

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 9, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Estimates

DEPUTY CLERK: — Mr. Weiman from the Standing Committee on Estimates presents the fifth report of the said committee which is as follows:

Your committee elected Mr. Weiman as chairman. Your committee considered the estimates of the Legislative Assembly and adopted the following resolution:

Main estimates to March 31, 1986:

1. Resolved that there be granted to Her Majesty for the 12 months ending March 31, 1986, the following sum:

For legislation, 3,502,000.

2. Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1986, the sum of \$2,626,500 be granted out of the consolidated fund.

3. Resolved that this committee recommend that upon concurrence of the committee's report, the sums as reported and approved shall be included in the appropriation bill for consideration by the Legislative Assembly.

MR. WEIMAN: — Mr. Speaker, I move:

That the fifth report of the Standing Committee on Estimates be now concurred in.

I so move, seconded by the member from Pelly.

Motion agreed to.

INTRODUCTION OF GUESTS

HON. MR. DEVINE: — Mr. Speaker, it's a pleasure to introduce to you, and through you to the members of the Assembly, some very distinguished guests we have in the Speaker's gallery.

We have with us today, His Excellency, Major General K. M. Safiullah, the High Commissioner of Bangladesh, and he's accompanied by his wife. The High Commissioner, Mr. Speaker, has a very distinguished career. He attended Pakistani Defence College in 1968. He was commissioned in the Pakistani army in 1955. He participated in the Bangladesh war of independence in 1971; received an award for gallantry. Following Bangladesh independence, was appointed the first chief of army staff. He was promoted to Major General in 1973, and appointed High Commissioner to Malaysia in 1976.

Mr. Speaker, this is the first visit of a Bangladesh High Commissioner to our province. The High Commissioner will be visiting Saskatchewan from May 8th to May 11th. He visited with the Lieutenant Governor yesterday, had dinner with the Hon. Rick Folk last night, and will be

meeting with the Hon. Lorne Hepworth this afternoon. Also he has meetings with representatives of Agdevco, Economic Development and Trade, and the Saskatchewan Wheat Pool.

And it is my pleasure to welcome the High Commissioner to the legislature, and I would ask everybody else to extend a warm applause.

HON. MEMBERS: — Hear, hear!

MR. RYBCHUK: — Mr. Speaker, I wish to introduce to you, and to members of this Assembly, visitors from the Seniors University Group, Seniors Education Centre at the University of Regina.

This is a very ambitious group of seniors who are taking advantage of the seniors' program at the university, and I'm sure are enjoying the opportunity afforded to them.

Their head spokesman is George Parker, and there's 20 seniors seated in the Speaker's gallery, and at this time I would like to ask members from both sides to give them a cordial welcome.

HON. MEMBERS: — Hear, hear!

HON. MR. SCHMIDT: — Mr. Speaker, I'd like to introduce to you, and through you to this Assembly, 10 Grade 8 and 9 students from Goodeve Elementary School in Goodeve, Saskatchewan, in the constituency of Melville. They are here today with their teacher Dave Petlak, and their chaperon Gail Rathgeber. I'll be meeting with them later, and I hope they have an educational visit. So I'd like the members to welcome them to the Assembly.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Collapse of Pioneer Trust

HON. MR. BLAKENEY: — Mr. Speaker, my question is to the Minister of Finance, and deals in part with last evening's edition of *The Fifth Estate* during which a former director of Pioneer Trust, Rod Sykes, stated clearly that one of the main reasons Pioneer Trust collapsed were, and I think I use his words, "that the actions of some of the Pioneer Trust senior executives were irresponsible." I think he used the word "greedy," but I'll use the word "irresponsible." He said that many of Pioneer Trust's ventures were apparent conflicts of interest involving projects in which Pioneer directors has already invested their money.

Does the minister not agree that these revelations from a former director put the Pioneer Trust matter in a very different light and require an immediate public inquiry into the reasons for the collapse of Pioneer Trust?

HON. MR. ANDREW: — I observed the show last night, and I observed some of the statements from Mr. Sykes, who was a member of the board and, as I understand, probably partook in many of those decisions that the board made. With regards to the hon. member's request for a public inquiry, I think it's important that you remember, (a) that Pioneer Trust was petitioned to bankruptcy in the Queen's Bench Court; that Touche Ross has been appointed as the liquidator. They are at the process now of going through, I think probably in the most thorough way that anyone can, the basis of what happened with Pioneer Trust. That liquidator will then report back to the court, and clearly reporting back to the court, will determine, I suggest to you, the shortcomings as to clearly what happened to Pioneer Trust.

The legislation that we are proposing to introduce today will make an exception — as was announced by the Deputy Premier, along with the Minister of State for Finance — will make

exceptions for all people in Pioneer who are what you might class as insiders, make exception that they would not be entitled to partake in any of the assistance being granted both by the Government of Canada or the Government of Saskatchewan.

That is so that when the liquidator comes back to the court with his report, should there be a recommendation or certainly a finding from the liquidator that there was improper action, then the government clearly has the right to move at that time.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The obligations of a liquidator are not to ascertain whether or not there was improper action on the part of any officers, or of the government which is regulating it, unless it gives rise to a possible claim for a recovery of funds. That is the only basis on which a liquidator would be doing this. I'm not expecting to recover any funds from the Government of Saskatchewan.

What we're talking about, Mr. Minister of Finance, is not a failure arising from a tough market, but because of — at least in the opinion of this former director — imprudent decisions on the part of a board of directors, imprudent to the extent that the company invested depositor's funds in speculative investments outside Canada in which members of that very board were already partners. Now that is clearly a conflict of interest.

Do you not believe that, both from the point of view of making a recovery and from the point of view of finding out whether or not your government did a proper job of regulating, that we need to get to the bottom of this, as Mr. Sykes suggests, and we need to have an inquiry in order to do that?

HON. MR. ANDREW: — Mr. Speaker, it is my view that the best way to obtain that evidence is by a duly appointed liquidator of the courts of this province. That liquidator can go through those details and bring those details to the light and bring those details to the court.

If we, as a province, or we, as an Assembly, are genuinely interested in getting all the facts, Mr. Speaker, that is the way to go. If we, on the other hand, are interested in making headlines, then I suggest we question what is the purpose of making headlines.

MR. KOSKIE: — Thank you, Mr. Speaker. I want to direct my question to the Minister of Consumer Affairs. As you are aware, Madam Minister, the insurance and real estate branch of your department is responsible for the Trust and Loan Companies Licensing Act.

We note that in November of 1983, and within a space of a week, you fired the head of that branch, Ed Childs, and you fired the chairman of the Saskatchewan Securities Commission. There is no doubt, Madam Minister, that the boys in Pioneer were not very happy — “Audit of Pioneer securities labelled extreme by Klein.”

To look at another: “Provincial government fires another agency head.” And this is at the very time, Madam Minister, when the security commission was, in fact, questioning the presentation to the security commission by Pioneer.

I ask you: will the minister now confirm that Ed Childs and Ken Stevenson, the head of the security commission, were the victims of the pressures put on by Pioneer and, in particular, Will Klein?

HON. MRS. DUNCAN: — Absolutely not.

MR. KOSKIE: — Is the minister, here, telling us that the insurance and the real estate branch, which under the trust and loan security licensing Act is responsible to licensing trust companies in this province, didn't check into the operation of Pioneer Trust? Is that what you are telling us, that you had no knowledge in respect to any suspicion as to the condition and the state of this

company, and the mishandling and the misappropriation of funds provided on a trust basis by the people of this province?

HON. MRS. DUNCAN: — No, I did not say that.

MR. KOSKIE: — What is the purpose of having the securities commission . . . Well are you aware, Madam Minister, that in fact in respect to the securities commission that there were strong reservations in respect to the documentation being filed by Pioneer Trust? Are you aware of that?

HON. MRS. DUNCAN: — Pioneer Trust is a federally and provincially incorporated company. If . . . (inaudible interjection) . . . Not Pioneer Trust, no.

MR. KOSKIE: — . . . Pioneer Securities headed up by the same group of boys?

HON. MRS. DUNCAN: — They're separate entities. Pioneer Securities, at the request of the commission, was audited some eight months after it opened its doors. As I understand it, such an audit on a new securities company is not unusual. The audit done by the Vancouver Stock Exchange revealed some minor infractions. A hearing was ordered. The minor infractions included some bookkeeping errors and that type of thing. The infractions cited by the auditor from the Vancouver Stock Exchange was directed prior to the hearing.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. Do you deny that following this audit, following Mr. Stevenson's ordering of the audit, and following the objection by Pioneer — the public objection by Pioneer to the activities of the securities commission with respect to Pioneer Securities, Mr. Stevenson was dismissed? And do you deny Mr. Childs, the person who regulates trust companies, was dismissed the same way?

HON. MRS. DUNCAN: — I don't deny it. However, I can assure the Leader of the Opposition that the decision to terminate the employment of Mr. Stevenson was made a long, long time before the Pioneer affair. And with regard to Mr. Childs, Mr. Childs was removed for abuse of his office.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Would the minister be a little more forthcoming on how he abused his office? Was it perhaps that he was enforcing the trust company licensing Act?

HON. MRS. DUNCAN: — No, he wasn't. And the Leader of the Opposition should well know, that if a firm is federally and provincially incorporated, the federal legislation supersedes the provincial legislation. The federal government was wholly responsible for the solvency testing and the auditing of Pioneer Trust.

HON. MR. BLAKENEY: — Short question, short further supplementary. Are you asserting that your government had no responsibility with respect to any of the licensing provisions or the incorporation provisions of Pioneer Trust?

HON. MRS. DUNCAN: — Companies which are registered federally and provincially, federal legislation supersedes. They kept us informed, of course, of their findings. But they are responsible for the auditing of a federally incorporated company which may be incorporated provincially.

HON. MR. BLAKENEY: — Further short supplementary. You are not denying that you had the full right to audit, under your legislation?

HON. MRS. DUNCAN: — No, I'm not denying that.

HON. MR. BLAKENEY: — Mr. Speaker, I ask a new question to the Minister of Finance, and it deals with how you propose to follow upon the revelations with respect to Pioneer Trust.

Has your government, or does your government propose to ask those people who you pay out, pursuant to your legislation, to assessing any and all claims they may have to your government so that you may pursue any remedies they might have pursued had you not been reimbursing them?

HON. MR. ANDREW: — Well we would . . . In response to that question, we would take their place as the creditor. They would waive any, certainly any right against us. With regards to that, we are reimbursing them for their full loss short of interest rates, interest rates leading to between February and between the time of the action.

If you are directing that question as to whether or not they would have any remedies as a shareholder and that type of thing, that remedy would still be available to them and would not be affected by the proposed legislation.

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Speaker, supplementary to the minister. Suppose, if I may pick up your supposition, that a shareholder had a remedy against an officer for misfeasance, and suppose the shareholder was paid out and therefore had no loss. Are you suggesting that the shareholder would still have a remedy against the officer, or are you suggesting that you would be in a position to enforce that remedy?

HON. MR. ANDREW: — I just made the assumption with regards to the shareholders. As I understand the arrangement of that conglomerate was that the shareholder would be a shareholder of Canadian Pioneer Management. And that shareholder of Canadian Pioneer Management, I would then make the assumption, would have a remedy, or a potential remedy in court, against Canadian Pioneer management as it related.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. You are not, then, attempting to put yourself into a position to enforce any of the remedies that the shareholders may have, or that depositors may have, who you are paying out?

HON. MR. ANDREW: — The depositor . . . we would be able to, in taking the waiver that they would give us to stand in their stead. Obviously our interest would be to minimize the loss, and therefore fewer dollars go to us. We would then have what remedies that we would have under that jurisdiction.

The exact legal definition of that, I don't and would not want to profess to know. I would certainly be able to get that information for you at the time that the Bill is going through, and legal people would be here to answer those specific questions with regards to that.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The minister will be aware that the former director, Mr. Sykes, indicated that he felt that depositors should recover their losses, but disagreed with the suggestion that only taxpayers should foot the bill. And I am quoting from his position as I heard it:

Paying out without carrying out an investigation amounts to covering up. There should be a full inquiry.

Do you agree with Mr. Sykes, and do you agree that paying out without a full investigation amounts to covering up, as he so clearly believes?

HON. MR. ANDREW: — No, I think what Mr. Sykes fails to understand, and I suppose it's two things: number one, the details of the liquidation. And clearly that — as you know, and I'm not sure whether Mr. Sykes knows — one can only garner from the particular show what he would

see as those details will, in fact, come forward.

With regards to covering the depositors, I think both you and I agree that there is a responsibility that we do have to proceed to cover the innocent depositor, and that's what we'd be proposing to do.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. I think somewhat patronizingly to suggest that Mr. Sykes would not be aware of the normal practices of liquidation . . . I ask you again. He clearly rejected the idea that the liquidator's report amounted to a public inquiry. Are you saying you will not carry out any type of public inquiry into what caused the demise of Pioneer Trust and the problems resulting therefrom?

HON. MR. ANDREW: — What I indicated clearly, I think, to this House, is as follows: the liquidator is going through those details and will report those details, I would assume the most thorough way possible, to a court of law that would be able to see that.

With regard to Mr. Sykes (and I have not talked to Mr. Sykes), if he is now, having sat on this board with all this so-called information, I find it strange that he can now take the holier-than-thou approach and say, we should have done this, or we should have done that, or I told you so.

If he was so concerned, why did he not come forward shortly after the time of his resignation from that board? And why did he wait until after Pioneer Trust had in fact failed, to start to make those accusations? — a person who supposedly had the inside information, so he says.

Now when one says, one asks about the credibility of Mr. Sykes, I've always looked at Mr. Sykes as Alberta's answer to Billy Sveinson. He was the Liberal candidate in the last federation election. Before that he was the leader of the Social Credit party, and before that he tried desperately to become the leader of the WCC.

Mr. Speaker, I question whether Mr. Sykes is totally dedicated to the betterment of the depositor, or whether Mr. Sykes is interested in Mr. Sykes.

SOME HON. MEMBERS: — Hear, hear!

Ombudsman's Report re Social Services Recipient

MR. LINGENFELTER: — A question to the Minister of Social Services, and it has to deal with a special report which was tabled in the Assembly late yesterday, or after question period, a report which says that over the period of the last 16 years an elderly woman was paid as little as 77 cents an hour by an employee of the Social Services department to perform housekeeping duties.

Mr. Speaker, the report goes on to say that the elderly woman qualified for welfare throughout this whole period, and that the entire arrangement had been approved by a regional office of the Social Services department.

Mr. Minister, having received that report, you then indicated to the press that you were not opposed to the arrangement. And I would like to know how you, who were the minister in charge when this incident was exposed to the public, and the Ombudsman has brought it to your attention, why you disagree with his recommendation that the elderly welfare recipient be compensated for the wages and other benefits that she has done without by working for the employee.

Now to you, Mr. Minister . . . why you as minister when you found this out, are reluctant now to compensate this individual?

HON. MR. DIRKS: — Well, Mr. Speaker, I'll certainly be very pleased to answer the question just given to me by the member opposite.

MR. SPEAKER: — Order, please.

HON. MR. DIRKS: — As I indicated, Mr. Speaker, I will be most happy to respond to the member's question. I would remind the member that this particular case was in existence for approximately 16 years and, of course, for 12 of those 16 years — or at least 11 of those 16 years — the members opposite were in power. And, in fact, the member who just asked the question was minister of social services for a good period of time. And during that period of time this particular matter was well known to the officials in the Department of Social Services.

I would say, Mr. Speaker, the following: if the Department of Justice, to whom we referred this matter, having investigated it, if they had any concerns — which they didn't; if the federal officials who administer the Canada Assistance Plan, which is the cost-sharing mechanism for our social assistance plan here in Saskatchewan, if they had any concerns, and it was referred to them — and they didn't; if our own verification unit in the Department of Social Services looked at this particular matter and decided that everything was above-board, and there were no improprieties and nothing was done wrong or illegally; if all of these various individuals and organizations took a thorough and analytical look at this particular situation and concluded that, in fact, there nothing wrong, that the relationship which existed was entirely a private relationship between and employer and employee, based on their own particular discussions and agreements, to which The Minimum Wage Act has no application whatsoever.

If all of those individuals came to the conclusion that everything was appropriate and above-board, and only the Ombudsman's investigator thinks otherwise, then, Mr. Speaker, I have no difficulty whatsoever in concluding, after my own investigation, as well, that in fact the Ombudsman's investigator is wrong, and all of the other individuals in this particular case are right. And indeed that the taxpayers of Saskatchewan were saved money because if this partially-employable individual had not received the work that she had access to, in fact the social assistance costs would have been higher, and the taxpayer would have had to pay.

MR. LINGENFELTER: — Mr. Speaker, a new question to the minister. By condoning this action of paying 77 cents an hour to this individual, are you saying now that this is a policy, that this is an acceptable policy of your department, and other employees can now go out and hire welfare recipients for 77 cents an hour? Is that what you're saying?

HON. MR. DIRKS: — What nonsense, Mr. Speaker. The wages paid back in 1967 or '68 are obviously significantly different from wages that are paid in 1984 or '85. My particular responsibility, which I take very seriously as Minister of Social Services, is to ensure that all of the employees of my department conduct themselves in an appropriate fashion. The Department of Justice investigated this; the federal officials looked at it; we had an independent consultant look at it; our own verification unit looked at it. Everything was above-board. There were no improprieties. The matter is laid to rest as far as I'm concerned.

MR. LINGENFELTER: — Well, Mr. Minister, I will ask you a new question. It has to do with the principle of fairness, Mr. Minister, whereby you have an employee who has worked for 16 years. A report done by the Ombudsman of the province, who, I think, has an impeccable reputation even though you may try to slur his reputation as well — but I want to say whether or not you believe in fairness, and whether or not the \$25,000 that was paid out by the taxpayers to this individual should not be recovered, the same as an overpayment to a welfare recipient which you in every instance are collecting back when an overpayment is made. How do you have a double standard on the one hand where \$25,000 has been paid by the taxpayers to an individual, and you are not willing to re-collect it?

HON. MR. DIRKS: — Mr. Speaker, I want to say that I do believe in fairness. I believe a

government has an obligation to be fair to all of the people that come under its jurisdiction. Certainly that has to be a guiding principle for any particular government. And I want to say that having investigated this matter again, the Department of Justice looked at it, the federal officials looked at it, independent consultant, our own verification unit. Everybody disagreed with the particular investigation conducted by the Ombudsman's department. And there are times when we agree with the Ombudsman, and there are times when we disagree. I think the most important thing to say here, Mr. Speaker, is that someone was willing to provide employment to a partially employable individual and assist them so that they, in fact, would not be locked into welfare over a long period of time and be completely dependent upon welfare without having any means of gainful employment.

I think, Mr. Speaker, that's a very significant point that needs to be made. And by providing that gainful employment to that individual, the taxpayers were saved money.

INTRODUCTION OF BILLS

Bill No. 69 — An Act to amend The Local Government Election Act

HON. MR. EMBURY: — Mr. Speaker, I move first reading a Bill to amend The Local Government Election Act.

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

Bill No. 70 — An Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company

HON. MR. ANDREW: — Mr. Speaker, I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends that it be considered by the Assembly. And I move a Bill, an Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company be now introduced and read a first time.

MR. SPEAKER: — When shall this Bill be read a second time?

HON. MR. ANDREW: — Mr. Speaker, I would ask leave of the Assembly that this Bill be read a second time later this day. We can deal with that as we go down. I would just ask for later this day.

Leave not granted.

Bill No. 71 — An Act to amend The Industrial Incentive Program Act

HON. MR. McLEOD: — Mr. Speaker, on behalf of the hon. member, I would move first reading of a Bill to amend The Industrial Incentive Program Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 72 — An Act respecting the provision of Financial and Other Assistance to Urban Municipalities and Hamlets for Capital Works Projects

HON. MR. McLEOD: — Mr. Speaker, on behalf of the hon. member, I move first reading of a Bill respecting the provision of Financial and Other Assistance to Urban Municipalities and Hamlets for Capital Works Projects.

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

Bill No. 73 — An Act to amend The Education Act (No. 2)

HON. MRS. SMITH: — Mr. Speaker, I move first reading of a Bill to amend The Education Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 74 — An Act to amend The Non-Profit Corporations Act

HON. MRS. DUNCAN: — Mr. Speaker, I move first reading of a Bill to amend The Non-Profit Corporations Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 75 — An Act to amend The Business Corporations Act

HON. MRS. DUNCAN: — Mr. Speaker, I move first reading of a Bill to amend The Business Corporations Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 76 — An Act to amend The Education and Health Tax Act

HON. MR. ROUSSEAU: — Mr. Speaker, I move first reading of a Bill to amend The Education and Health Tax Act.

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

Bill No. 77 — An Act to amend The Tobacco Tax Act

HON. MR. ROUSSEAU: — Mr. Speaker, I move first reading of a Bill to amend The Tobacco Tax Act.

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

Bill No. 78 — An Act to amend The Corporation Capital Tax Act

HON. MR. ROUSSEAU: — Mr. Speaker, I move first reading of a Bill to amend The Corporation Capital Tax Act.

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

Bill No. 79 — An Act to amend The Saskatchewan Telecommunications Act

HON. MR. LANE: — Mr. Speaker, I move first reading of a Bill to amend The Saskatchewan Telecommunications Act.

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

Bill No. 80 — An Act to amend The Land Titles Act (No. 2)

HON. MR. LANE: — Mr. Speaker, I move first reading of a Bill to amend The Land Titles Act (No. 2).

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 64 — An Act respecting the Exploration for and the Development, Conservation and Management of Mineral Resources

HON. MR. SCHOENHALS: — Mr. Speaker, I am pleased to rise today to introduce the new Mineral Resources Act, 1985 and The Crown Minerals Act, and The Crown Minerals Consequential (Amendment) Act for second readings. I'll speak to the three of them as a package and then move second reading individually.

Passage of these two Acts will finalize the legislative reform initiatives by the Department of Energy and Mines. Since 1982 The Department of Energy and Mines Act, The Freehold Oil and Gas Production Tax Act, and The Mineral Taxation Act, 1983, have been implemented through the legislature. The overall objective has been to simplify and consolidate provincial resource legislation, while at the same time incorporating hard-fought constitutional changes affecting the province's jurisdictional powers vis-à-vis the federal government.

With the legislature's approval, passage of these two Acts will complete the construction of a solid foundation for petroleum and mineral resource development for many years to come in Saskatchewan. This can only be done by insuring that the interests of the resources industry are balanced by the interests of the people of Saskatchewan.

Mr. Speaker, I believe that our legislative program to date has achieved this objective. I am confident that The Mineral Resources Act, 1985, The Crown Minerals Act provide a balanced perspective as well.

Two specific policy thrusts are incorporated in the Bills presented. First, the two Acts provide for a separation of powers of the province, but it's legislative powers for resource development, conservation and management incorporated into The Mineral Resources Act, 1985, and its proprietary rights as the owner of mineral rights incorporated into The Crown Minerals Act.

Previously these powers had been incorporated in The Mineral Resources Act, which caused confusion for industry as to what the rules for development were for freehold versus Crown minerals.

As well, we believe that the separation of powers into the two Acts will perceptively strengthen the province's jurisdiction over the management of Crown minerals.

The other main feature of this legislative package is the incorporation of the province's full constitutional powers over resource management. In fact, we have incorporated, for the most part, the wording of section 92(a)(1) of the resource amendment part of the constitutional agreement reached in 1981 by the previous administration with the then federal government. We believe that the province's constitutional powers over resource management, conservation, and development are strengthened by the inclusion of this amendment into the new Mineral Resources Act, 1985.

In addition to the incorporation of constitutional amendments, the two new Acts are designed to permit the streamlining of resource legislation in Saskatchewan. The new Mineral Resources Act, 1985, permits the consolidation of legislation. The Coal Conservation Act and The Natural

Gas Development and Conservation Board Act provide for administrative structures, or conservation boards to recommend resource management or pricing schemes to the government. Neither of the conservation boards have been utilized in recent times.

(1445)

The new Mineral Resources Act, 1985, provide a broad authority for the government to establish boards if needed. At the same time this general provision permits the repeal of these obsolete Acts.

Mr. Speaker, I'm pleased to note that this legislative package will permit the repeal of Bill 42. The Oil and Gas Conservation, Stabilization and Development Act. As you are aware this Act symbolized the conflict between the former administration and the petroleum industry. Bill 42 imposed a mineral income tax on oil and gas revenues.

The legislation also affected the expropriation of oil and gas rights in producing tracts within the province as of January 1, 1974, and required compensation to be paid for that expropriation.

As we all know, a number of provisions of Bill 42 were subsequently struck down by the Supreme Court. The Crown Minerals Act incorporates the Crown acquisition and compensation provisions of Bill 42, permitting the repeal of The Oil and Gas Conservation, Stabilization and Development Act.

Mr. Speaker, this legislative package also incorporates several miscellaneous improvements which I'd like to note briefly. First of all, a number of definitions have been clarified and simplified. As well, a number of functions formerly carried out by the department under the old Mineral Resources Act have been deleted, reflecting the prior transfer of these functions to other government departments some time ago. Reference to functions since transferred which are deleted under the new Mineral and Resource Act include: (1) the surface rights arbitration; (2) promotion of mine safety; (3) environmental protection.

In addition, references in the regulation-making sections of the old Mineral Resources Act to the potash pro-rationing scheme have been deleted due to the decision of the Supreme Court in *Central Canada Potash v. the Government of Saskatchewan*.

The Crown Minerals Act substantially clarifies and modernizes Crown mineral disposition procedures. The Crown Minerals Act also provides for a security-notice registry system. This will permit a financial institution to register a notice that it has taken a security in the disposition. This system will lead to greater certainty and security to the acquisition of financing by mineral developers. This will further encourage private sector resource development in Saskatchewan.

In closing, Mr. Speaker, I would like to acknowledge the constructive input received from the petroleum and mining industries in Saskatchewan. This input was requested through the issuance of a white paper in January of 1985. As a result of this input, several changes have been incorporated into the proposed legislation from the drafts initially accompanying the white paper. This consultative process has generated a final product which carefully balances the interests of the residents of Saskatchewan and the resource development sector. I'm confident this legislative package will provide a corner-stone for resource development for many years to come.

Mr. Speaker, I now move second reading of Bill 64, An Act respecting the Exploration for and the Development, Conservation and Management of Mineral Resources.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, I don't intend to speak long today, and I wish to adjourn

the debate in a moment. I simply want to say that there is a fair bit of history and background to the Acts which we have before us. I have had a very brief opportunity to look through them, and part of the direction in which they were going caused me some concern. There seemed to be a . . . (inaudible interjection) . . . The members are very eloquent when sitting down.

I was concerned about the apparent removal of provisions from the Act and inserting them in the regulations. Some of those things work fairly well. But I was concerned particularly about conservation boards. Conservation boards have really quite striking powers if they're operating fully, able to refuse permits to produce, and all the rest of it, and it seems to me that if we have boards which possess those powers, it is desirable that the boards, and at least their general powers, be set out in the legislation, even though some refinements may need to be included in regulations.

Now if it's true that, in the cases we have in point — the natural gas conservation board is not very active and the coal conservation board is not very active — either I think we should say that we don't want them, or alternatively, if we do want them, we should perhaps provide them for them in legislation.

A couple of other areas it seemed to me that the powers of the Crown to go in and examine and demand books and the like were expanded as compared with previous legislation. I may not have fully appreciated it because I haven't had an opportunity to compare the Acts in any detail. I will not be detaining the House long this afternoon, or later, unless there's a good deal more in those Acts than I now think. But I would like to have an opportunity to look rather more fully, and I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 65 — An Act respecting Crown Minerals and Crown Mineral Lands

HON. MR. SCHOENHALS: — Mr. Speaker, I move second reading of an Act respecting Crown Minerals and Crown Mineral Lands.

HON. MR. BLAKENEY: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 66 — An Act respecting the Consequential Amendments resulting from the enactment of The Crown Minerals Act and The Mineral Resource Act, 1985

HON. MR. SCHOENHALS: — Mr. Speaker, I now move second reading of Bill No. 66, an Act respecting the Consequential Amendments resulting from the enactment of The Crown Minerals Act and The Mineral Resources Act, 1985.

HON. MR. BLAKENEY: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 68 — An Act to amend The Vehicles Act, 1983, (No. 2)

HON. MR. GARNER: — Mr. Speaker, the Bill before us today makes several amendments to The Vehicles Act, 1983. While many of the amendments are of routine nature there are several provisions of this Bill which reflect this Progressive Conservative's commitment to ensuring highway traffic safety in the province of Saskatchewan.

I know all members of this Assembly are concerned with the safety of our children going to and from school. In 1983, I established a committee to advise this Progressive Conservative

government on all aspects of school bus safety. The committee has studied this matter extensively and made many significant recommendations of which eight have been acted upon.

In co-operation with the Saskatchewan School Trustees' Association and the Department of Rural Development, 80 rural school divisions were provided additional school bus "Stop Ahead" signs for problem locations in their areas. Highways and Transportation designed and erected 200, "Stop When Lights Flashing," signs for the provincial highway system.

A separate S-endorsement card for school bus driver licences has been implemented, Mr. Speaker. No driver applicant will be given a passing grade if they fail to correctly answer the driver examination question relating to stopping for school buses. Saskatchewan's first-ever school bus driver handbook is now available to the people of Saskatchewan.

Another point, a guide has been issued to the province's 6,700 school bus drivers to assist them in identifying violators who pass a school bus while it is stopped, loading children.

A much improved first-aid kit called the "car behind kit" is being installed in newly registered school buses in the province of Saskatchewan. And another very important point, Mr. Speaker, the stop arm safety device is now a regular safety feature for the entire provincial school bus fleet in the province of Saskatchewan.

And now, Mr. Speaker, we will be following up on recommendation number nine. The importance of not passing a school bus while it is loading or unloading children cannot be overemphasized. The advisory committee recommended that there would be a minimum fine of \$250 for failing to stop for a school bus when its safety lights and stop arm are in operation.

I am pleased to indicate that this government accepts this recommendation, Mr. Speaker. The Bill before us contains a section establishing a minimum fine of \$250 for passing a school bus that has its safety lights and stop arms in operation.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. GARNER: — Mr. Speaker, it is everyone's hope that this will reflect the high degree of risk a motorist puts a small child's life in when they illegally pass a school bus.

The Bill, Mr. Speaker, also addresses individuals who choose to drive a motor vehicle while disqualified. The Act provides for a minimum \$500 fine for a first conviction of this offence.

I have been advised that this higher minimum fine is only applicable if the disqualification results from a conviction for an offence against the Criminal Code or Vehicle Act sections dealing with driving while disqualified or drinking and driving.

Every year the Highway Traffic Board finds it necessary, Mr. Speaker, to suspend or otherwise take action on a driver's licence because of, for example, adverse medical or vision reports, or because of driving habits which constitute a danger to the motoring public.

These actions always occur after the person has had a chance to appear before an interviewer or board hearing and state his position or her position on the proposed action on his licence or application for a licence. Nevertheless, Mr. Speaker, some people will continue to drive a motor vehicle while under such a suspension.

This Bill contains a provision setting a \$500 minimum fine for driving while under a disqualification resulting from a board decision made after an interview or a hearing has been held. Hopefully, Mr. Speaker, this Act will act as a major deterrent in this illegal practice that is carried out on the roads in the province of Saskatchewan.

Mr. Speaker, the Bill addresses 24-hour suspensions. As members know, a police officer can suspend a licence for 24 hours if he feels the driver is apparently intoxicated. I am advised that the present provision extends only to drivers with a Saskatchewan driver's licence.

In the interest, Mr. Speaker, of public safety, this Bill will enable police officers to deny driving privileges of drivers, drinking drivers not holding a Saskatchewan driver's licence, for a period of 24 hours. In addition, if a person drives while under a 24-hour suspension, he will be liable to a minimum fine of \$250.

The Bill before this Assembly also amends a section of the Act covering the situation where a person whose licence is suspended as a result of a conviction appeals the conviction, the amendment extends the application of the section to out-of-province convictions as well as ensuring that individual periods of disqualification does not exceed the statutory period set out elsewhere in this Act.

Mr. Speaker, another enforcement amendment relates to the police power of arrest. Mr. Speaker, the provisions in question deal with persons who are charged with driving while disqualified and who do not show up in court, thus retaining their licence until they are apprehended again. This Bill allows a police officer to arrest a driver who is being charged with driving while disqualified.

Mr. Speaker, all of us share a concern over the transportation of dangerous goods as well. This Bill requires vehicles transporting dangerous goods as defined in federal and provincial legislation, to stop at all uncontrolled railway crossings. So as not to inconvenience our farming community, regulations will be put into place exempting vehicles from this provision, which are carrying small amounts of dangerous goods.

Mr. Speaker, as members know, I have been engaged in several discussions with my federal and provincial colleagues in the area of trucking regulations. We are now very rapidly moving into a new era of re-regulation. Provisions in this Bill will clarify the Highway Traffic Board's power to exempt certain sectors of the trucking industry from some of the detailed requirements for obtaining an operating authority, and from the Act's rate regulation provision. As market conditions vary among sectors, the degree of regulation needs to reflect these conditions.

These amendments, Mr. Speaker, will enable the Highway Traffic Board to lessen entry control and to lift weight controls in sectors where such action would foster competition in transport prices and services in a manner not disruptive to the industry.

Mr. Speaker, the Bill contains several amendments in the area of drivers' licensing and vehicle registration. Many are of a minor nature, but some more significant include the following: a clarification of driver licence requirements for non-resident drivers in Canada — if a person's home licence is in English or French, no international driving permit will have to be carried on that individual; allowing a police officer to designate when and where, as well as where a licence or certificate of registration or operating authority must be produced if it is not with the driver at the time it is requested; a requirement for private passenger vehicle registration permits to be displayed.

(1500)

A number of changes, Mr. Speaker, are proposed to rules of the road. Among them is a proposal to make it an offence to back up on a parking lot unless it can be done so safely. In addition, vehicles will have to stop at red lights located at places other than at an intersection. This latter provision was contained in the former vehicles Act.

Mr. Speaker, The Vehicles Act, 1983 provides a framework within which our motorists and motor-carrying industry can operate. It's traffic safety provisions have enhanced the safety of our streets and highways. The current Bill amends the Act in several places to improve its provisions

that make our transportation system the best and the envy in the nation.

After careful review, I hope, Mr. Speaker, that all members will join with me in supporting this Bill.

At this time I move second reading of a Bill, an Act to amend The Vehicles Act, 1983.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Thank you, Mr. Speaker. The minister has introduced a good number of amendments, and I would like the opportunity to look closely at some of them. Therefore, Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

Bill No. 67 — An Act to amend The Motor Dealers Act

HON. MR. ROUSSEAU: — Mr. Speaker, on behalf of the Minister of Consumer and Commercial Affairs, I will be moving second reading of this Bill.

Just a few notes, Mr. Speaker. An amendment is proposed to The Motor Dealers Act, a copy of which has been provided to the hon. members. The amendment is straightforward. Under the proposed amendment it will no longer be necessary to individually license the sales people of a motor dealer. Instead, the licensing requirements of the act will be satisfied by simply licensing the firm or motor dealer.

Mr. Speaker, the proposed amendment addresses a concern which Saskatchewan motor dealers have had for some time. The elimination of such unnecessary licensing requirements also demonstrates our continuing commitment to doing away with unnecessary government intervention and regulation.

There is, after all, no good reason why the Department of Consumer and Commercial Affairs needs to know the names and number of sales people employed by a properly licensed and registered motor dealer in the province. The protection provided by licensing and bonding still exists whether or not the motor dealer is required to keep updating their frequent list of sales people employed.

Mr. Speaker, with the passage of this amendment, the same level of consumer protection will be maintained with an improvement in administrative efficiency. The Bill does not affect the civil rights of Saskatchewan citizens. No additional administrative or other costs will be entailed by this amendment.

I recommend this Bill for the approval of all members, and now move second reading.

MR. LUSNEY: — Thank you, Mr. Speaker. Mr. Minister, my colleague from Regina Centre is away ill today, and I think would like to deal with this Bill himself, so therefore I beg leave to adjourn debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 28 — **An Act to provide for Equality of Status of Married Persons and to repeal The Married Persons' Property Act** be now read a second time.

MR. KOSKIE: — Thank you, Mr. Speaker. We basically have no problems in respect to the Act, the Equality of Status of Married Persons, Bill 28.

And Bill 29, as the minister will be aware, is consequential in respect to Bill 28. The purpose of the Act is essentially to give a married person the same legal personality that is independent of spouses and put them before the law as if they were unmarried persons. It deals with the right of husband and wife having an action in tort.

I may have just a couple of questions in respect to the consequences of section 5 — nothing major. We will be supporting the provisions as set forth in the Bill, Mr. Speaker.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 29 — **An Act respecting the Consequential Amendments resulting from the enactment of The Equality of Status of Married Persons Act** be now read a second time.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 49 — **An Act respecting Interest prior to Judgment** be now read a second time.

MR. KOSKIE: — Yes, Mr. Speaker, I don't want to use up any of the time of the House. We are in essential agreements in respect to the principles of the proposals brought forward by the Minister of Justice and will be supporting those provisions.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 50 — **An Act to amend The Queen's Bench Act** be now read a second time.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

COMMITTEE OF THE WHOLE

Bill No. 32 — An Act to amend The Mortgage Interest Reduction Act

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. ROUSSEAU: — Thank you, Mr. Chairman. To my right, my deputy minister, Mr. Keith Laxdal; and to my left, Mr. Larry Spanner, manager of the mortgage interest rebate program.

Clause 1

MR. LUSNEY: — Mr. Minister, does the same interest apply as you had in the previous Bill, and will the same regulations apply to this amendment here?

HON. MR. ROUSSEAU: — Yes, Mr. Chairman.

MR. LUSNEY: — Mr. Chairman, then we really have no objections to the increased period of time from '85 to '88 in the Bill, so therefore, we will be supporting the Bill.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 32 — An Act to amend The Mortgage Interest Reduction Act

HON. MR. McLEOD: — Mr. Speaker, I move that the Bill be now 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

NORTHERN AFFAIRS SECRETARIAT

Ordinary Expenditure – Vote 48

Item 1

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. DUTCHAK: — Mr. Chairman, seated by me is the executive director of northern affairs, Peter van Es; and behind me is Norman Ray, the acting director of northern business development, La Ronge.

(1515)

Mr. Chairman, the Northern Affairs Secretariat was established in last spring's session. And as you're aware, the role of the secretariat is to co-ordinate various government departments in regards to northern Saskatchewan.

And we take that responsibility seriously, in light of the fact that the area is roughly half of the province of Saskatchewan. And when you have a situation like that, the challenges it faces are certainly unique. The population in northern Saskatchewan is roughly the size of the city of Prince Albert. So obviously we are facing unique and changing challenges over the years in northern Saskatchewan.

In January of 1984, the Economic and Regional Development Agreement, ERDA, was entered into between Canada and Saskatchewan to facilitate the joint planning in respect to economic and regional development. This agreement provided for the parties to enter into subsidiary agreements for related purposes. The Northern Affairs Secretariat took the lead in carrying out reviews and discussions amongst the provincial departments and agencies which deliver programs in the North.

The secretariat was instrumental in co-ordinating and participating in negotiations between the provincial and federal governments, Mr. Chairman, with respect to the content of the subsidiary agreement which would provide for the parties to undertake and co-operate in a broad range of initiatives to encourage economic development in Saskatchewan's North.

On August 31, 1984 the northern economic development subsidiary agreement was successfully entered into between Canada and Saskatchewan. It's a five-year agreement providing for a total package of \$36 million with \$18 million being the federal contribution and \$18 million the provincial contribution. As well it provides for a 50-50 cost-share ability ratio on shared projects.

The management and administration of the provincial component of the northern economic development subsidiary agreement is carried out by the staff at Northern Affairs Secretariat, out of its La Ronge office.

Another issue we've tackled in the past year, Mr. Chairman, and which we intend to work on for this year as well, is the issue of bringing the information regarding what government has to offer to the northern people. And this had not been done previously, Mr. Chairman, because as we all know when the DNS was in force, civil servants were simply hired to do the work for the people of the North, rather than encourage Northerners to do the work themselves with the assistance of government.

So what we're doing, Mr. Chairman, we've entered into a program of communication for Northerners to assist them in getting involved in tendering for housing projects, forming their own corporations, and furthermore to provide a government directory of services to Northerners. And we're presently working on that. And that should be coming out soon.

The mineral surface leases are an area that the northern secretariat has been working on, Mr. Chairman. Surface leases as such are contractual agreements between government and private industry setting out the terms and conditions for the utilization of Crown land. They're intended to clearly establish the provincial jurisdiction in regulatory areas, including the environmental protection, occupational health, and safety.

At present, as you know, there are four major surface lease agreements with the mining companies — Key Lake, Flin Flon, Eldor, and Amok, Mr. Chairman.

In addition to the regulatory requirements provided, these lease agreements also include economic development component. And the companies have agreed to give preference to northern individuals for employment; provide trading opportunities for northerners where viable; encourage contractors to use northern business people where possible; and these contractors have been given a degree of preference to northerners when hiring.

The economic development component of these four lease agreements have a wide variation of requirements and mechanisms dealing with economic benefit through employment and business opportunities for northern people. The Northern Affairs Secretariat was actively exploring the appropriateness as to whether mineral surface leases are or are not the appropriate vehicles of achieving socio-economic benefits for northerners within the context of existing and future mining operations in northern Saskatchewan.

Initial views tend to suggest that the mineral surface lease should not contain any economic development component within the agreement itself, but the lease should make direct reference to the requirement of the company to adhere to a human resource development plan which must be entered into by separate agreement with government.

The human resource development would, amongst other things, enable residents of northern Saskatchewan to become fully competitive in the provincial labour market, and would assist northern business and industry to become more productive by providing training to their work-force. The secretariat has an independent consultant engaged to review, in a short-term study, and recommend the most appropriate mechanism that might be applied by government with respect to the Saskatchewan mining industry.

Mr. Chairman, I believe the excitement in northern Saskatchewan is building in terms of what we're seeing in development. We have a healthy industrial base. The future of Saskatchewan, some say, is in northern Saskatchewan. Upon travelling the North through northern communities and viewing some of the industrial potential, I believe that's correct. We have unlimited resources in northern Saskatchewan, and the secretariat intends to continue focussing on the development of those resources.

We have uranium mines, Mr. Chairman, that are functioning. The price of uranium is low. However, we know that it's increasing. And that's an important resource for the future of northern Saskatchewan.

Gold mining — an exploration that's never been as active as it is now. We're having people spend money in the north on exploration and development of new gold finds, and this is welcome news to northern Saskatchewan people who are involved first-hand in jobs regarding this important industry.

And tourism, as I mentioned many times, Mr. Chairman, is another main focus of our secretariat. We believe that we've only scratched the surface of the tourism industry in northern Saskatchewan, and the secretariat is involved in co-ordinating activities with the Department of . . . the small-business development department of Saskatchewan and Tourism. And the future is bright for northerners in their involvement with this exciting industry.

MR. THOMPSON: — Thank you, Mr. Chairman. Mr. Minister, I have a number of questions that I want to ask you today on the northern secretariat and the northern affairs department that you are in charge of.

As you are aware, my colleague, the member for Cumberland, is a critic of this department, but he is not here with us today so I will be taking that department.

You indicated in your opening remarks, Mr. Minister, that the northern secretariat, under your direction, is in charge of pretty well all the co-ordination of the development of northern Saskatchewan. As I see myself, a strong secretariat — and I don't see any reason for having a secretariat if it's not going to have powers over other departments — I see a good strong secretariat being able to met with deputy ministers of housing and deputy ministers of health with whatever the problem may be up in northern Saskatchewan.

And this, Mr. Minister, is how I would see a secretariat operating, and operating well.

Before I go into this any further, I wonder if you could just give me the names of the individuals who sit on that secretariat. Who makes up the northern secretariat?

HON. MR. DUTCHAK: — Mr. Chairman, I'll send over a list of all people, the names, including their salaries, because I assumed that question would be forthcoming, and I'll simply send it over to you if you wish.

MR. THOMPSON: — Mr. Minister, as I was indicating, I see the role of the northern secretariat as being a very strong body, and I look at the list that you have just sent over, Mr. Minister, and I look at this and it looks to me — am I wrong that the northern secretariat is a body of individuals that are all civil servants, that work for the provincial government?

HON. MR. DUTCHAK: — The northern secretariat is, yes, it's a provincial government body under the Act, and the names you have are the names of the people employed by the secretariat.

MR. THOMPSON: — And there are no bodies on that board that are outside of government.

HON. MR. DUTCHAK: — Yes, that is a secretariat and not a board.

MR. THOMPSON: — Okay. Do you have an advisory board, a local northern advisory board that gives direction or communicates with the northern secretariat, and if you do, Mr. Minister, could you provide me with the information on that board and also the make-up?

HON. MR. DUTCHAK: — The board is about to be appointed this spring, and I will provide that information as soon as it becomes public.

MR. THOMPSON: — Yes, I have a number of names that I would love to see on that board, because I am quite concerned when I see what's taken place in northern Saskatchewan over the last two years, and I now see the minister starting to go into Saskatchewan. He was up there last week, and by his own admission has indicated that something is not working right up there.

And as you are aware, Mr. Minister, under the old DNA we had northern contractors and local contractors in the communities that got into construction ventures such as northern housing. And now we see the contracts that are going up into northern Saskatchewan — and I can just take a look at some of the contracts in the Beauval, Ile-a-la-Crosse area, Buffalo Narrows area— and I see that the contractors are not from northern Saskatchewan but are from another area.

I also see that contracts are — and I'm not too sure if you're going through the proper process of advertising — but I see a program being administered by your department, and that is the RAP program. And I see a fairly large grant that went into, to a senior citizen in northern Saskatchewan, and the contract was given to a La Ronge contractor. That was done last fall, and today she still doesn't have the work done, and I've had to request extensions on that program. But the local contractors in Buffalo Narrows were not aware that that contract was even given out, and this is what is happening up in northern Mr. Deputy Speaker

I see now that you have gone up and you're holding seminar to educate northern contractors on the bidding process — how to go about bidding to get government contracts. I would hope that you are sincere, and that there will be government contracts made available to northern contractors. When I talk about that, I mean contracts to build X number of apartment houses in a certain town and by bringing in bids — asking for invitational bids — restricting it or conditions attached to them bids.

(1530)

I just wonder, Mr. Minister, are you planning any conditional contracts, or are you going to be asking for invitation tendering on some of the northern projects that you have planned for the up-coming year?

HON. MR. DUTCHAK: — Well in relation to the questioning, the member probably realizes that these questions are appropriate when the Saskatchewan Housing Corporation estimates are before us. However, I'm pleased to inform the member, since I am the Minister of Saskatchewan Housing, that we already have in place programs which allow for northern content, and insist on a certain level of northern content.

However, I'm glad the member mentioned the seminars which we are doing in northern Saskatchewan. I personally was at the seminar on Saturday in Buffalo Narrows for the purpose of meeting with northern contractors and determining how we, as government, can help them compete with people from other parts of Saskatchewan, because we have a competitive economy.

And the northern contractors have been successful in bidding in the last year, but that success rate can be increased, Mr. Chairman, and my purpose for visiting Buffalo Narrows was to determine other ways that we can improve the position of the northern contractors, and we're identifying those.

I would prefer not to use mandatory percentages and restrictions and all sorts of legislated advantages for northern Saskatchewan people, because I personally have a lot of respect for the ingenuity and hard-working ability of Northerners. And I believe that with the proper chance they will fit into the mainstream of our economic development of this province because they are doing so now. And I believe as government we can help things along, and that's been my philosophy with the northern secretariat.

MR. THOMPSON: — Well, Mr. Minister, you indicated at the start of the questioning on the northern secretariat, and you indicated that the role of your department was to co-ordinate and to explain and to bring information into northern Saskatchewan on all programs of government. Now if I'm not going to be able to ask you any questions . . . You got up and you spoke about housing contracts, and you spoke about the Key Lake leases that you are working on. You went into SMDCs, and of course you're responsible for that. You are responsible for housing. But if we're going to have to be restricted and not going to be able to ask you questions that your secretariat has jurisdiction over, then I think it's going to be fairly tough here.

I only assume, and as I indicated before, that the northern secretariat is to give direction to other deputy ministers and other ministers of other agencies or other departments. And I would think that if we were going to, if that is the role of the secretariat . . . And I would assume that it has a lot of power to indicate to some minister of a department that they're doing the wrong thing, and this is what they should be doing to correct it — I would assume that you have them powers. If we are not going to be able to talk about the ARDA agreement, if we're not going to be able to talk about the mineral surface leases that you talked about in your opening remarks, then I'm not too sure just, Mr. Chairman, where we're going to be going here because it looks to me like it will be quite short, and we'll have to wait for Crown corporations before we can question you on your spending.

HON. MR. DUTCHAK: — Mr. Chairman, I'm hopeful that the member can ask pertinent questions regarding policy of this government in northern Saskatchewan, and I'm prepared to provide wide latitude in that regard. All I'm saying is that if he wants the specific results on number of housing units, for example, in Buffalo Narrows, that's an area that falls within housing.

The secretariat is important in northern Saskatchewan in that we determine and help with policy determinations relevant to northern Saskatchewan.

And I just want to be sure that we aren't regurgitating information here which has been covered already, or which will be covered next week. And I am quite . . . I am very co-operative to deal with whatever is on the mind of my friend from Athabasca, and I think he can just ask his questions and we'll see what we can provide to him.

MR. THOMPSON: — Okay. Thank you, Mr. Minister. I want to touch on a couple of areas. I want to touch on the agreement, the Special ARDA (Agriculture and Rural Development Act) agreement, or ARDA. I believe it's called Special ARDA. And I also want to touch on the surface leases.

First of all, you indicated that the special agreement signed between your department and the federal government over a five-year period for \$36 million, could you indicate when that agreement was signed? When does that agreement start and, of course, when does it end?

HON. MR. DUTCHAK: — The agreement was signed on August 31, 1984, and the program is in effect now.

MR. THOMPSON: — It came into effect in August of '84?

HON. MR. DUTCHAK: — The details were worked out after the signing of the agreement, and

the finalization took place roughly a month ago.

MR. THOMPSON: — I'm sorry, Mr. Minister. I was distracted there. Could you indicate . . . Did you say that the agreement has been in effect and has been working for approximately a year now?

HON. MR. DUTCHAK: — No. the original agreement was signed at that time, and the program has virtually been in effect since April 1st of this year.

MR. THOMPSON: — Okay, Mr. Minister, then could you indicate, out of the \$36 million that you're going to administer in the next five years, what plans you have for that moneys and more specifically I guess, Mr. Minister, could you indicate how much money you will be spending in the next fiscal year and what projects that will be on?

HON. MR. DUTCHAK: — This year we intend to spend approximately \$7,058,000 vis-à-vis divided up into areas of economic development, human resource development, capital investment, and management co-ordination.

MR. THOMPSON: — Could you indicate how much of that will go directly into economic development, Mr. Minister?

HON. MR. DUTCHAK: — \$2,150,000.

MR. THOMPSON: — Now the \$2 million that you're talking about that's going into economic development, that has nothing to do with any of the moneys that is administered by your colleague, the Attorney General. Am I right in saying that?

HON. MR. DUTCHAK: — That's correct.

MR. THOMPSON: — It's over and above what he will be spending.

HON. MR. DUTCHAK: — . . . (inaudible) . . .

MR. THOMPSON: — I would like to get an answer. You are going to be spending two-point-some million dollars on economic development projects. Is it fair to say that that is totally new money and has nothing to do with the job employment agency that your colleague, the Attorney General, administers?

HON. MR. DUTCHAK: — That's correct.

MR. THOMPSON: — Thank you, Mr. Minister. And I assume that that \$2 million will be available to the offices that you have spread out in northern Saskatchewan to offer to viable industries, or viable businesses that your officials see that are viable.

HON. MR. DUTCHAK: — Yes. In general terms it's split into four ways: regional economic planning and development; planning and feasibility analysis; business opportunity development; northern renewable resources. And these are also not delivered by us, but they're delivered by the line departments. We co-ordinate the policy for delivery.

MR. THOMPSON: — And I see that you'll have about \$5 million I can assume, or approximately \$5 million that will go into planning into northern Saskatchewan, or will that be other types of programs?

HON. MR. DUTCHAK: — Yes, \$4,500,000 will go under the human resource development category I mentioned earlier regarding northern professional and technical education, and access to employment programming. The management co-ordination would be \$408,000.

MR. THOMPSON: — Mr. Minister, I wonder if you could be more specific on the \$4 million that you will be spending on human resource projects. Could you indicate some of the projects that that will be spent on?

HON. MR. DUTCHAK: — These would be programs which I am sure the member would be familiar with, the NORTEP (northern teacher education program) program, and advanced education programs for northern Saskatchewan, Access to employment programming, and it would fall into that category.

MR. THOMPSON: — Well then it would be fair to say, Mr. Minister these are programs that you are extracting out of the Department of Education, the Department of Advanced Education, and are now funding under the new special art agreement.

HON. MR. DUTCHAK: — Yes, those are the programs you have identified.

MR. THOMPSON: — So it would be fair to say then that . . . Let's just use NORTEP (northern teacher education program) for an example, which is a program that has always been funded under the Department of education. It no longer will be funded under the Department of Education but will be funded under the Northern Secretariat with funds that you have received from the federal government through the special art agreement, with 50 per cent of federal funds.

HON. MR. DUTCHAK: — Well no, because the program originally was funded through the DNS. Then it moved over to the Department of Education and that's where it stays. We simply will co-ordinate the policy regarding that particular program, but the expenditure will be out of the department.

MR. THOMPSON: — The funds will come from the Department of Education and not out of the four-point-some million dollars that you have just indicated from human resources?

HON. MR. DUTCHAK: — Perhaps I could clarify that. We facilitate the funding. The line department delivers the program. We facilitate the join federal-provincial funding and provide it to fund the cost of the program, but it's still delivered from the line department.

MR. THOMPSON: — Right. That's all I was trying to get, Mr. Minister, is that the program which was administered is still going to be administered by the line department, only the funding will not come from the Department of Education. Fine.

I now want to turn to the surface lease agreements, Mr. Minister. And you indicated that you were not happy with the strength of the agreements as they are, that the percentage of Northerners should be brought up. And I fully agree with you on that.

You take a look at Amok, and they are up around to 50, 51 per cent pretty well all the time, with the exception of their underground operation. And that, Mr. Minister, I've brought to your attention before and would you, through your secretariat, to look into that underground operation and see if it's not possible to get a northern percentage involved in that operation.

I know and you know yourself that the percentage at Key Lake is quite low. It most certainly is not near 50 per cent, where it should be. And I would ask you to comment on that and give me the percentages that are working at Key Lake and what your plans are to bring that up.

I also want to ask you about the two other surface lease agreements that you mentioned. You mentioned four surface lease agreements, and I wonder if you could explain the other two. I didn't realize that Eldor mines were working under a surface lease agreement, and if they are, could you give me the conditions that they're working under? And the fourth one, I would ask

you to explain just which that one is.

(1545)

HON. MR. DUTCHAK: — I'd be prepared to provide copies of the agreements to the member. They vary considerably from lease to lease, and we're presently reviewing all of the provisions. The member identifies a problem that I can see. I am not satisfied with the extent of northern content in the mines, and I don't think northern people are, and I don't think the mining companies are either.

I've gone to Key Lake and I've discussed the issue. I've met with other mining people, as late as this morning, in Saskatoon. I met with all the representatives of uranium mines in Saskatchewan, and we talked about a number of items, and I have a concern about the percentage. Key Lake is roughly 27 per cent people of native ancestry.

Really the challenge is not to enforce percentages and tell a mine they now have to bring it up to 60 or 70 per cent, because that doesn't frankly do anything economically. I think the solution is to continue in the same direction that we started about a year and a half ago, namely, getting the Prince Albert technical school built with its satellites in northern Saskatchewan. We've consulted with the mining industry, and the view of the mining industry and the government is that if we work together and provide the right kind of training opportunities for Northerners, that we'll build that percentage up.

The fact that Key Lake is at 27 per cent as opposed to Cluff Lake is not because one mine is being more co-operative with the North than the other mine. The reason is that the Key Lake mine is more technical in nature. The operations are high technology, and that's the reason.

I was up at Key Lake recently. I was pleased to see Northerners moving into management positions and supervisory positions, and that's a good sign for the future. Northerners are very dependent on the uranium mining industry. We have roughly 5,000 people employed directly for the industry, and it's important. And that's why I'm happy to see that the member from Athabasca is breaking ranks with his party and on the side of developing the uranium industry. And I agree with that thrust. I believe we have an interesting and a very reliable energy source for the future, and I look forward to working in that direction.

MR. THOMPSON: — Well, Mr. Minister, I suppose I asked you too many questions a little too fast, because you forgot about three questions that I had put to you.

The one was the underground operation at Cluff Lake which you did not comment on. The other one was the other two agreements. Eldor mine, are they operating under a surface lease agreement, and what type; and the fourth agreement that you spoke about which I'm not aware of.

HON. MR. DUTCHAK: — Well, as I indicated, I did answer all the questions for the member. The two other agreements you ask about, I will supply to you because they are very detailed and they're not the same.

And in relation to the Cluff Lake underground operation, I indicated to the member some time ago that I would be checking into it, into the details of hiring and percentages and provide it to the member. And I intend to carry out with that job.

MR. THOMPSON: — You indicated that Eldor mines were operating under a surface lease agreement. Is that right? Could you just name the fourth agreement that you were talking about or is there only the three of them?

HON. MR. DUTCHAK: — Flin Flon Mines, April 1982; Eldor Resources, March 1983; Amok,

December '83; Key Lake, August 1981.

MR. THOMPSON: — Mr. Minister, could you explain to me Flin Flon Mines? Are we talking about the gold mine that . . . what is the Flin Flon Mines? What agreement do we have with Flin Flon Mines?

HON. MR. DUTCHAK: — Because of the mining activity in the area, there was an agreement that was reached to apply to mining activity in that area. It's not an active one such as the Key Lake lease, obviously. But it is in existence.

However, we're reviewing all of this to determine where we're going to in the future. We have some ideas that . . . towards the idea of working with the industries rather than imposing regulations upon them.

And our dealings with the industries involved and the northern people have been very fruitful in the last year, and we think we can reach an agreement which enables companies to interact with communities and build up the percentage of people working at the mines, at the same time protecting the environment. And we think we're going to be successful in that regard.

And I'd be pleased to supply the member with continuing information as we progress in this matter.

MR. THOMPSON: — Okay. Thank you, Mr. Minister, and thank you, Mr. Chairman. I can only assume that that agreement with Flin Flon Mines would have to be an exploration agreement rather than agreement to . . . under a producing mine.

I now want to turn to the project that you have been involved with quite a bit in the last three, four months and have indicated that it looked quite bright for northern Saskatchewan, and that is the gold mine. I just don't have the name of the lake where that gold mine is . . . (inaudible interjection) . . . Star, yes, Star Lake.

Could you indicate . . . I know you've indicated it in a number of news releases that Star Lake was a rich ore body and that it looked like a possibility of it going ahead. I wonder if you could just bring the House up to date on the Star Lake project and, you know, where do you see it going in the next six, seven months?

HON. MR. DUTCHAK: — I would like to bring the House up to date and the public up to date on the project, obviously. However, we're involved with private corporations. There's a great deal of capital being invested in the area and about to be invested with other companies as well. All I wish to say today is that I know that in due course we're going to see a number of mines in the area, and a mill or more in the area. It's looking very positive, and we know that there are going to be some announcements forthcoming in that regard.

MR. THOMPSON: — Well I won't pursue that any more, just other than to encourage you to . . . if that mine does go ahead and the milling operation. I would ask that you work out another agreement. I know you don't believe in the surface lease agreements exactly the way the New Democratic Party signed them. However, as long as you sign some agreement that makes sure that Northerners get their fair share of the jobs.

I get quite concerned when you talk about the low percentages at Key Lake and the fact that as soon as that technical institution in Prince Albert is built and operating, then you are going to start training Northerners so that they can take jobs in the mining industry, and specifically at Key Lake, and bring that percentage up.

I just want to say to you, Mr. Minister, that there's absolutely no reason why we should be waiting around to provide this type of training. We have Kelsey Institute; we have the Moose

Jaw Institute; we have the West Side Community College that works out of Beauval and other communities; you have the La Ronge Community College.

If the percentages are low because the training is not there and the programs to train them have to be implemented, I would urge you, Mr. Minister, to use the facilities that we now have, and especially the La Ronge Community College that you have, and the West Side Community College in Beauval. I would urge you to put them programs in there, not wait until the technical school is going to be operational in Prince Albert, because that's probably a year or two down the road before that one will be in operation.

Mr. Minister, would you comment on that?

HON. MR. DUTCHAK: — Well, my view is that we're going to try to get the courses in place as quickly, as possible. As the member knows, for 10 years, roughly, the people in northern Saskatchewan were asking for the technical school which is finally being built with a capacity of 650 students. My ambition is to see to it, while I'm still northern affairs minister, that we have Northerners that are being turned out of the school qualified to take the highly technical positions available at Key Lake and available in new mining in northern Saskatchewan.

In relation to the gold activity, there will be a surface agreement in place regarding Star Lake, and we think it's going to be a fair agreement but allowing the companies enough flexibility to become creative with northern business people and northern employees, and that wasn't the case in the past.

In terms of the technical training, Mr. Chairman, we are trying to determine how we can start things as quickly as possible. Classes are starting in the fall of 1985 in some courses out of Prince Albert, but the school is not quite ready, won't be ready until 1986. The system of education in the school is such that it will have the ability to turn out highly trained Northerners in short periods of time, not like the traditional time necessary under our university systems. And we look forward to that.

However, I take the member's note of urgency and I think the member is correct. And I know the member was likely as forceful with the former government. It's unfortunate that these things weren't in place before Key Lake began operating in '83, and we could have had highly qualified Northerners taking the jobs immediately.

But I have a positive view here. I think we'll be successful in building up that content and educating the people, because as I indicated the Northerners are innovative, hard-working people, and they simply want an opportunity to work at the mines and in other industries.

MR. THOMPSON: — Well, Mr. Minister, I thought we could get through these estimates of my colleague from Cumberland without having an argument in here. But when you get up, Mr. Minister, and you indicate that I most certainly must have been involved to influence the former NDP government, I want to say to you yes, I was involved, and I did influence them.

That's why we have the La Ronge Community College in place, and that's why we have the West Side Community College. That was in place prior to the Conservative government coming into government. And I just want to say that if the facilities were not big enough to handle the programs that are needed to replenish the mines up there, and to take over the jobs, then I would have asked you (and I've been encouraging you and your colleagues in the last three years — you're going into your fourth year now) to make them classes available in the West Side Community College, especially the West Side Community College and the La Ronge Community College where they are in northern Saskatchewan, and the Northerners can be trained right in their own environment and they don't have to travel to Saskatoon or Regina.

But, yes, I most certainly was influential in getting the community colleges into northern

Saskatchewan. And I would just hope that you will continue to utilize them — as I indicated that I would like you and your department to continue to utilize them, and to provide the programs — and not necessarily wait until Prince Albert comes on stream. Because I think that a lot of these programs should be available to Northerners right at the community colleges that are in the North.

With that, Mr. Minister, I don't really have a lot more on your department. I wonder maybe if you could just indicate to me — and you can indicate in writing and send it over — the number of trips that you have taken into northern Saskatchewan and the communities that you have travelled into under this department in the last year. You could just provide that to me in writing. That's really all I have. My colleagues may have a few more questions.

HON. MR. DUTCHAK: — I'll provide that to the member. There were several trips to several communities. I will get that for him as quickly as possible.

MR. LINGENFELTER: — Mr. Minister, I just have a short question to you. I too am interested in your trips, although I am more interested in your trips out of province, and where you have travelled to, and the cost, and who has gone with you. I wonder if you could get that for us.

HON. MR. DUTCHAK: — Unfortunately, for my travelling aspirations, I'd like to advise the member that I have been up north so often that I haven't had time to travel out of the province relating to northern affairs. So I can provide you the answer now that I haven't had the opportunity to travel on northern affairs business outside of the province. But I will provide the number of trips and places, and so on, in northern Saskatchewan to the members.

MR. LINGENFELTER: — The minister says that he has not travelled on that particular type of business, I think, indicating that he has travelled out of province for other reasons on government expense, but we'll come with that maybe in Sask Housing or the next department.

But I would also mention to the Minister of Highways, who is in the Assembly, that he could look to this member for maybe some guidance in expense accounts and how it could be severely cut back if you were interested in saving the taxpayer some money.

Item 1 agreed to.

Vote 48 agreed to.

(1600)

HON. MR. DUTCHAK: — Yes, Mr. Chairman, I'd simply like to thank the members opposite for the questions, and my officials for taking part in these proceedings.

MR. THOMPSON: — Thank you, Mr. Chairman. I'd also like to thank the minister and his staff for the information he provided, and I would urge him to carry out some of the recommendations that we have put forward today.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

INDIAN AND NATIVE AFFAIRS SECRETARIAT

Ordinary Expenditure – Vote 25

Item 1

HON. MR. DUTCHAK: — Yes, Mr. Chairman, I would like to introduce my officials: Ian Cowie, secretary to the Indian and Native Affairs Secretariat; Patrice Meloshe, assistant secretary —

she's not quite here; she'll be here in a few minutes, Mr. Chairman — John Reid, senior policy analyst; Harold Danchilla, senior policy analyst, who will be here shortly — he is here.

Mr. Chairman, we have had a busy year in the Indian and Native Affairs Secretariat working on a number of issues. The Indian and Native Affairs Secretariat is a central agency which manages the government's aboriginal policy framework. Key responsibilities include the co-ordination of aboriginal policy and program activities between provincial departments, federal and provincial governments, between the public and the private sector.

Much has been accomplished by the aboriginal people over the year, and we're proud of that, Mr. Chairman. In a desire to see real results for aboriginal communities, Saskatchewan set out to work closely with the federal government and aboriginal people in several key areas last year.

Firstly, in aboriginal economic development, in 1983-84 the government established a \$2 million Indian economic development fund to assist Indian people with economic development.

The \$4 million in provincial contributions made over the past two years under the fund has funded 116 projects creating 1,500 jobs in tourism, manufacturing, agriculture, arts and crafts. The Indian people of the province have been innovative and have come to us with many projects that have created economic success for the people involved, and we look forward to dealing with Indian people in the province in future in matters of these sorts.

In conjunction with the private sector and the federal government, funding for these projects have approximated \$17 million totally. Most of these projects have been mounted at the band level and have been instrumental in the development of many new enterprises.

The government also signalled a new special agricultural and regional development agreement with the federal government in August of 1984. This agreement will provide federal-provincial funding of economic development projects developed by Saskatchewan's aboriginal people for another three years. A total of 73 projects at a value of \$6,743,955 have been mounted so far in the first six months of the new program.

The provincial and federal governments also signed an Economic and Regional Development Agreement, ERDA, in January of 1984. While the agreement is intended for the benefit of all people in Saskatchewan, the aboriginal people will particularly benefit from the sub-agreement on northern economic development.

Mr. Chairman, the Government of Saskatchewan is proud of the program initiatives it has taken for the benefit of their aboriginal economic development, but we're committed to doing more. In this regard the Government of Saskatchewan recently released a policy paper on aboriginal economic development which is designed to set new directions by a provincial government in this field. The discussion paper provides background information for a final stage of consultations. It is being reviewed by key players in the Indian and Metis community, industry, business leaders in the private sector, as well as both federal and provincial governments. We consider their input vital to developing a comprehensive policy which will address in new ways the issues of training, employment, and development for Saskatchewan's aboriginal people.

In particular, policy proposals developed by aboriginal peoples are playing a critical role in the consultations. The consultations on the policy are well under way. It's my intention to see these completed within the next month or two.

I will be taking forward the results of this work and recommendations arising from it for my discussion with my colleagues once that process of consultations is concluded. The end result of this process, Mr. Chairman, will be a policy framework upon which to formulate, implement, and co-ordinate economic development initiatives in concert with aboriginal people, the federal government, and the private sector.

In relation to land entitlement, Mr. Chairman, in December the government established an innovative approach and policy to Indian treaty land entitlement. Central to this new approach is a desire to see future settlements contribute to greater Indian economic self-sufficiency and to improve the economic base of Indian reserves. The approach opens up, therefore, a whole range of economic development opportunities to entitlement bands.

For example, entitlement bands may propose settlement packages that include, in addition to land, elements such as tax exemptions and incentives, mineral and other resource rights, resource revenue and sharing schemes, capitalization, loan guarantees, and other elements.

I am pleased to announce that the first settlement in fold, that of the Fond-du-Lac band entitlement, was given approval in principle by the Government of Saskatchewan in March. The settlement is important, not only because it's the first settlement under the new policy, but also because it demonstrates the capacity to achieve real economic benefit to Indian people by means of land entitlement settlements.

The province is optimistic that we are close to settlements of similar importance to two or three other bands shortly.

An important feature of the policy for Saskatchewan is that it is proving possible in the negotiations to date to meet the important objective of involving all parties to a given settlement, and to seek measured results that take the diversity of interests into account.

We know that Saskatchewan is comprised of people from different walks of life, from different levels of government, from different national origins. And we are using this new approach to achieve a degree of co-operation and consensus, and we're being successful in that new approach.

In relation to the constitutional developments, Mr. Chairman, Saskatchewan played a central role in the recent round of constitutional talks which culminated in the first ministers' conference of April 2 and 3, 1985. Saskatchewan was instrumental with the federal government and the Metis people in advancing the constitutional accord which became the focus of serious consideration in the closing hours of the first ministers' conference.

Much of the content of that proposed accord borrowed on Saskatchewan's proposals introduced in the lead-up to the conference. The proposed accord sets out the framework for community-based negotiations to occur between aboriginal people and governments, that would have as their essential objective increased participation of aboriginal people in government decisions that directly affect them.

Agreements concluded as a result of such negotiations would lead to a degree of self-government appropriate to the particular circumstances of the aboriginal people concerned. The proposed accord also includes a mechanism whereby agreements, when reached, would receive constitutional protection.

In addition to these provisions, Saskatchewan has been instrumental in bringing to the constitutional discussions the results of the joint work undertaken by the Association of Metis and Non-Status Indians of Saskatchewan on preferred approaches to Metis identification and enumeration, which is important to Saskatchewan. As a result of this effort, all governments and aboriginal people are meeting today in Regina to look at ways and means for adapting the 1986 census to effect the enumeration of Metis people.

Regarding other initiatives, during this past year the government has continued with a number of initiatives that are of significant importance to native people. Core funding of \$1.2 million was provided to native organizations last year. A similar amount will be provided in '85-86.

The objective of the core funding is to provide financial assistance to maintain the administrative structures of the core organizations and to support, therefore, effective participation of aboriginal people in a broad range of processes.

Mr. Chairman, this government is also concerned about the large number of Indian children in care. The Steering Committee on Indian Child Welfare is continuing its review of the area. The committee will be making recommendations to improve the care of Indian children and to transfer more authority and responsibility to the Indian people themselves, and we're proud of that development.

Numerous initiatives in such diverse sectors as education, training, economic development, housing, justice, health, and social development will continue on a government-wide basis.

So what now of the future, Mr. Chairman? Well as a government we are committed to seeing that the constitutional process yields some real results. Aboriginal self-government and aboriginal rights will be continued to be high on the national agenda in this and future years. As a government we are committed to ensuring that Saskatchewan's aboriginal people take their rightful role in sharing in the province's growth.

With that in mind I look forward to the questions and comments that the opposition members may have.

MR. THOMPSON: — Thank you, Mr. Chairman. Mr. Minister, once again I will be handling this department for my colleague from Cumberland, and I want to just make a few comments. You spoke about the plight of the native people in our province, and the fact that your government would be working closely with the native organizations to close that gap and to make the native people feel that they are equal partners in Saskatchewan.

And I want to say that I fully agree with that. I think that it's time that native people were given a fair share, the opportunity. They are the first Canadians in Canada. This is their homeland. And I want to say that it's vitally important that native people are shown by government that they are equal partners, and we have to make them feel equal partners, and physically they have to be shown that they are equal partners.

You talked about a number of things that were going on. You talked about the land entitlements. You talked about identification, remuneration of the Metis people. You say that that's taking place today.

I want to also go into some of the projects that you were talking about, and you were talking about the \$2 million economic development fund for Indian and native people. I wonder, Mr. Minister, is that the same \$2 million that we were talking to under your last department that we were discussing here, or is this a totally new sum of money for treaty Indians?

HON. MR. DUTCHAK: — Yes, this is an Indian Economic Development Fund, and not mentioned in any previous departmental discussion, and it does apply to Indians on reserves or off reserves, treaty Indians.

MR. THOMPSON: — It applies to treaty Indians both on and off reserves. Is that right, Mr. Minister?

HON. MR. DUTCHAK: — Theoretically, Mr. Chairman, the fund applies to treaty and status Indians on reserve. However, the enterprise or business, or whatever it is, doesn't have to be in the reserve boundaries because the difficulty we saw in old programming under former governments at different levels in Saskatchewan, is that a lot of times keeping an enterprise within the boundaries of a reserve didn't make any economic sense. It made some social sense, perhaps. So we're therefore changing the focus and being co-operative in looking at the areas

where the particular enterprise might have the best chance of succeeding, so we're not restricting the enterprise to any specific area.

(1615)

MR. THOMPSON: — You talked about 16, 160 projects that your department has undertaken in the last year. And I want to say, Mr. Minister, that I fully agree that if you're going to put this economic development money into the Indian and Metis people, or the treaty Indians especially, I think that if you're going to be successful with economic development you have to, as you say, invest in opportunities off the reserves.

And I think a good example of that is the projects that . . . the trucking companies that are now hauling freight and fuel up into the mine sites in northern Saskatchewan, they're involved with securities with the mines. And I wonder, Mr. Minister, if you could just comment on that and . . . have you put any money into that organization? I just don't have the name of that organization right now, but I do know that they are involved in trucking; they're involved with securities, and they are quite successful.

HON. MR. DUTCHAK: — Well in relation to the trucking and security component of SINCO Enterprises, who you speak of, we haven't been involved in the funding of their . . . at all to date from that fund. That fund was commenced under this government, and we funded, as I indicate, 116 other projects, but we do not have any financial involvement there.

MR. THOMPSON: — Thank you, Mr. Minister. Of course, this is the type of projects, economic development projects, that you are referring to when you say that you are not going to limit the economic development to on-reserve development.

I want to turn to the land entitlements, Mr. Minister, and just one short question. Could you indicate how many bands in Saskatchewan have received their full entitlement?

HON. MR. DUTCHAK: — Out of the 28 or 29 entitlement claims, we have completed our first one and are moving on to others.

MR. THOMPSON: — Could you indicate the date that the first land, fully and complete land entitlement agreement was signed with an Indian band in Saskatchewan?

HON. MR. DUTCHAK: — We've agreed in principle with the band, and we're working out the technical detail at this time, and I assume that shortly we'll have a signed document. As you know, the federal government is involved in this process and there are fairly complex interests involved. We've agreed in principle, and the band has to go through a process of voting on the entitlement now, and that's coming up shortly.

MR. THOMPSON: — Mr. Minister, you're saying then that there is no Indian band in Saskatchewan then, up to date, that has signed an agreement and have full entitlement under the treaties.

HON. MR. DUTCHAK: — Under our government this is the first one. However, under the previous administration I believe your government settled one as well. So this will be the second complete one.

MR. THOMPSON: — Yes, Mr. Minister. I'm quite aware of that, that land entitlements to the treaty bands was going quite well, and I was involved in the first agreement that was signed up in Black Lake. And I can assure you that that band was pretty proud of the fact that they had come to this agreement, and federal and provincial officials were involved, as they are today.

You indicate now that the second one is close to completion, and that is the Fond-du-Lac band.

Is this right?

HON. MR. DUTCHAK: — Yes, that's correct. However, I really want to correct the member when he indicates that the other process was going well. In my opinion it was a colossal failure. It divided many communities across the province and there was a great deal of bad blood. And we've initiated a consensus system of dealing with a complex issue like that, and I believe it's been highly successful in that regard.

The one entitlement that was settled under the former administration was not a difficult one. However, it was settled. The Fond-du-Lac one, as well, was not that difficult. It has some competing interests. However, I am advised that that particular band is now involved in a resource development agreement where they are achieving immediate economic success, or the commencement of economic success, soon after the completion of this particular agreement. And that's really what we're looking for across the province.

We think that we have so many opportunities in Saskatchewan that people really don't have to step on each other's interests to achieve those opportunities, and we look forward to dealing with more bands in regard to their specific type of entitlement and their ideas for development and building of an economic base.

MR. THOMPSON: — Well, Mr. Minister, I want to agree that I don't think that anybody should be stepping on anybody's toes and that the agreements, the land entitlements, should be worked out so that we don't have any bad blood. I'm not aware of the bad blood that we had three years ago, prior to you coming in, but I am aware of the land entitlement settlement at Black Lake. I want to assure you that the band and the council that were up there were pleased with that, as were the provincial and federal officials.

I would question the fact that we are now down the road into our fourth year of a Conservative government and we haven't seen the land entitlement take place yet. You say that Fond-du-Lac is getting close and that that is a fairly easy one. I suppose that when you deal with that much land in northern Saskatchewan, it does become easier than when you get the bands in the South where you do have a lot of farmers to deal with and other interests.

But I ask you, Mr. Minister, to continue on that route and to get the entitlements settled as soon as possible because it is an entitlement that the bands have coming to them, and rightly so. I would like to see them settled, and I know that they would like to see them settled as soon as possible.

I guess, Mr. Minister, other than that, unless you want to comment on the meeting you said that was taking place today, where the Metis people were going to be trying to settle or were going to work out some sort of identification and remuneration . . . Is that to find out just who is entitled to vote as Metis person, and who is a Metis person and who is not? Is this what they are trying to work out today?

HON. MR. DUTCHAK: — The issue is a simple question of enumeration and identification as to who is Metis in the province of Saskatchewan. And I'm pleased to report that the discussions yesterday and some of our meetings today have resulted in consensus, and I believe we're going to be moving ahead to a situation where we are going to identify the Metis people in Saskatchewan.

Saskatchewan therefore will be the province that will take leadership in that area as well. It is a leadership that we're proud to take because it not only connects up to issues of voting and things like that, but it identifies to us the group that we are dealing with as government in various existing programs such as education and so on.

So it has many advantages: it helps governments, to a large degree, in identifying the Metis

people, the rights of the Metis people, and the areas of regional affect of Metis development, and Metis lack of development in certain areas.

MR. THOMPSON: — Well, Mr. Minister, would you not agree that identification will be the first thing that they'll have to settle before they actually get into enumeration, they're first of all going to have to settle on identification?

HON. MR. DUTCHAK: — Yes, that's why we're going through the process of determination and that's what we're accomplishing.

Item 1 agreed to.

Item 2 agreed to.

Vote 25 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

INDIAN AND NATIVE AFFAIRS SECRETARIAT

Ordinary Expenditure – Vote 25

Item 1

MR. THOMPSON: — Mr. Minister, on this subvote here, you have: administration, 108,000; grants to Indian and native organizations, 65,000, for a total of 173, 730. Mr. Minister, could you explain the large amount of money here for administration? And is that administration under your department?

HON. MR. DUTCHAK: — Yes, if the member is mentioning the increase, the increase is a result of the land entitlement process we're now involved in, and that's the reason for the increase.

MR. THOMPSON: — That's the \$108,000 that we're talking about. That's the administration that, when we talk about land entitlements and the constitutional talks back and forth from Regina to Ottawa, is that what that \$108 is for?

HON. MR. DUTCHAK: — Essentially the amount was for land entitlement and some economic development work, but that's what it pertains to.

MR. THOMPSON: — Okay then. You have \$65,000 grants to Indian and native organizations. Is that the total amount of grants that you've paid out this year under your department, Mr. Minister, in grants?

HON. MR. DUTCHAK: — The amount the member referred to was the supplementary amount.

INTRODUCTION OF GUESTS

MR. ENGEL: — Mr. Chairman, could I have permission of the committee of the House to introduce some guests today?

Visiting and sitting in the Speaker's gallery are four people from Nairobi, Africa, from Kenya. I'm not sure if the trio is from Kenya or not, but Larry Locken is team director. He's working with Word of Life in Nairobi. I visited him there; I visited them when they were working in Germany.

They do youth work there, and he's brought a trio with him that are great singers. Maybe I'll have them stand as I introduce them. Lameck is the big fellow; and his sister, Meta, on the side; and in the centre is Jennifer.

They are really good singers. If you want to hear them they are going to be singing at Faith Baptist on Saturday night and again on Sunday morning. And so I suggest you give a warm welcome to these people here to Regina, and also to the legislature.

HON. MEMBERS: — Hear, hear!

COMMITTEE OF FINANCE

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

INDIAN AND NATIVE AFFAIRS SECRETARIAT

Ordinary Expenditure – Vote 25 (continued)

Vote 25 agreed to.

(1630)

HON. MR. DUTCHAK: — Mr. Chairman, I'd like to thank the officials and the opposition for the questions relating to this department.

MR. THOMPSON: — Mr. Chairman, thank you. On behalf of my colleague from Cumberland and the rest of the opposition, I want to thank you, Mr. Minister, and your officials for providing the answers today.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN MINING DEVELOPMENT CORPORATION

Statutory Items

MR. THOMPSON: — Mr. Chairman, can I ask a question on this? Mr. Minister, could you explain this amount of money please for the legislature?

HON. MR. DUTCHAK: — I wonder if the member could be more specific.

MR. THOMPSON: — Oh, I see. That was last year's, and it's zero this year. Okay, fine.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

RURAL DEVELOPMENT

Ordinary Expenditure – Vote 43

HON. MR. DOMOTOR: — Thank you, Mr. Chairman. First of all I would like to introduce to you my deputy minister, Dan Gilewich, seated to my right; and to my left, Jon Jonsson, the associate deputy minister; and at the back, Larry Chaykowski, director of administration; and Ernie Anderson, the executive director of engineering services; and at the back, Gerry Parrott, director of municipal finance and management; and Lloyd Talbot, director of community planning.

First of all, Mr. Chairman, I'd like to congratulate the Premier and the Minister of Finance for the excellent work that they've done, and the Department of Finance for the excellent budget that they brought out.

As we begin today the discussion of the 1985-86 estimates for the Department of Rural Development, I would like to review with you some of the major programs and policy directions undertaken by this department.

During last year's budget debate and estimates, our government announced some policy changes which we felt would be positive steps for the future well-being of our 299 rural municipalities. Last year's budget made provision of the establishment of the Local Government Finance Commission. This commission was given a two-year mandate to gather information regarding local government operations and to make recommendations to the province and local government bodies for improved efforts of financing and operations. The commission has been in operation since September, and it's held many public meetings to listen to the concerns of rural and urban governments, and those of school, hospital, and library boards.

Over the last few months, I've had the privilege to consult with many of the 299 rural councils. They have assured me of their continued co-operation with the executive of the Saskatchewan Association of Rural Municipalities and with the staff of Saskatchewan Rural Development to ensure that the Local Government Finance Commission can continue to provide the forum required by local governments to mutually reach acceptable solutions to their common concerns.

Last year we introduced a new cost sharing arrangements for legal survey fees and assistance in obtaining rights of way on designated municipal roads. By way of background, Mr. Chairman, I would like to inform this Assembly as to why this program was necessary.

When the grid road program began in 1956, the province agreed to pay for and supply the necessary survey work required. In return for this concession, the municipalities agreed to cover the costs of obtaining the land for the roads, more commonly called the right of way.

For many years prior to 1982, the province did not keep its part of the program. Legal survey requirements were not maintained to a suitable level. From 1976 to 1981 the backlog of unsurveyed roadways grew steadily because of underfunding from the province. Not only were there serious legal ramifications involved in the neglect by past administration, but also, Mr. Chairman, there were outrageous added costs to the taxpayers of this province.

For purposes of illustration, let us assume that a rural municipality wished to build a few miles of new primary grid. They require a wider right of way than the 66 feet which is provided in the original plan of survey. So a new survey is required to sever the additional road allowance from the title of the adjacent landowners.

Legal survey work was so far behind the actual construction that in many cases the original landowner had sold the property in question by the time the new survey was completed. The rural municipality then had to renegotiate the purchase and in some cases actually re-purchase the right of way from the property holder. The added costs involved here are obvious, and it's almost impossible to attach a dollar figure to the extra financial burden that this has placed on our rural municipalities.

Not only did the municipalities lose under the former arrangement; so did the province. After-the-fact surveys and rising costs added substantial amounts to the eventual provincial contribution required. My department officials estimated that the net result of the neglect in this program by past administrations may have cost the taxpayers of this province in excess of \$3.5 million.

During 1984-85 we instituted a new cost sharing agreement in consultation with the Saskatchewan Association of Rural Municipalities. The new policy allowed for legal survey and right of way expenses to be added to the overall construction costs and shared by the province and the municipality involved.

I'm pleased to advise this Assembly that during 1985-86 the last of the survey backlog should be cleared up, and for future projects we anticipate that work will be done prior to construction. As an important side note, Mr. Chairman, we estimate that as many as 100 new private sector jobs were created during 1984-85 from this one policy alteration.

The Saskatchewan Association of Rural Municipalities has long voiced their concern about rising maintenance costs on heavy traffic municipal roads. A basic provincial grant of \$60 per kilometre, applicable to all primary grid and special roads, had been in place for some time. However, it was obviously inadequate to cover increasing maintenance costs.

On April 1, 1984 we announced a new policy for maintenance. A new grant of \$60 per kilometre was paid on all main farm access roads. For the remainder of the designated road system, a new sliding scale of maintenance payments was introduced which increased the former \$60 to a minimum of \$90 per kilometre and a maximum of \$180 per kilometre, or three times the former grant where high traffic flows was evident.

As I informed this Assembly during 1984-85 estimates, rural municipalities were allowed the freedom to utilize these dollars as they saw fit with virtually no strings attached. This increased maintenance assistance, if applied to the entire provincial property tax base, represented the equivalent of almost a two-mill reduction in taxation levels to every rural residence in the province.

We will be continuing maintenance grant payments at this level for 1985-86.

During 1984-85 our department was very actively involved in facilitating the disposition of some abandoned stretches of rail line within the province. During the course of the year, we established some 17 local committees who were asked to look at the properties in question and recommend suitable disposition to local government and to adjacent land owners.

To date, seven of these committees have completed their work, and the properties in question are being transferred in accordance with recommendations of the local committees. It is our intention during 1985-86 to finish the orderly disposition of these properties, and I anticipate that the majority of the lands will be returned to adjacent property holders.

Mr. Chairman, this government has stated in this Assembly, and to the Saskatchewan Association of Rural Municipalities, its belief that the federal government must become involved in rebuilding the municipal and provincial road system in those areas where rail line abandonments have occurred. We cannot allow rail line abandonment and grain elevator point rationalization to proceed at the expense of the road system in Saskatchewan.

A couple of years ago we saw that the rest of Canada didn't agree with our stand, and the federal government enacted a Bill, C-155, which changed western grain transportation and which, if allowed to continue in its present form, would alter the face of Saskatchewan — and as a farmer will say, not for the better.

The recent Canadian national application which asked for lower freight reductions at North Battleford and Saskatoon under section 45 of the Western Grain Transportation Act, is a further move which, if approved, would have serious negative effects on agriculture and our road system.

The Deputy Premier, Minister of Highways and Transportation, and Minister of Agriculture, and

our department prepared a submission to the Canadian Transport Commission opposing these variable freight rates. It is our belief that if we grant lower rates to producers in Saskatoon or North Battleford, it will place these producers at an unfair advantage in the interchange of grain transportation between points in Canada.

We must ensure that transport costs are not transferred to the municipal and provincial road authorities. We requested that the commission not grant the application for selective lower rates at only Saskatoon and North Battleford. We requested that if the application was allowed, lower rates should be applied to all grains from all origins to all destinations.

One of the most difficult problems that we, in the Department of Rural Development, had to deal with over the past year has been in regard to some of the rural assessment procedures. The former government introduced new assessment manuals and methods of assessment in 1976. Many of the changes introduced have proven inequitable. Some rural ratepayers have seen their taxes double, triple, or even quadruple as a result of reassessment.

In response to the concerns raised by rural municipal authorities, my Legislative Secretary, the member for Nipawin, toured the province and met with councils who had experienced problems with the reassessment procedures. He gathered many recommendations and suggestions from all parts of Saskatchewan, and he compiled a report which outlines the possible solutions to this very long-standing and serious problem. This is another part of the consultative process that this government has been following and believes in, by going out and meeting with councils and getting their recommendations and then from there implementing them as policy.

Several of the problems with assessment are related to the provisions of The Rural Municipality Act. The R.M. Act has been enforced for about 76 years during which time it has seen many revisions. Most of the changes to the Act were attempts to correct specific problems brought to the province's attention by the Saskatchewan Association of Rural Municipalities.

The entire legislation has not been totally updated since first enacted. As well, certain other legislation pertaining to the powers and operations of our rural municipalities requires updating. I refer, Mr. Chairman, to The Municipalities Relief and Agriculture Aid Act, and The Municipalities Seed Grain and Supply Act as particular legislation which requires improvement to meet the actual requirements of local councils.

It was my pleasure to announce that the recent 80th annual convention of Saskatchewan Association of Rural Municipalities that we as a government would be establishing in the course of the next few months a rural law review committee. This committee will be composed of membership from the SARM, Rural Municipal Administrator's Association, and departmental personnel.

The mandate of this group includes updating, streamlining, and revising rural municipal legislation to provide a draft of a new rural municipality Act for introduction to the Assembly perhaps late in 1986.

Last June we announced a formation of task force in rural development. This group of senior government officials from eight different departments and agencies was placed under the capable direction of Dr. Jake Brown, past dean of College of Agriculture, University of Saskatchewan in Saskatoon. The task force was given a mandate to prepare a strategy for rural development that would improve the opportunities for the economic and social growth and development of Saskatchewan's rural communities.

I'm pleased to advise that the report is in the final stages of completion. The report contains many excellent recommendations which we believe are critical to the future of well being of rural Saskatchewan. Many of the suggestions are of a long-term nature specifically designed to be phased in as development activities progress over the next few years.

The report of the task force deals with many areas affecting rural Saskatchewan — agriculture, transportation, economic development, water, quality of life, regulatory reform, just to name a few. And I may add again, this was done through a consultative approach of which the members from the task force met with different reeve, R.M. councils, and people from the general public.

At the recent SARM convention I was pleased to announce that there would be increased assistance for the construction of a heavy volume high traffic roads in the province. Our department is in the process of devising a new program for the upgrading and surfacing of these high traffic municipal roads. The 1985-86 budget includes a \$2 million allocation for this purpose. We anticipate that this program will assist some 20 to 30 municipalities from 1985-86, and ongoing commitments by the province should ensure that these industrial and heavy grain routes receive the attention they deserve.

Mr. Chairman, we anticipate an exciting and extremely busy year in the Department of Rural Development — new assessment procedures and manuals, a new rural municipality Act, a new industrial and high traffic volume roads program which will commit the province to provide the ongoing support to rural areas for the economic and social revitalization.

(1645)

We want to see long-term jobs in rural Saskatchewan, long-term opportunities for our youth in rural Saskatchewan, long-term support for the concept of the family farm enterprise and private ownership ethic, which built Saskatchewan and made it strong. We know that if rural Saskatchewan is strong then all of this province is strong. We believe that there is a quality of life in rural Saskatchewan that must be maintained and enhanced and developed, if we are to preserve our heritage and our rural economy.

We believe that the best way to maintain and enhance that heritage and economy is by providing opportunities for our youth in rural areas.

Thank you very much.

MR. LUSNEY: — Thank you, Mr. Chairman. Mr. Minister, I had somewhat of a difficult time keeping up to you. You were going real fast through that speech of yours. I expected it would last at least three-quarters of an hour. You're not like the other ministers. I can say that much.

Mr. Minister, I listened with interest to some of the things you were talking about. You did talk about your meetings with many of the R.M.s and discussion as to how you could assist them. It brings me back to what really happened in your previous budget. You congratulated your Minister of Finance for the good budget he brought down.

Well, I find a little bit of difficulty in agreeing with you on that one because when you look at what that budget has done for rural Saskatchewan it would appear that there is nothing really to be happy about. We see taxes that were virtually increased on rural people, on farmers, because when you removed the property tax, property improvement grant, and you removed the school tax rebate that you had, which you just brought in last year, that increases the taxes to those individuals. So we have to say that every farmer in rural Saskatchewan lost something.

And while the farmers lost, I think it's going to have an impact on the R.M.s also because, before, the individuals used to go and pay their taxes as soon as they had some money for it, and even if they had to borrow money they went and paid their taxes because it was going to be a savings for them. They were going to get a rebate. And in many cases that would run anywhere from \$300 to \$500, depending on the amount of land they had and how much their taxes were.

So, Mr. Minister, now that that's removed there's no longer an incentive for the farmer to go out

there and borrow money to pay his R.M. taxes. This is going to create some difficulty for the R.M.s because if the farmer doesn't have the money he's just going to carry it over into the next year. The R.M. is going to have to put a little pressure on him to try and get those taxes paid. So it's undoubtedly going to be a little more difficult for the R.M.s to get that money in, unless the government's going to propose that they will cover any back taxes that may be there and, if they do, I'm sure the R.M.s would agree with that and they would accept it.

Mr. Minister, not only did that tax affect the farmers of Saskatchewan, the removal of the school tax rebate, but we have to look at the flat tax. That has affected Saskatchewan also, Mr. Minister. That means that they are going to have to pay, on top of the loss of the school tax and the property improvement grant, they are going to wind up paying a little more money. And one has to look at what it's going to cost with all the taxes that his budget that you congratulated the Minister of Finance for is going to really cost people in rural Saskatchewan. You look at a farmer that might be making about \$25,000; he's going to wind up having to pay a lot more in taxes. He's going to lose in total, Mr. Minister, anywhere from 4 to \$5,000 a year. That's what it's going to cost people in rural Saskatchewan. And it's not only going to affect the farmer; it's going to affect the small towns and villages, the business people in those towns. They're all going to suffer because of this budget.

Mr. Minister, revenue sharing hasn't increased in your budget. You've talked some about all the things that you're going to do for the R.M.s. And when you look at your revenue sharing grants they haven't increased any. So that means the R.M.s are going to have to find funding elsewhere or else cut back on what they are going to do in rural Saskatchewan regarding their roads. And if they're going to have to cut back on road maintenance or road construction, that means that eventually someone is going to have to pay that bill. If you don't do it this year and you don't do next year and you won't do it the year after, then sooner or later it's going to get to a point where those roads are going to have to be built and they're going to have to be built in a shorter period of time rather than doing a little every year. So that's going to be really another debt put on the future of rural Saskatchewan — future generations, future farmers, or even the existing farmers — because those roads won't last all that long. So all of that is eventually going to, Mr. Minister, have an effect — and I think a very detrimental effect — on the people living in rural Saskatchewan.

One would have to look at what has happened in the area of grid roads. Some R.M.s, as we are all aware of, are not as well off as others. They have had problems to this point trying to keep their roads either maintained properly or reconstructed where necessary. Those R.M.s do need some help, and delaying that help is just going to put those roads in a worse condition, and it's going to cost that R.M. a lot more money. Somehow we have to get money into the hands of those R.M.s to upgrade some of those grid roads that need that upgrading, especially in R.M.s that don't have the funding. I suppose it would be easier to say that they can build . . . that you will allow them funding for those roads providing they put so much of their own in. but you're going to have some R.M.s that can't afford even if you allow that funding, can't afford to put in the money that they have to because times are tough out there. Rural Saskatchewan has been suffering.

The farmers have been suffering. And when the farmer is suffering, that means the R.M.s are going to suffer also.

We have to only take a look at the amount of bankruptcies that have taken place in rural Saskatchewan. And when you look back to 1981, that's the full year that we've seen under the New Democratic Party in government, and you look to 1984 . . . In 1981 we had 161; in 1984 we have 306 bankruptcies. Well, Mr. Minister, I think that's something to be concerned about.

There's an article that you had, or a comment you made in a paper in 1983, and it says, in the first speech that you made after you became minister . . . Mr. Minister, you at that time said that you want to see a stop to the deterioration of small towns, that you have seen many businesses

disappearing, and you would like to see a stop to that, Mr. Minister.

And you go on to say we must keep the small town business in place to ensure the continued viability of our agricultural industry. Well, Mr. Minister, I can't agree with you more — I can't agree with you more. Because if we can keep the business people going in rural Saskatchewan, if we can keep the farmers strong, that means that rural Saskatchewan is going to be strong and it's going to survive.

So I agree with what you are saying, but I don't see that happening in the budgets that you're bringing into this House. And that is what I disagree with. What we need is the kind of assistance that you talk about. We have to improve the situation in rural Saskatchewan. And I suppose it's not only rural Saskatchewan — urban areas are suffering the same difficulties, really having the same problems.

But rural Saskatchewan, I suppose, is affected maybe a little more than urbans will because they cannot diversify as quickly. They cannot change the patterns in rural Saskatchewan. Business places in rural Saskatchewan are more dependent on the viability of agriculture and the farmer. So the problems there, I suppose, are more of a long-range type of problem, and problems that have to be addressed by governments.

Mr. Minister, another comment that you made in the paper, and this has to do with the drought assistance program. And again, I tend to agree with all that you're saying, Mr. Minister. And it says here, "Mr. Domotor said that the municipality should pass a resolution to have the decision to exclude the one from the program reviewed." And this was in a question put to you by a reeve of one of the R.M.s — the R.M. of Humboldt. And you said that when they drew the line they looked at the proximity to feed supplies. And you say that, "I'm still concerned that Highway 5 should have been a more realistic line."

Mr. Minister, I don't know if you still believe that that should have been, but I have to agree with you again that drawing a line in a given area did not really address the problem that was out there. What should have been done — and we have continued to say that and I will say it again — what should have been done, if we were going to assist people in rural Saskatchewan, was to check with every farmer, every ag rep that we have in the area who has a problem with drought, and forget the boundaries of R.M.s. We should have checked with every one of them and assessed the situation on the individual basis using those agricultural representatives that are there. They are paid for it; they would have been willing to do the job; and they could have done the job.

As you admitted yourself, here, drawing that line left a lot of people out. It left people out that needed the assistance, but, because they were just across that line, didn't get it. So here are a number of things, Mr. Minister, that could be done to assist rural Saskatchewan.

Mr. Minister, you have made a comment about the heavy-haul roads. You're going to be providing some assistance for heavy-haul roads to be constructed in the province. I don't know if you call them heavy-haul roads or roads with heavier traffic on them. I don't know just which you meant, but if you meant heavy-haul roads, that's going to mean some municipal roads that probably will be using bigger trucks on them and having more traffic on those roads.

Well, Mr. Minister, I'm not sure what the criteria is going to be for that, and I will get into it when we get into the estimates item by item. I would have to say that when you talk about providing assistance for heavy-haul roads, you are virtually agreeing with the railways companies and with anyone that advocates variable rates and removal of many of the branch lines, because you are saying that you are prepared to go and build some of these roads. You are prepared to upgrade those roads because we are going to have to have bigger trucks on those roads.

Mr. Minister, I think what we should be saying to the federal government and to anybody that

does advocate variable rates or elimination of branch lines is to say that the taxpayer cannot afford to put money into building rural roads in order that the railways might save some money or that whoever buys that grain might be able to save some money. We should be saying that the farmer produces the grain and the railways have responsibility under an agreement that was made many years ago to move that grain. We should not move that responsibility onto the R.M.s or onto the backs of the farmers.

If you're saying that the government is prepared to pick up that bill, then I suppose the R.M.s won't complain very much. But if you are saying that they are going to have to use their tax system that they have — the mill rates — and increase them to a point where the farmer is going to have to pay to get those roads built, then I think that you're going to hear farmers and R.M.s complaining.

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I will have to say that I would be right there complaining with them, because I know that people in rural Saskatchewan can't afford to put anymore money into building roads than what they're putting into there now. They've lost enough now. In this last budget they've lost enough with the elimination of the property improvement grant and the school tax on the home quarter and the E&H tax increases and the flat rate tax. Mr. Chairman, the farmers cannot afford any more money out of their pockets to keep rural Saskatchewan alive.

In keeping rural Saskatchewan alive, I'll tell you, it keeps urban Saskatchewan alive, too. If you keep a strong rural economy and a strong agricultural economy, then you do have a strong Saskatchewan economy. Mr. Minister, I think we should never forget that because that is really the fact. That is what Saskatchewan is all about. I know this government tends to bring out . . .

MR. CHAIRMAN: — Order. It being 5 o'clock, this committee is recessed till 7 p.m.

The Assembly recessed until 7 p.m.