal sources, as opposed to borrowing it, and that is the dividend.

To a large extent, people like to think that that public utility does well. To the extent that it can do well and run it efficiently and effectively, then it doesn't have to borrow and the public doesn't have to pay for that interest, because the interest has to be paid by somebody. And those long-run capital projects have to be amortized over time, incorporated into the rate structure. I don't know; I can't add any more than that. I mean, to the extent you have more retained earnings, you can use the money; you don't have to borrow money. Clearly that's a benefit to the consumer, because it'll probably show up in the rate because he doesn't have to pay for the interest.

The committee reported progress.

## SECOND READINGS

### Bill No. 34 – An Act to amend The Workers' Compensation Act, 1979

**Hon. Mr. Berntson:** — Mr. Speaker, by leave of the Assembly, I move, seconded by the Minister of Finance:

That the order for second reading of Bill No. 34, An Act to amend The Workers' Compensation Act, 1979, be discharged and the bill referred to the standing committee on non-controversial bills.

Motion agreed to.

**Bill No. 35 – An Act to amend The Rural Municipal Secretary Treasurers Act**

**Hon. Mr. Berntson:** — Mr. Speaker, with leave of the Assembly, I move, seconded by the Minister of Finance:

That the order for second reading of Bill No. 35, An Act to amend The Rural Municipal Secretary Treasurers Act, be discharged and the bill referred to the standing committee on non-controversial bills.

Motion agreed to.

**Bill No. 36 – An Act to amend The Education Act (No. 2)**

**Hon. Mr. Berntson:** — Mr. Speaker, with leave of the Assembly, I move, seconded by the Minister of Finance:

That the order for second reading of Bill No. 36, An Act to amend The Education Act (No. 2), be discharged and the bill be referred to the standing committee on non-controversial bills.

Motion agreed to.

**Bill No. 37 – An Act to amend The Credit Union Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move, seconded by the Minister of Finance, with leave of the Assembly:

That the order for second reading of Bill No. 37, An Act to amend The Credit Union Act, be discharged and the bill referred to the standing committee on non-controversial bills.

Motion agreed to.

**Bill No. 39 – An Act to repeal The Mining Associations Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move, seconded by the Minister of Finance, with leave of the Assembly:

That the order for second reading of Bill No. 39, An Act to repeal The Mining Associations Act, be discharged and the bill referred to the standing committee on non-controversial bills.

Motion agreed to.

**Bill No. 40 – An Act to repeal The Artificial Insemination (Animals) Act**

**Hon. Mr. Berntson:** — Mr. Speaker, I move, seconded by the Minister of Finance, with leave of the Assembly:

That the order for second reading of Bill No. 40, An Act to repeal The Artificial Insemination (Animals) Act, be discharged and the bill referred to the stranding committee on non-controversial bills.

Motion agreed to.

**Bill No. 41 – An Act respecting the Department of Education**

**Hon. Mr. Berntson:** — Mr. Speaker, I move, seconded by the Minister of Finance, with leave of the Assembly:

That the order for second reading of Bill No. 41, An Act respecting the Department of Education, be discharged and the bill referred to the standing committee on non-controversial bills.

Motion agreed to.

The Assembly adjourned at 5:00 p.m.