

July 4, 1989

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Environment and Public Safety
Ordinary Expenditure — Vote 9

Item 1 (continued)

Mr. Tchorzewski: — Thank you, Mr. Chairman. I just wondered if the minister wanted to make a speech, but apparently he doesn't so I'll begin.

Mr. Minister, I want to go into a number of items, starting off with the issue of the Rafferty-Alameda for a while, and then my colleague, the member for Rosemont, at another time will complete it.

But before I do that, because of the urgency of the situation . . . I know that because of what the Premier said here this afternoon that you have been to Cut Knife and the Cut Knife area to look at the situation that is there in your capacity as the Minister in charge of, I guess, emergencies. Could you report to the House, Mr. Minister, whether you are able to recommend that the government take some action to provide some assistance to the people who have been so tragically affected by the storm which destroyed crops and property and indeed destroyed a number of homes in which some people were injured. I ask: can you update the House on the situation as you saw it when you were there today.

Hon. Mr. Swan: — Yes, I could give you a brief outline of what has happened. There's been a very severe storm, as you've heard on the news, and it probably covers an area about 100 miles long and from 5 to 15 miles wide, damaging many farm yards, grain bins, homes, barns, equipment — everything was damaged.

What I did today was to view some of those sites. I visited the Indian reserve, visited Paynton and Cut Knife, and talked to the rural municipal people. They will begin now to hold meetings and to establish their districts as areas that need assistance from the provincial and federal government disaster fund. That will take a few days in each case for them to establish approximate losses and then to establish their disaster districts. The Emergency Measures Organization is sending people in to co-ordinate some of the clean-up. It will take many, many days to actually do the clean-up.

Under the disaster assistance fund there is a requirement that a village or an R.M. be responsible for the first 5 mills of damage that occur, and then the disaster fund kicks in. So they will certainly qualify for the disaster fund. It's just a matter of putting in place the resolution that complies with the legislation.

So the clean-up and the actual work will take many weeks. Some of the yards that were damaged have been probably 50 years of building to get the yard to the stage it was, and in 20 minutes it's basically wiped out and they can go right back to square one and start again. So the government will be working with those people to do

everything we can to assist them to get back on their feet.

Mr. Tchorzewski: — Mr. Minister, it sounds like a fairly serious situation, as I assumed. You say you are going to send some EMO (Emergency Measures Organization) people in or you have sent some EMO people in. Who carries the cost for that? Will the Government of Saskatchewan carry the cost of Emergency Measures Organization activity up there, or will the local municipalities have to bear that cost?

Hon. Mr. Swan: — The work of the emergency measures staff is paid for from the RAP (regional assistance program) program actually under the federal government. They're employed here, but they are covered under that program, so they will get their out-of-pocket expenses. And they are permanent employees; they work with us all the time; so they would just continue as normal employees.

Mr. Tchorzewski: — As I understand the disaster assistance program, it covers uninsurable property. You, being a farmer yourself, Mr. Minister, will know that there are many situations in Saskatchewan where people in rural Saskatchewan have just not been able to afford insurance. They have not barely had the cash to put the crop in, and in some cases . . . I can't say that this is the case here, but there may very well be cases in this area of people who have been affected, who do not have the insurance. What will the government's position be with respect to those kinds of circumstances?

Hon. Mr. Swan: — The system that has been established over a long period of time is that the disaster fund — federal and provincially funded — does cover only those areas that are not insurable. So we wouldn't be able to, under that program, reach out to provide assistance to people who didn't carry insurance. I think, normally, people who don't carry insurance don't carry it because they feel they have enough money in the bank or in their pocket that they don't need to. So I don't know the circumstances of each farm — that would take a long time to discover that.

But what I'm talking about only is the disaster fund and that disaster will be administered according to the rules that have been laid down over a long period of time, and have been applied in a number of other disasters that have occurred in this province and in the other provinces across the nation.

Mr. Tchorzewski: — Mr. Minister, I happen to have been part of an administration where, when a situation was severe enough, assistance was provided across the board so that people weren't left with nothing, as may very well be the case here. So I'm now not talking about the disaster fund. We've disposed of that and you've indicated that that is going to be put into place; in your opinion, it's going to be qualified for that.

What I'm asking you, Mr. Minister, is: what will be the status of people who may not have any insurance on certain property, not because they've got money in the bank, but because they were not able to buy insurance because they were cash strapped? And they may very

well have been cash strapped because the drought payment which they were relying on did not come in when it was supposed to come in — did not come in, is still coming some time in July. So in some cases maybe through no fault of their own they were not able to renew their insurance.

What will be the position of the government, Mr. Minister, in those kinds of circumstances? Will you be prepared to go that extra mile and do what is the right thing to do and provide them with some assistance?

Hon. Mr. Swan: — I believe that any government does what is the right thing to do. What the right thing to do in my mind and what the right thing to do in your mind may be different things.

I don't believe that we are going to make that kind of assessment tonight or over the next day or two; it's going to take some time for the people to go out and assess what the damage actually is. The insurance companies are out now working — all of them that carry insurance in that area — so probably it will take a couple of weeks before we'll have any indication of how many people are caught without insurance.

So I'm not, at this point, prepared to make any commitment on behalf of the government. That would not be one person's opinion. That will be a cabinet decision, and that decision hasn't been taken yet.

Mr. Tchorzewski: — Well, Mr. Minister, that's unfortunate. I'm going to ask you then: from what you saw, what are you going to be recommending as the minister? Surely you have to make a recommendation. The evidence that you saw firsthand, I'm sure, is very convincing. Are you going to be recommending that the government look at . . . I'll be easy; I'll make my question as easy as possible in order that we can send to those people a message about whether there's any hope. Is there any chance that you may be recommending to the government that they consider providing assistance to those people who may not be covered by insurance?

Hon. Mr. Swan: — I'm not prepared to take any position at this time, before this House, that I haven't had an opportunity to discuss with the Premier and the members of cabinet. So I just simply tell you that I will be making a presentation to cabinet at the appropriate time. What that position will be I'm not prepared to give to the House at this time, because I believe that should go to cabinet first, not here in this setting.

Mr. Tchorzewski: — Mr. Minister, I understand that at the local level the necessary resolutions have now been passed, as of this morning, by one of the municipalities affected, declaring a disaster area or whatever has to be done in order to qualify for consideration under the disaster assistance plan.

That being the case, Mr. Minister, how soon will the government act accordingly and pass the necessary order in council, if that's what you need, so that the federal government can know where both the provincial and the municipal governments stand on this thing, so the federal government can do its part?

Because, as I understand it, the federal government will not lock in its part of the program until the necessary initiative is taken both at the provincial and at the local level. Now the local level, I understand, has taken that initiative. When are you going to take the initiative on the part of the provincial government?

Hon. Mr. Swan: — I'm advised that perhaps one of the many communities have made that kind of resolution, but the bulk of the communities out there have not made that decision at this point. So we'll be waiting until those decisions are taken by the local R.M.s and villages and towns. Following that, the provincial government will make its move.

But I think to jump today would be premature. I think the government has to evaluate the whole damage area. That is being done. And as we collate that information in the next very few days, we should have that kind of answer back. But I'm sure from what I have seen out there that the disaster fund will kick in. And the federal government has also had a look and they know that it's going to kick in. So I think both governments will be prepared to respond.

Mr. Tchorzewski: — Thank you, Mr. Minister. That last comment of yours, I think, is the most important one. I'm sure that I don't need to say that we're going to hold you to it. That's not what the exercise is all about. But I think it's important that the people in Cut Knife and the Cut Knife area and the Indian band know that there is every reason in the world why the approval will be given, or that it will be declared a disaster area.

But we will have to monitor that and try to give you a shove in case that doesn't happen in the very soon period of time, because there's no reason in the world why it should take a lengthy period of time, Mr. Minister.

I know the Premier wants to go up there and make a little politics out of it, which he indicated on television today that he's going to do. But let's, in this particular case, put the politics aside and get the job done so that the people up there, who have been very severely injured by the storm and the tornado, don't have to put up with any more delays than is necessary and can get some guarantees as to where they stand.

I'm going to leave that now, Mr. Minister, and I want to pursue with you an area which we left off with when we last were in estimates a week ago today, last Tuesday. And I want to begin by addressing this question of the Rafferty-Alameda project for a brief time this evening and then again at another time.

But I want to just do a little summary of what I saw transpire in the consideration of your estimates the last time. That was on June 27, at which time you admitted, Mr. Minister, that certain conditions attached to the Rafferty-Alameda licence had not been met. You said that the conditions were attached to the licence, but up until now those conditions have yet not been met and the necessary reports have not been provided. And I know that you will say, as you said then, that they will be provided by December 31 and those kind of time periods.

But I don't think that that's satisfactory because, in spite of the fact that these things aren't yet ready and there's no way in which you can guarantee that they're going to be satisfactory, you allowed the project to proceed. And in that process the government has spent \$34 million. Actually it's more than \$35 million to date. You put at risk tens of millions of taxpayers' dollars because the government wanted to fast-track the project.

(1915)

In my opinion and in the opinion of the majority of people in Saskatchewan, that was a very irresponsible act on your part because the government may very well have spent, or may spend, \$500 million if the project had been allowed to proceed without the necessary federal environmental impact studies. Could have spent \$500 million; you could have got some of these reports on water management and water quantity and water quality, and they may have been unsatisfactory.

And all that would have done is seen the expenditure of a lot of money and put the government in a situation with an offer that it couldn't refuse. Five hundred million dollars spent, all these conditions unsatisfactorily provided for — and that's not an unusual thing to expect from the Souris Basin Development Authority, which has been nothing more than a political tool of the government and of the Premier and of the Deputy Premier — and then you would have been put in a position for political reasons and for economic reasons, I suppose, to say, well you haven't met them but we've spent \$500 million, so I guess we're going to have to let you go, and the thing is going to proceed. And that's the point I was trying to make last Tuesday when I addressed this thing with you.

The terrible thing about all this is that the government has been prepared to take short cuts; it has been prepared to avoid due process; it has been prepared to hide information from other levels of government and put pork-barrel politics before everything else.

Now instead of co-operating with the Canada Department of Environment in its work, which one would have expected you to do, and one would have expected the government to do, what's happening in the process that has been taking place with the public meetings is that the government has attempted to influence those meetings by plugging the meetings with ministerial staff and executive assistants.

Now you look a little surprised, Mr. Minister. Maybe you are, because maybe you're not aware of what was happening. But the fact is that from the office of the Premier, there was a memorandum sent out signed by one Joanne Tenhold to all chiefs of staff and all ministerial assistants prior to the meeting in Regina at the Ramada Inn on June 22. I think it was sent out on June 21 or just before that. And here is what it said, referring to the public meeting. It said:

Your attendance is encouraged to provide support for those presenting briefs in favour of its construction.

Now, Mr. Minister, if you want I can hand this over to you

when I am done with it, but that, once again, is another example of the kind of inappropriate attitude and inappropriate approach that's taken by this government with regard to this project. Here we have a federal court deciding the federal licence was granted illegally. Here we have a panel established by Environment Canada to hold public meetings to hear the public.

What does your government do? Oh, it sends people to make representations; that's fair enough. I would be surprised if Mr. Hood of the Souris Basin Development Authority had not been there to state a case, or Mr. Lawrence from the Saskatchewan Power Corporation. But I am shocked, Mr. Minister, and you ought to be, if you didn't know that this was going on, that out of the Premier's office there would be a directive to staff, chiefs of staff, and to ministerial assistants, directing them to go and plug the meeting in Regina. And I suspect that that was the case in the other places where the meetings were held.

Mr. Minister, that's like a punch-drunk boxer. He keeps getting knocked down; he loses his sense of judgement, but he keeps getting up to get knocked down again. What you should be doing, Mr. Minister, and what the Premier, as the chief executive officer of this government, should be doing, is encouraging that this process, once and for all, be done appropriately and be done up and above board and be done as quickly as possible for your interest.

Now, Mr. Minister, I want to ask you: do you think that that kind of a directive to staffs in the ministers' offices is an appropriate directive when there are these kinds of public meetings which are so important in this process?

Hon. Mr. Swan: — Well the hon. member has covered quite a broad topic so I'm going to take a few minutes to respond to that.

To begin with, I told you that the water quality studies, the management of the water flows, were going to be studied and that those reports would be in. And that meets the requirements that we set out under the terms and conditions of the licence.

When we were meeting last time, you indicated that it was not appropriate to give a licence and then have conditions, and just to . . .

An Hon. Member: — No, I didn't say that.

Hon. Mr. Swan: — Yes, that was said very plainly. And what I want to raise with the hon. member is approval given by Ted Bowerman in 1981 when he was minister of Environment, and it dealt with the project at Nipawin, the electrical project and the dam at Nipawin.

And in that process an approval was given and there were a number of terms and conditions contained in that approval, the same as the licence that we gave as far as the terms and conditions were spelled out, of things that had to be met.

And among a number of these was the geology and the ground water, observation of the wells and put in piezometers so that we could tell whether any of the wells

were being affected by it. The proposed ground water quality and quantity monitoring program will be submitted following the time of the approval. You know, it's almost the same kind of a process. So you may not have been aware of what was happening when you were government, but it was very definitely happening because there is a need for some of these things to happen in this format.

And I'm simply drawing it to your attention to let you realize that some of the things you are now questioning were exactly the same kinds of things that you did when you were government.

I think that it's important for you to realize that we gave approvals, but we gave very stringent requirements that must be met. And many of those requirements are being met on an ongoing basis; day after day they are being worked on.

The mitigation process for the wildlife habitat is being worked on diligently and will continue to be worked on all summer. We have groups of people out planting trees, others are preparing ponds for ducks, and all types of wildlife habitat is being prepared so that at the time that the Rafferty dam is complete, there will be more wildlife habitat than there was in the beginning. I think that's a very important part of the whole process.

You ask whether or not we should have people attending the meetings. Many of those people attend meetings all the time, and I think it's very important for government to be involved and for government employees to know what's happening at meetings such as this. Now just because you're in attendance, you don't always speak. You go there and you listen and you take notes, so that when you come back to do your job here in this building, you can do your job giving the Premier assistance or giving assistance to other ministers that might be involved, like the minister responsible for SaskPower.

I think it's extremely important that these people do attend meetings, and I see absolutely nothing wrong with that process of having government people attend. Now they're not all there to speak or to cause any difficulty, simply to be there to understand the process, to know exactly what's being said on both sides, and that's an important part of being government — to know what's happening so that you can indeed react to the needs of that project. Some of those same people may have to provide assistance to the federal government as well.

So no, I don't follow your line of thought at all, in that when I think that for the Premier to encourage people or through his staff to encourage people to be at the meetings, is certainly normal process and one that I wouldn't fault him with in any way.

Mr. Tchorzewski: — Mr. Minister, if it were for the people to attend in order to learn something, that's one question. But when it is, as this memo says, to provide support for those presenting briefs in favour of its construction, then there's obviously a biased purpose involved here, Mr. Minister. It's got nothing to do with learning, although admittedly they might learn something. Now that would be a great deal more than the executive benches on the

front bench have done on this project and in this process since it's begun, Mr. Minister.

I'm asking you again: put aside the learning aspect of it. Do you think it's appropriate for the Premier's office to organize chiefs of staffs and ministerial assistants — the paid political staff of the government, paid by the taxpayer — to plug a meeting in order to make it look like the majority of the people at that meeting were in support of the project, rather than to give the panel an opportunity to make a fair reading of what was being said and presented at that particular public meeting?

Hon. Mr. Swan: — I don't know . . . When we used to work with horses and we didn't want them to see anything on either side, we put blinders on them, and I think maybe that's the way the hon. member is. You know, at these same meetings, I know that there have been a number of NDP supporters encouraged by the NDP to be there, and you weren't certainly supporting those who were there to support the project. You were there to try and defeat the project with everything at your disposal. So, no, I make absolutely no apologies. I think that for the Premier to encourage staff — especially our political staff, who are working very close to the government — to be at a meeting such as that, it's extremely important. I think that they were doing the right thing and they have every bit as much right to do that as you have to send all of your people to be opposed.

Mr. Tchorzewski: — Mr. Minister, nobody . . . I certainly . . . I did not make one phone call to encourage anyone to attend that meeting, but had I done it, Mr. Minister, they would have been ordinary citizens who would have been there because of an interest in the project. And many of them were there because of an interest in the project, both pros and cons. That's not the issue here.

The issue here is directing people who work for the Government of Saskatchewan, who are paid by the taxpayers of Saskatchewan, the same taxpayers who have a right, who have a right to make sure that there is a fair hearing that takes place here — and that's the difference. I say, Mr. Minister, because I don't think I'm going to change your mind . . . I'm not even convinced that you believe what you are saying yourself, but I tell you that it's wrong, it's wrong for the Premier's office, or the Premier through any one of his staff, to direct members of the government, to direct even ministerial staff, to try to go to a public hearing to influence the hearing by making it appear as if the crowd was larger on one side than it was on the other. Now I happen to have a great deal of respect for the members of the panel here, and I suspect that they won't be influenced by that kind of shenanigans.

But I object, and I know that Saskatchewan people object, to that kind of misleading approach by the Premier, who on the one hand will say under some circumstances how strongly he favours measures that are innovative and new to protect the environment, but when it affects a project which is so dear to his political heart, is prepared to ignore all of that and try to get the decision he wants, regardless of what the environmental requirements may be requiring at that particular time.

That's the point I make, Mr. Minister. You and I are going

to disagree, and I'm quite prepared to let the public judge on which side of this argument they're prepared to lay their support. And I suspect it won't be on your side, Mr. Minister, nor will it be on the side of the Premier.

Now, Mr. Minister, let me continue with another part of this question. You said in the estimates last Tuesday that you have done a study which says that the Rafferty dam will fill every 10 years. Now other studies have shown, in some cases, that it won't fill . . . It may not fill for 40 years. Cochrane Lavalin says that. The federal draft study says that, Mr. Minister.

(1930)

You, on the other hand, say that your water corporation and your officials have done a study which says it will fill in 10 years, every 10 years. Now presumably, Mr. Minister, because of the importance of such information, it is not confidential. Why would it be? Nothing inordinate about that kind of material. So I want to ask you: will you table that study here today — you've had fair warning of it a week ago — so that we can have it before we conclude this estimates? You say you've done the study. Will you make it available to this House so that we can become informed about the material which you used in making your decision?

Hon. Mr. Swan: — You use the term pretty loosely when you say that I did the study. The water corporation staff have done the study. And they did a number of different water flow mock-ups using a computer program and in that process indicate to me that the probability of it filling is once every 10 years.

I think a good reference for you to look at would be in the environmental impact statement, chapter 7, and you would likely, by reading that, come to a different viewpoint than the one that you have at this point.

Mr. Tchorzewski: — Mr. Minister, I've used the reference of your own documents which have come from the water corporation, documents which were made available because of a court ruling at the request of SCRAP (Stop Construction of the Rafferty and Alameda Project). I use the reference, the federal draft IEE (initial environmental evaluation), which the panel is now considering. You used the reference, and I can quote you the words, that your water corporation made a study and the study convinced you that the dam would fill every 10 years.

Mr. Minister, I ask you again. Unless you've got something to hide, will you table that study for the benefit of the information of the members of this House and for the public in Saskatchewan.

Hon. Mr. Swan: — I don't have that information with me because you're asking questions that would deal with the water corporation, not the Department of Environment. Perhaps if you would like to ask it when I have the right staff here, I can bring it forward. But I don't have it with this particular staff.

Mr. Tchorzewski: — Well, Mr. Minister, I will be kind to you and I won't request that you table it here today. And we won't consider the water corporation today. We

might have, but we won't. Will you undertake then, when the water corporation is here tomorrow, to bring along that study and make it available to the House, Mr. Minister?

Hon. Mr. Swan: — Yes, I see no problem with that.

Mr. Tchorzewski: — Thank you. Then we shall be very interested in what that study has to say and how it compares to other studies which have been done over a long period of time, hydrology studies which provided quite different information.

But I appreciate . . . I don't know why it was so difficult for you to initially say, yes the study would be made available. But now that you've made that commitment, when we consider the water corporation we will be looking forward to the study to see what it says, Mr. Minister, so we can make a comparison.

Now let me continue then with some documents and some information which I want to ask you some questions about, which have been revealed in the last several months. What I'm going to refer to in this next segment during this estimates is copies of confidential, internal government correspondence. There are memos and minutes of meetings relating to the Rafferty-Alameda project.

And what these documents do is they describe how the Souris Basin Development Authority and its officials set about to build this project, and they also describe the Souris Basin Development Authority's dealings with the federal government and with your own department, the Department of the Environment.

Now the information that was provided, Mr. Minister, and this was made public in early March of this year, was such that under most normal administrations, and I don't say this to be unkind, but under most normal administrations I think the minister would have resigned. Ministers involved in this case chose to stonewall once again and decided that they would try to pull the wool over the eyes of the public some more.

I refer you, Mr. Minister, to a part of a confidential letter between Mr. Robert Walker . . . (inaudible interjection) . . . Mr. Chairman, the member from Saskatoon, is it Mayfair, wishes to get into this debate. I'm prepared to relinquish my seat and let him do that. If he's not, then he should sit in his chair, continue reading his newspaper, and listen to the proceedings so that they can carry on.

Mr. Minister, I refer you to confidential letters now. Here's the one between Mr. Robert Walker of your Department of Environment, and George Hood of the Souris Basin Development Authority, in October of 1986. And in that letter, Mr. Hood and other officials of the Souris Basin Development Authority were apparently trying to avoid the involvement of the federal government and the involvement of the Manitoba government. And it states the following, and I quote word for word:

It will come as no surprise to you, I am sure, that a number of federal officials have in the past expressed their aversion to this particular project.

Given that a number of these individuals are still working in related areas the distinct possibility exists that if given the opportunity, they would deliberately attempt to scuttle the project.

And I emphasize the following quote, Mr. Minister, because it's very important here.

Our strategy has been, and will continue to be, to take the project as far as we possibly can on our own and build as much momentum behind it before we open the process up to other governments.

Mr. Minister, in spite of this kind of attitude, you gave a licence, or your department . . . A minister of your department gave a licence, and the federal government gave a licence.

Now, Mr. Minister, it goes on. This scheme of avoidance was contrary to the usual practice of the Saskatchewan Environment Department and contrary to Mr. Hood's own opinion as to the proper procedure at the time he wrote the letter. And it was, and I quote again — the opinion:

I think it is clear that the Rafferty and Alameda Project is not a "purely provincial project" . . .

So they knew it was not a purely provincial project, and neither the federal licence with federal hearings. I continue with the quote:

. . . in that the federal government will have some involvement as defined in the EARP Guidelines as federal "decision-making responsibilities".

So, Mr. Minister, it appears that the strategy also included a deliberate plan to restrict the giving of required notices and information to the public. Now this is very serious. I hope you think it's very serious. The government has not taken it as very serious.

So what I want to ask you, Mr. Minister: were you aware of this information provided in this correspondence? Were you aware of Mr. Hood's letter to Mr. Walker when you issued the licence?

Hon. Mr. Swan: — The letter that you quote was from 1986, and it was written by a person who was working for the Souris Basin Development Authority, not the Department of Environment, and it went to a department person. No, I did not see the letter, nor was I aware of the letter at that time, but I became aware of it when the information was released to SCRAP and then became a news item early this year.

So I wasn't aware of it at the time, but I believe if the member would in fairness read the response from Bob Walker to that letter, probably it would put an entirely different light on it, where Bob Walker doesn't support that.

Mr. Tchorzewski: — Mr. Minister, I will. I have that other letter which is the response. It is from Mr. Walker, who was doing his job. And he wrote:

Accordingly, I feel we should arrange to involve federal and Manitoba environmental interests in our review of the Rafferty-Alameda project as soon as possible.

Quite admittedly, Mr. Minister, copies of that letter were sent to Mr. Peter van Es, Mr. G.W. Howard, Mr. H.T. Epp. The latter two people I don't know, but I certainly know the deputy minister. I suspect, Mr. Minister, that the deputy minister had also received a copy of the correspondence from Mr. Hood to Mr. Walker.

So you cannot stand in this House and say you were not made aware of this information earlier. Otherwise, if you hadn't, because of the seriousness of it, you should be questioning your deputy minister about why he did not inform you of that information when you had to make such a decision.

So Mr. Walker was doing what he had to do. But in a follow-up correspondence from Mr. Hood to Rafferty-Alameda, to other people in the constitutional branch, he makes an argument. Again he does not give up. He makes an argument that there is no need for federal government involvement, Mr. Minister, so it doesn't end here.

Now I ask you then, Mr. Minister, why do you say in this House that you didn't know anything of this when the highest office in your department, other than your office, was aware of it? Why would you not know that this was going on?

Hon. Mr. Swan: — Normally in the environmental impact assessment process, I allow the people trained in the field and hired to do the job of reviewing projects, to have free rein in doing that review. And as minister, I'm not over in that department every day trying to inflict my will upon the people who do the review of the environmental impact assessments. That may have been the way that your government worked, but that's not the way that this government works. We employ professional staff, we give that professional staff enough rein that they can do their job, and do it well.

And I think a good indication of how well they do that work is if you look at the letter that Bob Walker responded to. Certainly he had a letter from George Hood asking him to do certain things, but he responded and stated very, very clearly that the federal government and the Manitoba government and the American government should be involved, and they were involved.

And if we go back to April of 1984, we involved the federal government, we involved the Manitoba government, and we involved the American government. So I think that's a good indication of the way that the Department of Environment operates. And as Minister of Environment, when the staff had completed their review and the public hearings were held, then the staff of that department came back with the recommendation that the project be given a licence to proceed and under certain conditions. And those conditions were basically the conditions that were spelled out by the board of inquiry.

So I think that the Department of Environment has done commendable work in dealing with the project, regardless of outside influence trying to change the direction they should go. They stayed on the direction that the project must go, and that is that it must be involving the federal government, must involve the American government, and it must involve the Manitoba government, when all of those agencies are very much affected by the decisions that would be made to build this particular project.

I believe that rather than you standing here criticizing the staff of the environmental impact assessment division, that you should be commending them for a job well done, because that's exactly what they deserve.

Mr. Tchorzewski: — Well, Mr. Minister, if you heard me criticizing the staff in the environmental impact division, then I suspect that you need to go to a private sector hearing aid specialist, because you have a problem with your hearing.

Mr. Minister, I once again tell you that October 27 Mr. Walker of your department did what he had to do. And he wrote and he said . . . And I won't read the whole letter, but I'll read the key portion:

I feel we should arrange to involve the federal and Manitoba environmental interests in our review of the Rafferty/Alameda project as soon as possible.

This is October 27, 1986. Well on November 10, 1986, Mr. Hood writes back to Mr. Walker, and he has had no interest in what your department officials have had to say at all. And even though your department officials may have tried to do an adequate job, they continually were stonewalled and obstructed by the Souris Basin Development Authority and by the Premier and by the Deputy Premier. So the blame is not with your officials; the blame is with the two chief executive officers of this government, and with you as the minister who allowed it to continue in full knowledge and did nothing about it.

Some Hon. Members: Hear, hear!

(1945)

Mr. Tchorzewski: — Don't pretend in this House that you didn't know because if your deputy minister knows, you know. I have a lot of respect for your deputy minister and I know that he reported to you because I know that that's the way most deputy ministers operate.

But let me now go back to the November 10 letter in which Mr. Hood writes again to Mr. Walker. And he says, and I'll quote the sections in the third paragraph on the first page:

The principals involved in this project have deliberately attempted . . .

I'll read it again:

The principals involved in this project have deliberately attempted to keep the *initial* number of agencies involved on both sides of the border to

as few as possible.

I will then go on to the second page and read you another section, and I quote:

Our strategy has been, and will continue to be to take the project as far as we possibly can on our own and build as much momentum behind it before we open the process up to other governments.

That was an ultimatum. They were thumbing their nose at you, Mr. Minister, and you said, I'm going to wash my hands of it.

Then I quote another section, Mr. Minister, and I quote again:

At this current point in time, given the number of unresolved issues currently before us, I do not think it advisable for us to initiate an "open-ended" consultation process with either the Canadian federal government or the government of the Province of Manitoba.

And he even admitted in another quote, Mr. Minister, the following:

I think it is clear that the Rafferty and Alameda project is not a "purely provincial project" . . .

And then I read you another quote:

I do not think it advisable to directly involve the Province of Manitoba in our environmental review process.

Now your department tried, Mr. Minister, or the Mr. Walker of your department tried, to tell Mr. Hood of SBDA (Souris Basin Development Agency) that they had to meet certain requirements; and all along the process, the Souris Basin Development Authority said they that they would not.

Mr. Minister, in your capacity of the Minister of Environment, how could you possibly allow that to be continued when it was so blatantly obvious that there was an attempt not to involve the other governments and to hide information from them and from the public in Saskatchewan?

Hon. Mr. Swan: — Well the member gets up and makes some statements and says that I knew and that my deputy told me and . . . Well let me start by refreshing your memory. It seems like your memory is short. If you want to go back to October of 1986, I believe that you and I were out fighting an election all through the month of October, and on November 10 I was still serving as Speaker of this Legislative Assembly. And November 10 I was still carrying that responsibility. So if those two letters came to the deputy minister, they certainly didn't come to me at that point in history.

Those letters were first made available to me at the time that this information was provided to the SCRAP group as information that they got under the transfer of information

from our department to them. So that's the first time that I was aware of it. And I think the hon. member should have known that, that I was not the minister of Environment at the time that these letters were written. I still take responsibility for the department and for the decisions that the department has been making on this project. And I believe it's commendable that when outside pressure comes to the environmental assessment division of the Department of Environment and they write back and simply say no, this is the way we're going to do it and they go right on and do the project the way that it should be done. That's what the department did and I'm very pleased with that action by the department.

I think that the hon. member ought to also be pleased that we have a department with people who are strong enough to make that kind of decision and let the decision go forward and work the way that the department is meant to work in reviewing any project: do the complete study; review the study; do the public review period; and also a board of inquiry before any decision was made on this project. And when it was made, I believe it was the right decision.

I'm very pleased with the work that the department did and I'm satisfied that the decision that we rendered under this particular environmental impact assessment was the right decision, the one that the project should be allowed to proceed.

Mr. Tchorzewski: — Well, Mr. Minister, are you saying that when you became the Minister of the Environment you were not fully briefed on this major, major issue which was not without a great deal of controversy? Are you saying you were not fully briefed, did not request to be fully briefed on all of the events that transpired until the time that you became the minister, Mr. Minister? Is that what you're saying here?

Hon. Mr. Swan: — Not at all. I was briefed and briefed thoroughly. But I think for you to have the idea that every letter that ever came into a Department of Environment is brought forward to a new minister and read to him is absolute folly. You were a minister. You know how many letters would go through that department in one month, let alone in a number of years. So I don't ever think that my department should have read every letter to me.

As long as the department was capable of dealing with the issue . . . There are many letters that come into the department today that I don't expect the department to bring to me. But if they are pertinent issues that are brought to the department, and they feel they need ministerial assistance or direction on a given project or a given letter, then of course it comes to me. But there are many of the day-to-day operational letters that come through the department that I don't expect to see.

Mr. Tchorzewski: — Mr. Minister, if you consider these to be day-to-day operational letters, Mr. Minister, then I really think you should have resigned when this saw the light of day. These are day-to-day operational letters, Mr. Minister? That's unbelievable that you would even consider making such a comment.

Mr. Minister, I don't, nor would the public, expect you to

be briefed on every letter that comes to the department. That's not what I'm talking about. I'm talking about a major, blatant, deliberate attempt, a deliberate conspiracy to go ahead with a project, under the direction of the Premier and the Deputy Premier, regardless of necessary environmental impact studies — a major conspiracy, Mr. Minister, to proceed with a project so that, in the words of the proponents, it would get so far in the process, then when you finally got caught nobody would be able to stop it, Mr. Minister.

Why would you not have been briefed about such a major issue, which is not an ordinary, everyday letter? Unless you didn't want to be briefed, Mr. Minister, unless you wanted to stay in the dark so that all of this could happen and that you could say that you knew nothing about it. And if that's the case, Mr. Minister, that is about as irresponsible an attitude as any minister of the Crown could take in any department.

Hon. Mr. Swan: — The member makes an awful lot of suppositions, and I think that you should stop and think of what it takes to cause a conspiracy, as you call it. It would take more than one party co-operating. Certainly George Hood wrote a letter and my department responded and basically said no, that we're going to do it the proper way. Now that does not create a conspiracy. That is a request by one individual turned down by another and that is not a conspiracy. It would take the two of them, co-operating to do something, to cause a conspiracy and that just did not happen.

Mr. Tchorzewski: — Mr. Minister, when you found out about this information — and I will just assume that you found out later, after the fact; I'm not sure I'm convinced of that yet but let's assume you did, Mr. Minister — what action did you take, what action did you then take as a minister who obviously should have been extremely concerned in addressing that situation?

Hon. Mr. Swan: — At the time that I found out about it, I called Bob Walker to my office and we had a good discussion. And he said yes, that letter had come in and he didn't agree with it. He responded — and he brought a copy of both letters at that time; they're in my office still — and explained why he had responded the way he did. And he said, you always have somebody in any project that's going forward who wants to short-cut the system in some way. That happens in almost every project that we deal with. But as long as the department staff are strong enough to withstand, then there is no problem. And I believe that in this case my department staff were strong enough and did a good job, and for that reason I believe the Department of Environment has conducted itself very well in the whole process.

Mr. Tchorzewski: — Except that the problem goes beyond the department, Mr. Minister. The problem goes to you and it goes to the rest of your colleagues in cabinet, certain ones of them. Don't you think that it would have been appropriate on your part, as a minister, as a member of the cabinet, to take it further and pursue the question of why did officials of the Souris Basin Development Authority conspire to circumvent the necessary requirements of the environmental impact process? Why would you not have taken it beyond that, Mr. Minister,

and saw to it that appropriate action was taken so that this kind of thing would not continue or would not happen again? Why did you sit on your hands and do nothing?

Hon. Mr. Swan: — I don't suppose I sit on my hands and do nothing in any day. I work steadily with the staff that have been provided in that department, but I don't interfere with them on a daily basis, as I told you before.

I doubt if the Deputy Premier or the Premier knew that George Hood wrote the letter that came through to the Department of Environment. I think that was one man's opinion of what he had to do, so he wrote a letter. I doubt very much if either one of the ministers that you try to ridicule and downgrade had any concept that this letter was even written until it came through, and I'm sure that the minister responsible for the Souris Basin Development Authority has talked very seriously to the member who wrote the letter.

But I believe that my department did its job. That's the part that I'm responsible for, and I'm quite satisfied with the process as it went through.

Mr. Tchorzewski: — Mr. Minister, you're responsible to speak on behalf of the government. You're not an isolated individual, isolated in one little department. You're responsible to carry out the mandate of the department, to enforce its laws and regulations, but also to act when you know that other parts of government are acting inappropriately.

So it doesn't end and it doesn't stop with your particular department. If that's the way every department of government operated, and if that's the way every minister operated, then there would be no rhyme or reason to the way the whole government functioned.

But I don't think, Mr. Minister, that you have done your job. I think that you ignored the whole situation. I happen to believe that you were part and parcel of the effort by the Premier and the Deputy Premier to get this project under way without appropriate environmental impact studies at the federal level. And since the federal licence and information was based on your environmental impact study, it then leaves some question about how adequate that was.

For example, in your environmental impact study there is no reference to alternative projects that might be available to provide the electricity that Shand is supposed to provide. That's a very important requirement of any EIS (environmental impact study). That wasn't there. There were not up-to-date hydrology data that were used in preparation of that study. The federal draft environmental assessment that was provided recently said that it needed updating. So you haven't been doing your job with respect to that.

Now let me then, Mr. Minister, go to something more recent — maybe you were more effective then — and let me begin by asking you this question. Mr. Minister, have you been informed of any changes to the Shand, Rafferty or Alameda project which does not conform to the original licence?

(2000)

Hon. Mr. Swan: — I'm advised by my staff that there have been two changes requested but there have been no changes authorized; they've been refused.

An Hon. Member: — What are they?

Hon. Mr. Swan: — The one change dealt with a dam farther up on the Souris, the upper Souris dam, and the other one was for a high-level outlet on the Alameda project. And the Alameda project isn't even licensed yet, but that was not approved either.

Mr. Tchorzewski: — Mr. Minister, this high-level outlet, has that got something to do with the multi-level discharge outlets on the Alameda dam? Is that the one you're talking about?

Hon. Mr. Swan: — The request for the high-level outlet on the Alameda dam was to take the water off at a higher level so that they would have better quality water, and that has not been authorized.

Mr. Tchorzewski: — Well, Mr. Minister, what do you mean, it has not been authorized? Are you saying then that nothing can go ahead, assuming that if in case the federal licence is reissued at some point in time? Are you saying nothing can go ahead there unless there is an approval given, or have you definitively said no, there will not be any approval here?

Hon. Mr. Swan: — These requests have come forward. The project is now stopped, and for that reason we will be giving no approvals during this period of time. If the project is given permission to start, then we will review that kind of request.

The hon. member must realize that up to this point the Department of Environment has not issued a licence for the construction of the Alameda project. It has not been licensed.

Mr. Tchorzewski: — Mr. Minister, let's go then to the Rafferty project. And the Rafferty project . . . Mr. Hill, February 15, 1989, in a statement in the city of Regina, was talking about a modified Rafferty. Now I'm not sure what he meant by that, but obviously there were going to be some changes to the Rafferty project. Were any requests made to your department, or to you, Mr. Minister, about a modified Rafferty project? And if so, what was the disposition of that request?

Hon. Mr. Swan: — I'm advised that there was a request made to, or a decision made by the Souris Basin Development Authority to move the actual dam a little bit closer to Estevan. And that was made long before the finalization of the environmental impact assessment. It became part of that assessment and part of the original approval. That's likely the reason we used that terminology because the dam itself was moved, I don't remember just how many yards downstream from where it had originally been proposed, but that was in the original approval that was given.

Mr. Tchorzewski: — Thank you, Mr. Minister. I'm going

to leave this issue now for the time being and we will . . . Sorry to have your official moved down here. But we're going to leave it now and we're going to pursue it again near the end of these estimates before we go into the water corporation because we have some very specific questions which we want to address.

But I wanted to cover this area of the conspiracy here this evening because I think it's important for the public to know the kind of process that has taken place here — a process that is not becoming of any government; a process in which certain officials and certain cabinet ministers, and more specifically the Premier and the Deputy Premier, were involved in trying to push through a project with some very, very significant environmental and economic implications, before all of the due process had been followed through, and before all of the information was known, and before all of the questions were answered. And it's important, Mr. Minister, that the public is aware of that, and that's why I wanted to raise those questions with you today.

Now it so happens that all of the schemes and the conspiracy did not take place, not because of any action by governments at either the federal or provincial level, but because of the action of the Federal Court of Canada, which finally ruled that the federal licence was issued without due process of law, that the federal licence was issued without all of the required procedures and studies being followed. Your government knew that. The documentation shows that your government knew that. The documentation shows that certain officials of your government went out of their way to make sure that officials at the federal level and the Manitoba government level and other agencies and the public did not have the kind of information they should have had in order to be able to make some appropriate judgements and decisions.

I think that that's undeniable. And I think that that's a bad, bad judgement on the kind of approach that was taken by your government in this massive, massive project, which with all of its implications could cost the taxpayers as much as a billion dollars. We're not playing with loose change here. We're not playing with no environmental implications here. We're playing with the future of the people of this province.

And so I am understating it to say that I and my colleagues are shocked and disturbed by the kind of process that we've seen here. But as I said, we'll pursue this again when we address this issue at another time, towards the end of these estimates.

I want to now turn to another very major issue that your department and you, as minister, and the government should be concerned about, and in the past indicated some concern, and that is the question of conservation and recycling.

Now in this brochure, *Challenges and Opportunities Saskatchewan, Protecting Our Environment*, which came with the budget, nice glossy cover — which as I said in my initial remarks, money could have been better spent in your department assisting your staff with the kind of important work that they have to do — you said that:

In 1989-90 the Government will expand on its recycling activities by undertaking a "blue box" pilot project.

Now Mr. Minister, there have been enough pilot projects. As a matter of fact, in other parts of Canada there have been full-fledged projects working very well. So it's not as if we don't have models which we could look at, or you don't have models which you could look at. Why, Mr. Minister, would you just be announcing a pilot project when there is enough information around so that you could be able to put together a comprehensive collection and recycling program that would get the job done, rather than simply just delay it for yet another indefinite period of time?

Hon. Mr. Swan: — Well the member in his sum-up remarks indicated that this project started — the Rafferty-Alameda project started — without having proper approval. Well I want to assure the hon. member that we had the federal licence, the provincial licence, and the Manitoba licence before that project went ahead. So your statement that we had the project going down the road without proper approvals is absolutely wrong. That project had all of the licences in place before the project was undertaken.

I think that it's a sad commentary on the process that followed when your opposition members worked very hard to have this project stopped, to take away jobs for a number of people who really needed the jobs, to take away the management of a water project that is very vital in south-eastern Saskatchewan with an area that has very low volumes of water.

The member also throws out the billion-dollar figure. You know that's another one of the misleading comments that the member has made time after time, and he knows much better. The Rafferty and Alameda dams will cost in the range of \$126 million, and that figure has been provided to you many, many times. And along with that, the American government has indicated that it will put forward somewhere close to 50 million of those dollars. So the actual cost to Saskatchewan does not become then 126 million, but drops back to 50 million less than that. So we're not talking a billion dollars in any way when we talk about the Rafferty-Alameda project.

An Hon. Member: — Shand, Rafferty, and Alameda.

Hon. Mr. Swan: — And the member wants to tie in Shand. Why don't you tie in a few other things around the country to the project and get it 4 or 5 billion, not stop at one? You know if you want to tie the whole world together, you can get any figure you'd like to get. But when you talk about Rafferty-Alameda, that is indeed the figure, is about \$126 million with the Americans paying about 50 million of that.

Now the member talks about a blue box pilot project in Saskatchewan and yes, we indicate that we are going to proceed with the blue box pilot project. You know, there's quite a different matter to run a blue box project in a city like Toronto or a city like London or a city like Winnipeg with a fairly dense population, but we're

looking at a province that has small population and a large land mass, and for us to go into a major recycling project is entirely different. The economy of scale that we will face is far, far different.

And I want to bring to the attention of the member that when I was in opposition and I talked of recycling of glass, and I dealt with the minister of the day, Mr. Norm Vickar, and eventually a very small recycling project was started to recycle glass bottles. And how long did the project last? It didn't even last all summer. It started in the summer and it ended in the summer, because your government at that time found that the cost of transportation, because of the distances that are involved in Saskatchewan, made the project unviable. It wouldn't carry its own costs, so they dropped it.

Now when we talk about a pilot project, we want to go forward sensibly, try a pilot, find the markets for the project . . . for the product, from that pilot project. Once that is in place, then we can expand and add other communities to the project. But I believe that the pilot project is the proper way to go for a blue box program in our province until we are able to identify the markets, identify some of the costs, and when we do, we would likely have a much better project than the one that your government implemented that couldn't even last a whole summer.

Mr. Tchorzewski: — Mr. Minister, you've had seven years to put together a comprehensive recycling program. And you, Mr. Minister, you haven't done it. You haven't done it . . . (inaudible interjection) . . . Well I'm talking about your administration, Mr. Minister. You're the one who's answering to your estimates here.

Seven years in order to develop a comprehensive recycling . . . (inaudible interjection) . . . Do you think, Mr. Chairman, that the member from Weyburn would like to get into this debate?

(2015)

Mr. Minister, you said in the estimates last year that, we have shown that we have an interest in recycling. Well simply setting up yet another pilot project is not a great commitment to that so-called interest that you talked about. I know that Saskatchewan doesn't have a population of Toronto or the city of Regina, but the city of Regina is not far from the population of Kitchener, Ontario. Admittedly Kitchener is slightly larger, but in Kitchener they do have a multi-level curb-side recycling program on a very extensive basis.

Have you bothered to inform yourself on how it works there, the kind of markets that are available for them there, Mr. Minister, so that you wouldn't have to spend time and money on yet another pilot, although it may end up being a good idea? But what I'm saying is that you should have a program in place, not yet another pilot.

Hon. Mr. Swan: — We indicated in the budget process that we're going to deal with a blue box pilot project, and we've had communities showing interest in being involved in that pilot project. We had initially five communities show an interest. We've sent out

information to all five of those communities, and my staff have begun to hold meetings. They've met with two of the five and will meet with the other three in the very next few days. So we're working with it and hopefully we'll be able to get a pilot project up and running in the very near future so that we can begin to find markets and to move ahead in the recycling program.

Mr. Tchorzewski: — Mr. Minister, what are the five communities that have expressed an interest in this pilot project?

Hon. Mr. Swan: — Kindersley, Swift Current, Humboldt, Lloydminster, and Kyle.

Mr. Tchorzewski: — And, Mr. Minister, which are the three that are left yet? Did you say there are three that are still in the running, or three that you haven't interviewed yet? Can you clarify it? I didn't get that.

Hon. Mr. Swan: — I indicated to you that my staff had met with two of the communities, and the other three, they have meetings arranged with. And they haven't met yet, but they will meeting shortly.

Mr. Tchorzewski: — If you're holding these meetings, Mr. Minister, you must have a program on the pilot basis developed and in place, otherwise I don't know what there would be to meet about other than, do you have an interest, and if you do, we have an interest too.

Can you provide, Mr. Minister . . . And we don't need to take the time of this House unless you wish to do that, but can you provide me with the program as it is developed so that we can see what it looks like?

Hon. Mr. Swan: — We aren't at the stage of having any programs written. The department is dealing with the communities.

It would be very easy to go ahead if the department wanted to pay for the complete cost regardless of what that cost was. When you mentioned the community of Kitchener, that community pays for most of the cost of its recycling program out of its own budget. If the city of Regina or the city of Saskatoon or any other community could go ahead at their own cost, they can go immediately. But we're looking at a cost-sharing process and we want to be sure that as we meet with these communities they're aware of a number of these issues. My staff are working with them and will continue until we come up with a decision of which community we're going to go with, and then we'll write a final contract and get on with the job.

Mr. Tchorzewski: — Mr. Minister, the province of Ontario announced some very major initiatives in the whole recycling question. I'm sure you must be familiar with it. One of the things that the province of Ontario has indicated is that they're going to spend \$50 million to research and develop new waste reduction and recycling technologies and markets.

Mr. Minister, are you doing any similar kind of research here, and if so, to what extent are you doing that kind of research?

Hon. Mr. Swan: — Unfortunately, my department doesn't have \$50 million to go into research, but the staff in the department are drawing together information from the communities that are doing recycling across Manitoba and Ontario and others from the United States.

From the information that we gather, we are trying to eliminate a number of the mistakes that other communities have made when they first got into recycling. And the bigger part of the work that we're doing is to identify markets for given products that we might be able to recycle. So the work has been done internally by gathering information that others have been willing to provide, and I believe that that will be of great assistance to us. I wish that we had 50 million — we could probably have the project running for the whole province; but we don't have it.

Mr. Tchorzewski: — Mr. Minister, I wish you had \$50 million for that, too. But you certainly could have had . . . If the government's priorities was right, you could have had all of, or a portion of, a \$9 million waste of money that your government's going to be spending on some silly birthday party, which makes no sense and for which there is no support anywhere in Saskatchewan, including the teachers of Saskatchewan who oppose it, for the benefit of the Minister of Education, including senior citizens who, at their conventions, have passed resolutions opposing this birthday party, which is a waste of taxpayers' money.

Mr. Minister, I know you don't make that decision alone. All you can do as the minister is go to treasury board and the cabinet and argue it. The fact of the matter is that the Deputy Premier won the argument and got \$9 million for a birthday party, and you didn't win your argument and you got an increase of \$862 million in your department. And you needed a lot more. And it still doesn't match the amount of money that was spent in your department in 1982, because of the cut-backs that your government has brought about.

Now, Mr. Minister, still dealing with the question of recycling, I am going to ask you a specific question dealing with glass recycling. On January 12 of this year you wrote to a gentleman in Saskatoon, and you said:

Glass is one of the materials that we intend to collect for recycling through the SARCAN depot system that was established last year.

Mr. Minister, when will this start happening?

Hon. Mr. Swan: — As the hon. member knows, the SARCAN operation is just one year old. They started with aluminum, they are now taking aluminum and plastic soft drink bottles. The program is working extremely well for what I call an organization that's still in its infancy, to just have operated for one year. As that organization develops and they get more depots, they indicate to me that they'll be prepared to start to take glass, but they're not at that stage yet. They're working towards it. Hopefully in the next few months we can begin to get into the glass recycling program, but we can't do it all at once. These two products that they are taking now are, I think, good

examples of what the organization is able to do, but you don't want to pressure a new organization beyond its limits, and I think to add another product at this time would do exactly that. So we're waiting until they're ready.

Mr. Tchorzewski: — Mr. Minister, that's what you get by introducing a program that is not well thought out, that was not well thought out when you introduced it, that had not had a great deal of development, but was rushed in because it happened to become budget time, a year ago, or a little over a year ago, and said you had to announce the program.

Now as I said the other day, Mr. Minister, it's laudable that the people who are involved with SARCAN can find this work to do. But because of your piecemeal approach, because of your piecemeal approach without having any idea of what your comprehensive strategy and your comprehensive program or policy is going to be, you make it much more difficult to introduce new phases of recycling as you go along.

For example, Mr. Minister, how is this curb-side collection system, or the blue box system, going to fit into the system? You say that SARCAN will be involved in glass; that curb-side or the blue box system will obviously designate something for glass. Do you know yet how this is all going to fit in, Mr. Minister, or are you going to stumble into it as you do your pilot project?

Hon. Mr. Swan: — I think that the hon. member should go out and take a look at some of the SARCAN operation. You should meet with some of the staff that work there, some of the handicapped people, some of the management people that they have in place. I think it's commendable the kind of work that they are doing and the jobs they've created, and the volume of merchandise that they're able to put through their plants is increasing steadily but it takes time to buy the equipment that it takes to operate some of these depots. The number of depots continues to increase and the indications are from SARCAN that they will have a number of additional depots by the end of this summer. That's some of the process that you have to put in place.

If you had gone out to buy 40 crushing operations all at once, I don't know where you'd have found a factory that could do it. So instead of that you move with the numbers that are reasonable and expand it and that's exactly what has been done.

I believe that SARCAN is doing a good job and with experience are getting better. I think any new industry that starts normally looks at two or three years before they get up to full operational speed, and I think that we have to look at some of that kind of time frame for SARCAN. Give them a couple of years, or maybe three years if they need it, but they're doing a good job for the length of time they've been there, and I think we'll continue to improve.

Mr. Tchorzewski: — Mr. Minister, very nice speech. Now that you've got that off your chest, maybe you can answer my question. How will the blue box system fit into the SARCAN operation? You've got SARCAN going off and doing their thing with cans. Now you announce a

pilot project with the blue box system. Have you thought through, Mr. Minister, how the two at some point in time are going to mesh? Have you given that any thought? And if you have, will you explain to the House how that's going to happen?

Hon. Mr. Swan: — When we talk about a blue box system, we talked to you and told you that it would be a pilot project. And a pilot project is exactly that. It starts, it's a research, it's an information-gathering mode, and eventually turns into a much larger program.

The method of actually co-ordinating the two will happen as we work together. Many of the products that may come through the blue box process will never go to SARCAN. Some may go to SARCAN. That's a decision that will have to be made depending on the markets that we locate.

But I believe that the research project that we have indicated we'll be going into with the hazardous waste program will deal with all kinds of waste, and some of that research will also be useful in this operation that we're proposing for a blue box operation.

Mr. Tchorzewski: — Mr. Minister, obviously then you don't know how it's all going to fit in. Once again, it's another piecemeal approach, and that once again underlines the inadequacy of the government when it comes not to having a comprehensive strategy, even though it's had a considerable time to develop it.

You mention the aluminum can situation. Well I think that the evidence is now in. All of the concerns that were expressed last year have borne out to be true. Yes, there are some people who are employed by SARCAN who are now working, and that's good; but there are some 100 employees who used to work for the canning or the brewery industry who no longer have a job, Mr. Minister. These were jobs that paid \$17 an hour; they were jobs that provided incomes in communities; they were jobs that provided support for families.

Now, Mr. Minister, how can you justify — even though it's good that jobs have been created for handicapped people — how can you justify creating those jobs by eliminating some 100 jobs in the brewing industry? Do you think that that's the appropriate way to go, Mr. Minister?

(2030)

Hon. Mr. Swan: — I think some of the information that may be useful to you is that at May 31 this year we had 41 depots operating; on July 2 we had 45, and it's indicated by the end of August that we should have 54. Now the number of staff will go up as the work-load demands it.

An Hon. Member: — What is it now?

Hon. Mr. Swan: — We have about 140 at this point, and it will likely go considerably higher as the new depots open and as the number of containers coming in increases.

I might also indicate to the hon. member that in the last figures that we have, the aluminum cans are now coming in at 65 per cent return, which is a big increase. And one

of the reasons for that is that many people stored containers, cans at their homes, in their garage until they had a large bag full and then brought them in. So we went through a period when the return rate was low, but then as the number of containers stored at home built up, then they all started to come in when the garage clean-up comes in the spring. And the indication's now that about 65 per cent return rate has been achieved, and I think that's excellent.

Mr. Tchorzewski: — Mr. Minister, your own liquor board says that the return on glass bottles is 95 to 98 per cent, so you've got a long ways to go. Your comment on the 65 per cent is of some interest to me because SARCAN alone is indicating that it gets back 42 per cent. Now how do you square your 65 per cent with SARCAN's comments . . . Sorry, it's 52 per cent — the latest figure. This is June 24, 1989, Mr. Minister; are you suggesting to this House that it's jumped from 52 per cent to 65 per cent in 6 or 7 or 8 days?

Hon. Mr. Swan: — The figure that I've given you, I'm sorry, is the projected figure and it's for '89-90; that's the projected figure. Last year they projected 42 per cent; now they're projecting 65, I'm sorry.

Mr. Tchorzewski: — Well I'm very glad that we corrected that situation, Mr. Minister, because clearly we wouldn't want it to be thought that you were trying to mislead the House, and I'm not suggesting that you were. But the point is, Mr. Minister, that SARCAN, in its latest statistics, have indicated that they collect . . . that 52 per cent of the aluminum cans around the province are being collected. Now that's not a very high figure when the collection on glass bottles is between 95 and 98 per cent, Mr. Minister.

So once again, if you had carefully thought out this program instead of piecemealing it on a spur of the moment, you would not only have done a better job of collecting, you would have been of a considerable more assistance to SARCAN in putting together their program and doing even a better job than they're doing. So, Mr. Minister, you've got a long ways to go before you achieve what your objective is.

And I would urge you, Mr. Minister . . . (inaudible interjection) . . . It's very difficult, Mr. Chairman, with the member from Weyburn continuously talking from his chair; it's very difficult to carry on this discussion with the minister.

Mr. Chairman: — I'll call the members to order, but remind both sides of the House that there's been conversation going on on both sides. The member from Saskatoon South . . .

An Hon. Member: — Oh sure go ahead. The Minister of Education can talk all night and you do absolutely nothing.

Mr. Chairman: — The member from Saskatoon South is questioning the Chair?

An Hon. Member: — Absolutely not.

Mr. Chairman: — Order. Item 1 agreed?

Mr. Tchorzewski: — Mr. Minister . . . Why would you call item I agreed when you saw me on my feet, Mr. Chairman?

Mr. Chairman: — I would just call the members to order. The member has asked the Speaker to call somebody to order, and the members were speaking on both sides of the House. And I'm just asking all the members to allow the member from Regina North East to continue his questioning without interference. Thank you.

Mr. Tchorzewski: — Thank you, Mr. Chairman. I would appreciate that. I'd like to continue with my questioning, Mr. Minister, and put on the record the failure of your recycling program — not a total failure — but the inadequacy of it. It's only at 42 per cent; bottles are at 95 to 98 per cent . . . or 52 per cent on aluminum cans.

Once again, because you did not put the program together well, you have not been able to explain how the blue box system is going to mesh into this operation at some time in the future. So you obviously don't know.

And I would urge you, Mr. Minister, to do whatever needs to be done to put together a comprehensive recycling program which exists in other parts of this country. It's not as if we're inventing a new wheel. There are all kinds of models and examples around which you can look at and can get the job done. You've got municipalities from one end of the province to the other who are desperately struggling with their land fill operations. The city of Regina is one of them, but it's not alone in that because we do not do a good enough effort in conservation and recycling and the collecting of reusable materials.

The time has come to take every action we possibly can to see that that's done as well as we can do it, rather than continuing to delay it with yet more pilot projects and more unnecessary studies when the studies are all over the place. And you can do what you said earlier your staff is doing, you're beginning to collect some of that information so that you can be better informed.

But, Mr. Minister, since you are in the business of piecemealing recycling programs, let me raise with you another example of what you can do. It's not a comprehensive strategy, but I did write to you a letter in April 12 of this year because I had received a proposal from the Saskatoon Natural History Society, from Ron Jensen, the president, in which he suggested that a good example that could be set would be the collecting of paper in the Legislative Building for the purposes of shredding and then recycling. And you were good enough to acknowledge my letter, Mr. Minister — and as soon as I find it, I'll indicate what you said. And you did this on May 17. You said:

I'm writing in response to your letter of April 7. Please be advised that I am certainly prepared to see what can be done about collecting and recycling paper from the Legislative Building.

Now what better place could we set a good example for what can be done than in this Assembly where the elected representatives meet and talk about these things? And

knowing the process of government, there certainly is a source of great supply of paper in this operation.

Mr. Minister, what have you found since you last responded to my letter about what might be done in providing a collection and shredding process for paper out of this Legislative Building up until now?

Hon. Mr. Swan: — Well I think I provided the member with an answer to his letter. You read both letters into the record. I don't know what other answer I could really give you, but the indications that we have at this point is that we might be able to collect the paper, but there's nobody that's prepared to take it at this point. There's a company in Regina that indicates that they're prepared to take some paper, but they haven't then got the market to move it on out of Regina, so there is a bit of a delay. I think it may improve in a short time, but the company here has indicated that they're having some difficulty with market of their product. I hope that in the near future they'll be able to correct that and we can continue to work towards recycling of paper.

Mr. Tchorzewski: — Well I'm told, and Mr. Jensen in his letter says:

The Cosmopolitan Industries Ltd. of Saskatoon would greatly appreciate a constant supply of paper (bond or otherwise) for shredding and/or recycling.

Have you pursued this question with Cosmopolitan Industries of Saskatoon as well?

Hon. Mr. Swan: — Yes, I have pursued that. We've met with Cosmopolitan Industries from Saskatoon. They indicate that they're even willing to come to Regina to work with Cosmopolitan here to try and get a paper recycling operation in Regina.

There is some difficulty, I understand, and I'm not an expert in that field, but they say there's some difficulty in mixing newsprint and bond paper. They recycle better if they're separate. But all the detail of that, I'm not aware.

Mr. Tchorzewski: — Thank you, Mr. Minister. I hope that you will continue to pursue this matter. It's not, in the minds of some people, I suppose, a big issue, but for the purposes of what we're trying to achieve, from the point of view of becoming a conserver society and realizing that the resources that we have are not finite and that if we don't start conserving and recycling and reusing, there is going to come a day, not too far from now, when future generations are going to find themselves very short of materials that they need in order to maintain the kind of standard of living that we enjoy.

And I think we owe it to them to get at these things as quickly as we can, without any further delay, so that they are not in a position, a generation or two generations from now or however long it takes, to say they did not think of us when they were so busy living well and having a high standard of living. I would not want my children's children to have to say that about us as legislators here, whether it's you as the government or somebody else as the government. And so I urge you, Mr. Minister, to

address this question even further, and I shall await a further response to your letter when you have been able to have a better opportunity to deal with it.

Now I want to now turn to another subject which is of some importance because, I regret to say, I think it once again underlines the lack of commitment from the point of view of the action that the government takes with regard to environmental questions.

There has been a lot of discussion lately about the proposed drilling by a resource company, Lone Pine Resource company, to drill in the Sand Hills region. Now, Mr. Minister, it is well known that in the study which I have here, *The Great Sand Hills of Saskatchewan*, prepared by the Department of Environment, March 1980, it indicated, Mr. Minister — a very comprehensive study — that any work and any disturbance other than natural disturbance of the ecology of the Sand Hills would be very devastating. In light of that information which was provided in this study, Mr. Minister, can you explain to the House why the government has now sold or leased almost all of the mineral rights in the Great Sand Hills area?

Hon. Mr. Swan: — Let me give a brief response to you about the recycling first. You know, it's a very catchy subject and one that I think everybody likes to talk about, but it's not an easy subject. But it's one that if you're going to talk about it, you have to start to get involved in it. If you're going to be a recycler and talk about recycling and creating less garbage in our environment, then you need to start to move in that direction. And I think that a good example of what I'm talking about, if the hon. member takes a look at the cup that he's been drinking coffee from, you find that you have a throw-away cup. Maybe you should start to use a cup that you wash. And you know, that's just an example.

When you take your family out on a picnic, maybe you shouldn't take paper plates and throw-away knives and forks and that sort of thing. You know, we're all guilty of that. So I think that when we talk of recycling and talk of cutting down on the amount of garbage, you need to be involved in it and I need to be involved in it, otherwise the project is not going to be successful.

(2045)

Now you talk about the Lone Pine oil company wanting to drill gas wells in the Sand Hills, and yes, they are doing an environmental impact assessment on an area that they want to drill in in the Sand Hills. That environmental impact statement has not come into the department, but when it does then it will get full review by my department and will also be open for public review.

So I think it's very important that though the leases have been sold that they are still very much controlled in where they can and cannot drill, and that will be controlled through the environmental impact process, and I think it's important that we remember that.

There are a number of quotes in that report. I'm not going to begin to read it, but I believe that the action of the department has to be judged by what it does, and they

will be reviewing very, very carefully any proposal for drilling through the environmental process. And if they are given the go-ahead to drill in any given area, there will be qualifications to that approval likely attached that they must meet in order to get the opportunity to drill.

Now some areas of the Sand Hills are much more sensitive than others, and that's something that we will have to take into consideration. There have been wells drilled there prior to this particular company coming forward, and I think that they've been done in a manner that has been sensitive and we will be reviewing it very, very carefully. I believe even the hon. member will be satisfied when the department's finished with this process.

Mr. Tchorzewski: — I find it very difficult to be satisfied, Mr. Minister, because you just admitted to the House that you have already decided that drilling will take place. You have just said that you have decided that drilling will take place; it's only a matter of deciding where, Mr. Minister.

How in Heaven's name, in the face of the report of 1980 in which it is said about the ecology: it is intolerant of greater than natural physical disturbances . . . how in Heaven's name can you justify making available all of the mineral leases in all of the Great Sand Hills if you do not intend to allow drilling on those hills, Mr. Minister? How can you possibly justify the selling of those leases, or on the corollary, why would pine hills (Lone Pine) resources even be interested in paying for those leases if they had not had some assurance that they would be given the opportunity to drill — and the president has indicated that the firm's long-term plans are to eventually drill as many as 400 wells, and then beyond that, Mr. Minister. Can you explain the rationale for that kind of process? Can you explain why you have already decided to drill in the face of evidence provided by the 1980 report and in the face of the fact that the pine hill resources does not yet have their environmental impact statement before you?

Hon. Mr. Swan: — It's interesting that the member has such selective vision when he reads. You know, if you will take a look at exactly the page that you are reading from, only cross on the opposite side of it and read the last part. And it says:

The Great Sand Hills of Saskatchewan are an example of a relatively undisturbed ecosystem which, if properly managed, can continue to provide economic benefits to residents of this province while maintaining an important ecological and genetic reservoir of living systems and individuals well tuned to the harsh environment.

So I think you should not just read one little select passage, but rather you should read the whole report. And the report indicates that yes, it is a sensitive area but one that you can utilize, but you must utilize it in a sensitive manner so that you get the economic benefit and still maintain the ecological side of it as well.

Mr. Tchorzewski: — Mr. Minister, are you confirming then that you have decided that there will be drilling in

the Sand Hills area and that's why you've sold the leases? Is that what you're confirming here?

Hon. Mr. Swan: — My department did not sell the leases, but the leases were sold by the Department of Energy and Mines. And my department will continue to do the environmental process and will be monitoring very, very carefully any approvals for drilling. Just because the leases are sold doesn't mean that they automatically get the right to drill. That's not the case.

Mr. Tchorzewski: — I think, Mr. Minister, when two departments of government don't talk to each other we've got a real problem. Now I'm not suggesting that; you're suggesting that. I don't believe for a moment that the Department of Environment and the department of mineral resources, or Department of Energy, don't talk to each other.

The problem is, Mr. Minister, is that the cabinet doesn't talk sufficiently with its departments. And so you make decisions for political reasons with your friends in the oil industry, and then you try to find some way in which you can manoeuvre your departments in making sure that somehow your decisions are then made to look good.

Mr. Minister, I ask you again: why would a government sell mineral leases and why would a company buy mineral leases or pay for the leases unless there was some assurance that drilling would take place? And if there has been that assurance, because there obviously has been, Mr. Minister, how can you stand in this House and say that you're doing an adequate job as the Minister of the Environment protecting our environment?

Hon. Mr. Swan: — I believe that the hon. member needs to do a little thinking that would perhaps allow you to understand the process. You know, we had a task force that was structured under the Council of Environment Ministers for Canada, and that task force wrote a report in which they recommended that we establish round tables across our province to deal with the environment and the economy.

That's exactly what we're talking about in the Great Sand Hills is dealing with the environment and the economy, and you have to be able to protect the environment and also develop the economy. The two walk hand in hand. That's what was proposed to happen in the Sand Hills, and that's what I believe is very important that you realize that's the process that we're going through, so that when we do develop projects such as that that the environment is not damaged. And I believe that can be done but it has to be done very carefully.

Mr. Tchorzewski: — Mr. Minister, the problem here is that you've dealt with the development, you've dealt with what you call the economy, and having dealt with that, you now are dealing with the environment. The whole object of this thing is that you should deal with them both at the same time so that . . . the development side and the sustainable environmental questions are all addressed at the same time before you make any decisions.

You have sold the leases, Mr. Minister, so you've dealt with the economic side. Having sold those leases and

dealt with the economic side, you now have decided that you're going to deal with the environmental side, Mr. Minister. Now don't you think that that process is backwards? After you've made the decision the development is going to be going ahead because you've sold the leases, you are now doing the environmental impact study — you're not, the proponent is. And if the proponent doesn't do a better job than you did in your Rafferty project, one is going to have to question the validity of the EIS that comes out of that one. Why, Mr. Minister, did you not deal with that whole question at the same time, instead of putting the cart before the horse?

Hon. Mr. Swan: — Well, the hon. member, I think, hasn't been involved in the economy side very much. If you think the sale of the leases is the economic side of those projects, you're a long, long way off the mark. The economic side of those projects comes when you do the drilling and start to produce product. The lease sale is a very, very small part of it.

And we will be going through with the environmental impact assessment that will make the decision of whether or not any given site can be developed, and that's what we're in the process of doing now. I believe that the department, in the complete environmental review and public hearing process, will be able to make the proper decisions of whether or not any given well can be drilled in any given spot within that field.

Mr. Tchorzewski: — Mr. Minister, you put the cart before the horse. You say that no decisions have been made on the economic side. That's what you're saying. Is that what you're saying? You're not . . . I'm sorry. Let's get this clear. Are you not saying that there have been no decisions made on the economic side of this argument, Mr. Minister?

Hon. Mr. Swan: — What I said to you is the sale of the leases is the very small part of the economic side. The economic development side really happens when you start to drill wells and produce product; that's the very economic side. The sale of the lease is a small, small portion of the economic side of one of these projects.

Mr. Tchorzewski: — Well, Mr. Minister, the company has obviously made an economic decision to drill, and the company wouldn't be paying you the money unless it had made an economic decision to drill. It had to make that economic decision on the basis of advice that it got from somebody. They've been around a while, you know, Mr. Minister. They just don't go around throwing money around like the government does to GigaTexts and the Cargill grains. I mean, they're a little smarter than this cabinet that you see across the way here.

So, Mr. Minister, the company has made an economic decision. Your government, you are saying today, has made an economic decision. Now you're going to do the environmental impact studies. Mr. Minister, why would you not have done the environmental impact study before all of the economic steps were taken?

Hon. Mr. Swan: — We are having the company do the environmental impact statement before all the economic decisions are taken. The economic decisions are really

taken when the well is drilled and you start to produce product, and I've advised the member of that.

Mr. Tchorzewski: — Mr. Minister, did you inform the company before it bought the leases that they would have to do an environmental impact study?

Hon. Mr. Swan: — When the leases are put out for bid we would have no way of knowing which company was going to get the lease. It's open for bid to the general public, so we couldn't advise each individual company in advance that they were going to have to do an environmental impact assessment.

But any companies that have been drilling in areas like Sand Hills, prior to this time, would know automatically that they would have to do an environmental impact assessment. And immediately that they came to the department indicating that they were wanting to drill in a given spot, they were advised they must do the impact assessment. And there's no question on their part. They know that it has to be done. They've known all along that they would have to do it, and they are proceeding with that. But when you put out the tender for lease land, no, we as a department did not go out and say, you're going to have to do an impact assessment, don't bid. That would be foolish.

Mr. Tchorzewski: — Mr. Minister, why would you not indicate or designate in advance areas in which there would have to be major environmental impact assessments, environmental impact studies, environmental impact reports or statements, Mr. Minister? Why would you not do that?

Hon. Mr. Swan: — The Department of Energy and Mines often advises companies, on any project that they put out for tender, that the lands are sensitive. And the companies would know themselves that they are sensitive when they're bidding, and they would not find it a surprise if they have to do environmental impact assessment. None of them.

Mr. Tchorzewski: — But the people of Saskatchewan are surprised, Mr. Minister, that you would do this process in the kind of way that you've done it; that you would sell the leases; that after you sold the leases you would require environmental impact studies. The only conclusion that anyone can draw from that, Mr. Minister, is the government has already decided that they're going to allow the drilling to take place.

And further to that, Mr. Minister, and I want you to hear this because I don't want to repeat myself, depending on your answer. Mr. Minister, a further evidence that the government has decided to drill or to permit the drilling is the fact that the Minister of Parks has decided that there has to be a section of these Great Sand Hills put aside. And he said that he will announce plans next month, which is July, to protect a portion of the Great Sand Hills from oil and gas development, his department officials have said.

(2100)

Mr. Minister, why would that Minister of Parks — or

maybe you don't talk to him either — but why would that Minister of Parks feel that it was important to set aside a certain area of the Sand Hills into a park if the government had not already decided that drilling is going to take place, Mr. Minister? Did the Minister of Parks discuss with you this proposal before he indicated through his officials that he was going to announce it?

Hon. Mr. Swan: — My officials advise me that even at the time when your government was in power there was drilling taking place in the Sand Hills, so I don't want the hon. member to stand here and think that his hands are clean and that his government is clean, that they never drilled a hole in the Sand Hills; they did, and they drilled a number of them.

The Minister of Parks has suggested several times that he would like to see an area of the Sand Hills protected, and there are some areas that are far more sensitive than others, and that's what he has indicated that he would like to look at being preserved as a park area. The size and the detail of that has certainly not been worked out. He's made an announcement that he's interested in that, but he hasn't worked it all out at this point, and I don't know just how far or when he intends to bring forward a recommendation to cabinet on that.

Mr. Tchorzewski: — Mr. Minister, I don't understand how you function as a government because your answers to some of these questions are showing that you don't know, from one minister to the other, what's going on in other minister's mandates.

Mr. Minister, is there at least in existence a committee of officials, if not ministers, that are from the Department of Energy, the Department of the Environment, and the Department of Parks, that is dealing with this question so that there can be some co-ordination of what it is you intend to do? Is there such a committee, Mr. Minister?

Hon. Mr. Swan: — There are officials' committees that are structured to deal with any given project. As an example, the Department of Parks, the water corporation, and the Department of Environment often deal with issues that relate to water. In this case, where you're talking about a park, well the Department of Environment would very definitely be involved at the officials' level as they talk about that. But this is in the very, very early stages, and no final decisions have been made at this point.

Mr. Tchorzewski: — So you're saying, Mr. Minister, that your department is knowledgeable about the proposal to create a park on the Sand Hills, to protect a portion of those Sand Hills from drilling. Your department is knowledgeable about that, Mr. Minister.

Hon. Mr. Swan: — My officials advise me that they have had meetings and talked about a number of different plans for parks in the province, not just in the Sand Hills. The Sand Hills were part of that discussion, but it was only one of a number.

Mr. Tchorzewski: — Mr. Minister, therefore your officials are aware of the fact that the Sand Hills park is being proposed, that it's being proposed by the Minister of

Parks, Recreation and Culture, and that that is being proposed because there is drilling going to be taking place in the Sand Hills, and it is his intention to designate some small part of these Great Sand Hills into a park to preserve it. Mr. Minister, that being the case, how can you stand in this House and say that you have not made a decision to drill in the Great Sand Hills?

Hon. Mr. Swan: — The member makes quite a statement, but all of your statements don't necessarily connect. The department staff have met and talked about the possibility of a park in the Sand Hills. They haven't gone very far with that discussion. And even if you put a park in the Sand Hills, it doesn't necessarily mean that you don't drill, and if you don't put a park in there it still doesn't mean that you have to drill. It means that you still go ahead on each case on its own. Every well that they want to drill has to do its own environmental impact assessment. So whether we have a park or not, that's a decision that can be made and still not be directly tied to whether or not we drill in other areas.

Mr. Tchorzewski: — Mr. Minister, if that's the case, then why would the officials say, on June 2, 1989, that the minister will announce plans next month to protect a portion of the Great Sand Hills from oil and gas development?

There can be only one conclusion reached from that, that there is going to be drilling for oil and gas in the Great Sand Hills. Somebody has made that decision in your government, and therefore your government has now got a committee of officials who are looking at establishing a park to designate a certain portion of it. Now, Mr. Minister, you say officials have been discussing it. Have you discussed it with your colleagues at the ministerial level yet?

Hon. Mr. Swan: — When the member makes that statement, and he talks about setting up a park just the same as you read it — we have the same quote. The Sand Hills have had wells dug in them for many years going back to when you were in government, and so it's nothing new that there are wells drilled in the Sand Hills. But I think that the member tries to tie a number of things into this question, and I don't buy all of the ideas that you're putting forward at the same time.

I have talked to the Minister of Parks many times, but we haven't come into any decision that we're going to go ahead jointly to develop a park. That will come in the future, perhaps, but we haven't made that choice.

Mr. Tchorzewski: — Mr. Minister, I think I heard it correctly. Did you say that there could be drilling in the park even if the park is established, providing that the company provides an appropriate environmental impact statement? Is that what I heard you say a little while ago?

Hon. Mr. Swan: — There are sometimes activities take place within parks, and I think if you go into northern Saskatchewan there's been a lot of work done within the boundaries of parks. There's approvals being requested now to mine uranium out of the edge of a park. There's approvals being requested to mine gold in a park, so it could very easily happen that there may be drilling occur

at the edge of a park, or in a park that would have to have approval from Parks and approval through an environmental impact assessment.

Mr. Tchorzewski: — That's a very important point to establish here, Mr. Minister. You have now made it clear, and the *Hansard* will show that you are prepared to allow drilling for oil and gas wells in a park in the Great Sand Hills, even if a park is established to protect some of the Great Sand Hills from oil and gas development, Mr. Minister. I say to you that that's not protecting anything. I mean, what's the purpose? What kind of exercise are you going through? This whole scenario is worse than the Rafferty, or if anything can be worse, at least as bad as the Rafferty situation.

You have decided, Mr. Minister, you're going to allow drilling no matter what, even though the 1980 studies show that there can be very serious and irreparable damage that can be caused. You have decided that. You confirmed that by saying through the Minister of Parks that there will be a park announced to protect the Great Sand Hills from oil and gas — some of the Great Sand Hills — from oil and gas drilling. Now you announce today, Mr. Minister, that even if a park is established, you may very well permit drilling in the park.

Why are we going through this exercise, Mr. Minister? Why are you spending the kind of money that you're spending? Why do you exist as a Department of Environment or as a Minister of the Environment? You are not doing anything other than making statements.

You have obviously had discussions with the Minister of Parks, Mr. Minister. He confirms that, under questioning by the member from Rosemont on June 23 — 1923 — in which he says that he has had conversations that have taken place with the Minister of Environment, so you were in full knowledge of all this.

Mr. Minister, who is being honest about this thing here? Is it the Minister of Parks who is saying that he intends to set up a park to protect some of the Great Sand Hills, or is it you who are saying that you might be prepared to allow some drillings to take place there. In either case . . .

An Hon. Member: — In the park.

Mr. Tchorzewski: — In the park, Mr. Minister. In either case, you have got the whole process wrong because you have already decided that you're going to drill in the Great Sand Hills; it's only a question of getting the oil company to give you the environmental impact statement so you can hold it up and say, as you did in Rafferty, I guess it's okay, we're going to let them go now because they set up and have provided an environmental impact statement to support what they want to do in the first place, Mr. Minister.

Hon. Mr. Swan: — I indicated to the member several times that I have talked to the Minister of Parks but we haven't finalized on any actual boundaries, and I've told you that many times.

I think if you want to go back and read from the page that you're reading to me, and I read you the response on the

same page, that there is room for both environment and the economy to be protected. There are many, many areas of the Sand Hills that really are not as fragile as you might think. A lot of them have no sand at all. They call them the Sand Hills simply by drawing a border, but there's much of the Sand Hills that's just prairie grass, the same as a lot of other pasture land.

So that particular area has had a number of wells approved over the years, when you were in government and some since we have been government, and it likely will continue regardless of who is government.

(2115)

Mr. Tchorzewski: — Well, Mr. Minister, I'm sure that the wildlife federation and many local residents and people across the province are going to be extremely interested in what we have exposed here tonight.

And I assure you, Mr. Minister, that their concern is not going to stop simply by the reading of the *Hansard* or reading of any reports that may come out of this discussion. And they're going to be concerned, as all people who are interested in protecting our environment have got to be concerned, about the kind of games that your government and you play with the environment, about the fact that, although you say in glowing words in budgets and in fancy, expensive brochures and in throne speeches about the things you're going to do to meet the public concern about environmental matters, although you say those things, when it comes to actually dealing with the specific situations you don't do it.

And the Sand Hills is an excellent example. And I repeat once again, you sold the mineral leases. You must have sold them, Mr. Minister, because you intend to allow drilling. Lone Pine Resources must have had information from somebody in government saying, you go ahead and buy because you're going to get permission, but first of all you prepare an environmental impact statement.

Your Minister of Parks has said, ah, they're going to drill, so I guess we have to set up a park to protect and preserve some of this Sand Hills region. He's spoken to you, Mr. Minister, about setting up this park to protect a certain region of the Sand Hills from drilling for oil and gas, because they're obviously going to drill.

But you, on the other hand today, have made it very clear that that doesn't mean drilling won't take place even if there is a park. So the whole scenario, Mr. Minister, is another confirmation of your lack of commitment to all the things that are necessary in dealing with environmental questions and protecting the environment. Always the argument of the developer wins the argument of the future. The argument of our children and their children's children loses, in the way that you operate, every time.

The Brundtland Commission, and its recommendation of round tables, have made it very clear that this has to stop; that if we don't deal with sustainable development by making sure that development and environmental questions are addressed at the same time, that there is going to be a big price to pay. And you seem to be

showing here, you seem to be showing here today, Mr. Minister, by the kind of answers you've given, that it don't work that way in Saskatchewan under your administration; that the development side always gets the priority, and the environmental questions may get addressed afterwards. And that's too late, Mr. Minister, that's no longer acceptable, that's no longer appropriate, and that's no longer the kind of thing that the public in Saskatchewan will accept from any government.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Minister, you may want to make a speech on that, when I ask my next question. That's fine with me, but I think the point has been very clearly made, and even the Minister of Highways has heard it, because he's responding from his seat.

Now, Mr. Minister, when you talk about the environment, and when you talk about the contradiction between different ministers in your administration, nothing is more exposing than the question of water diversion on a large scale between drainage basins, and the export of water to the United States — another example of the kind of contradictions that exist because you don't have a comprehensive strategy.

You have said — I'll give you that credit here today — that you have not considered the transfer of water from one basin to another, like from the Saskatchewan River, or from northern Saskatchewan through the Souris basin to the Rafferty dam. You said that's not in the cards, Mr. Minister. But at the same time as you've been saying that, your minister of privatization, who has more power than you because he's on the priorities and planning committee of cabinet, and at least last year you were not, is going around the province and he's promoting the idea. As a matter of fact he said that the government should immediately get together a group of experts to seriously examine such a diversion project, Mr. Minister.

Now can you explain, Mr. Minister, that kind of a contradiction? Can you definitively say that that is not a consideration of this government, and will you, in saying that, tell the minister of privatization that he is out of line and that he ought to either not say that or he ought to make it very clear publicly what the real position of the government is?

Hon. Mr. Swan: — The member has made some pretty broad statements, none of them very factual. When you talk about this government and its environmental impact process, I'd like you to go back a little bit and recall when you were in government and you put in the Boundary dam and you did absolutely no environmental impact process at all. When you did the project at Nipawin, you did such a very minute environmental impact process that I don't think you could call it an environmental impact process at all. At least, since we've been government and we do an environmental impact process, it has meaning, and they have been very, very significant processes — any one of them. I think that this government's record will stand much better than any of the record that you had on environmental issues.

I'd like the hon. member to recall what you did when you

took all of the product that was left over in a gold-mine and just buried it under concrete. You know that's . . . Certainly your record on environment has been to pour lots of concrete. That's the only area that you've ever been expert at. When you dealt with the Federal Pioneer situation in Regina, again you poured a whole bunch of concrete over a real serious problem. Now the problem will be to find a method of getting rid of the concrete and the problem underneath it.

So I think this government's record on environment stands in pretty good stead, and I don't have any trouble defending the record of this government on environment. They have done many good things and are moving forward with a number of others, which is far better than anything that your government did over its 11 years in power.

Mr. Tchorzewski: — Mr. Minister, maybe I was not hearing what you were saying, but I'm not sure whether you ever got to the question. What is the government's position on the diversion of water from the South Saskatchewan or the Churchill or Northern into the Souris basin or any other basin and eventually south of the border? If I missed that, I'm sorry, but can you tell me?

Hon. Mr. Swan: — I have indicated to you and to this House a number of times that the government is not now looking at diversions of projects anywhere. Now we do have diversions that have taken place in the past, and I believe that your government was not in power when the diversion came from Lake Diefenbaker to provide water for the cities of Regina and Moose Jaw or when water was taken from the Diefenbaker project and pumped into Blackstrap Lake to provide water for that area of the province. Those were major diversions that took place, and I believe that the Thatcher government was in power at that time. I don't believe that your government would have had that much foresight. So it was good to at least have one government that looked at that.

But I have answered that question to you in this House a number of times that the government is not proposing any diversions, and I believe I'll leave it at that. What other members may say, I'm the minister responsible for Environment and for Sask Water, and that's the position that the government has taken and that's where I'll leave it.

Mr. Tchorzewski: — Well, Mr. Minister, the important words that I think people have to recognize which you used is that the government is not now looking, not now looking at interbasinal diversion. One can only conclude from that, Mr. Minister, that the government, your government may look at interbasinal diversion.

And the fact of the matter is, Mr. Minister, that the proposal for the Rafferty-Alameda project includes, although not publicly, the prospects of diverting water from the South Saskatchewan River through the Souris basin to the Rafferty, and eventually, as some people have indicated, into the United States, Mr. Minister. I am saying that that is not public, but that is a position and policy of your government.

If that wasn't the case, Mr. Minister, we know something

about . . . Most people know something about the good guy and the bad guy routine here, or the good cop and the bad cop. I mean, if what I have just said is not true, why on the one hand would you be going around saying: no, not now is there a proposal for such a diversion, whereas the minister of privatization will be going around the province: we better get at this real quick, and we should set up, come in and do it.

Can you explain . . . You speak for the government, Mr. Minister, as Minister of the Environment. Supposedly the minister of privatization, the member from Indian Head, speaks for the government as well. Can you explain, if there is not some idea in your government that this will happen, why your minister of privatization would be going around the province promoting the idea on behalf of the government?

Hon. Mr. Swan: — I wasn't there to hear the discussion in Estevan. I read in the newspaper, the same as you did, the comments that the member may have made. And when I said that this government is not now looking at diversions, I mean exactly that. I won't be a member of government for ever, and neither will you. So any government may, in this century or in another century or another time, look at a diversion. We have no way of predicting that. But while I am here, and at this point in time, the government is not now looking at a diversion, and I'll leave it at that.

Mr. Tchorzewski: — Mr. Minister, I hear what you're saying, and I also hear what the minister of privatization is saying. And I also hear, very clearly, you saying, not now. And that troubles me, and I suspect very strongly that it will continue to trouble an awful lot of people who are concerned about this question.

So we've established another dangerous signal from dealing with these estimates and dealing with you, Mr. Minister, because you are not able to say definitively that it is not the intention of your government to get into interbasinal diversion, and that's why you use the words "not now."

Mr. Minister, we don't have a finite amount of time in these estimates, just like there is not a finite amount of resources for use by people into the future, so I'm going to leave that now and I'm going to go to another area.

And my colleague, the member from Saskatoon Nutana, asked you some questions on Tuesday last, to which you took some notice and said you were going to provide information. And you may have provided it to her, but I have not seen it, so the question was: has there been a fee schedule put into place for private sector people and companies for the transport and the storage of PCBs (polychlorinated biphenyls) in your facility at Estevan? Is that schedule in place? You indicated a week ago that it would be in place by the first of this month and that you would provide it to us. Have you been able to inform yourself about the status of this and now be able to inform the House?

Hon. Mr. Swan: — As the hon. member knows, I was out of town most of today. The indications from my staff are that a proposal did come across to the department today. I haven't had a chance to review it. I will review it in the

morning and provide you with that information tomorrow.

Mr. Tchorzewski: — Well I find that very frustrating, Mr. Minister, and I guess that's one of the functions of an opposition critic. But it comes with the territory when you're dealing with a minister who doesn't seem to have answers to very important questions. I'm sure your officials could have brought that information to the House today and probably did. I don't understand why you can't provide that information. Is there something secret about it?

I mean, are you telling me that your officials, knowing last Tuesday that you had made a commitment to provide that information today, would not have brought it to the House, Mr. Minister? Why are you not able then to give it and send it across and so that we can look at it, and from that we can then pursue some questioning? Or is it that you don't want any questions asked on this question because you've already delayed it for so many months, way beyond the time when it should have been put into place for some unforeseeable reason? Why are you not prepared to provide that to us?

Mr. Tchorzewski: — I indicated to the member that I haven't even seen the information. I was out of town today and had no opportunity today to review that information. The information would really be SaskPower's information, and I told you I would attempt to get it. And I'm going to provide it. I told you I would provide it to you tomorrow, but I haven't had a chance to even look at it, so I'm not prepared to provide anything tonight until I have that opportunity.

Mr. Tchorzewski: — Are you saying, Mr. Minister — and I guess that's what you're saying — that you've never seen a fee schedule, although your government said that there would be one in place several months ago. You have never seen a fee schedule. You have not had an opportunity to review a fee schedule, and therefore you don't know what the status is of your intention to move the PCBs out of many places and locations, as is in the case in the constituency of Nutana which my colleague had asked about. You don't have any idea when that's going to happen because you don't even know what the fee schedule is going to be, because you've never seen anything about it. Is that the case, Mr. Minister?

(2130)

Hon. Mr. Swan: — No that's not the case. I saw preliminary drafts of fee schedules that have been revised once, twice, three times, and until there's a final one in place, it's not public information. So I want to see what is brought over to the department today, and then I will provide you — if this is the final one, I'll provide it, and I believe this is the final one. I'll provide it to you and I'll try and bring it in tomorrow.

The committee reported progress.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

Mr. Trew: — Thank you, Mr. Speaker. I'm pleased to join the great fertilizer debate tonight. This building has seen plenty of fertilizer in recent years, most of it generated by members opposite. Tonight we are of course going to be talking about Bill 20, An Act to reorganize The Potash Corporation of Saskatchewan.

It's interesting that government members opposite campaigned before the election saying, governments don't work. And then sure enough after they got elected, they set about to prove that that government does not work.

We are going to be talking tonight, Mr. Speaker, about Crown ownership, because that's the heart of this great potash debate. Who owns our potash resource? Is it the multinationals? Is it the big, wealthy corporations? Is it wealthy investors, wealthy shareholders? Or is it nations? Is it provinces? Is it — as I submit to you, sir, it is the people of Saskatchewan who own our great potash resource.

Potash is part of our Saskatchewan heritage. Indeed, at present rates of consumption, it's estimated that there is some 4,000 years of potash supply left at current rates — 4,000 years — and government members opposite would have us privatize that so that for the foreseeable future, certainly, potash would be the preserve of those wealthy corporations, wealthy shareholders, multinationals, and not the preserve of the Saskatchewan people. We are, of course, submitting, sir, that that is wrong — wrong on a number of accounts.

But I liken it much to . . . As I'm travelling throughout Saskatchewan, it always touches a part of my heart when I go by a deserted farmyard, because I see there not a tired, old farmyard and tired, old buildings, but I see there the hopes, the dreams, the aspirations of at least one family, and in many, many cases, two, three, and four families. And yet ultimately for those farmsteads, the decision was made to sell off the farm land — sell it off. And that, as any farmer or anyone who has been raised on a farm and saw the farm sold will appreciate, it is a very, very sad day when you see the farm being sold off.

It will be a very sad day for the people of Saskatchewan when their farm, when their Potash Corporation of Saskatchewan is sold off — very sad because no longer can we contribute other than by providing cheap labour and cheap royalties. But then no longer can we contribute to that growth, that expansion, that future of the potash industry.

After Potash Corporation of Saskatchewan is sold — assuming that it might be — we are reduced to the status of hewers of wood and drawers of water, no longer having any say in the development of potash mines; no longer having any say in the future of that, one of the

biggest resources this province has.

My leader pointed out earlier . . . at the beginning of this great fertilizer debate, my leader pointed out that in potash Saskatchewan is in a unique position throughout the world. Unique in that right here in Saskatchewan we are the largest producers of potash in the free world — largest producers in the free world. That gives Saskatchewan some say in prices; it gives us some say in markets; it gives us some say in research and development — and I'll be talking more on that later, but we can set the standard for the potash industry world-wide, right here in Saskatchewan as a major, major player.

And this government wants to sell that off, give it, as I've pointed out, give it away to the multinational corporations and wealthy shareholders; and they're giving away the heritage of the people of Saskatchewan in so doing.

With regards to the Crown corporations, Mr. Speaker, whether it be the Potash Corporation of Saskatchewan or SaskPower or SaskTel or Saskatchewan Government Insurance or Saskatchewan Transportation Company, the bus company, and all of the other Crowns, the Saskatchewan people own that collectively and individually, if I might.

There's roughly a million people still in Saskatchewan. I know the population is declining, but I understand the number is still slightly above a million people. But what that means is that I own one-millionth of the Potash Corporation of Saskatchewan, and each individual in my constituency owns one-millionth of the Potash Corporation of Saskatchewan and of all of the other Crown corporations in this province.

That is ownership . . . that is public participation at its finest. There's no wealthy primadonnas who own a bigger share. It matters not whether you're a multimillionaire or whether you're a pauper, you still, as part of your heritage in this great province, you still own one one-millionth of every Crown corporation.

If the Potash Corporation of Saskatchewan is ultimately sold, then what we're going to see is out-of-province shareholders, a few in-province, no doubt, but primarily it will be out-of-province shareholders, out-of-province multinational corporations that will be again becoming the robber barons, if you like, of our heritage, of our wealth, of the Potash Corporation of Saskatchewan.

Those corporations, those wealthy shareholders will be extracting the very finest from our potash corporation, the very finest. They will be skimming off all of the profits. What? To help with education, to help with health care, to help build highways? No, they will be skimming off or taking the profits and skimming what they can from the corporation simply to enhance the dividends, to enhance their own personal pocket-books. And that is not in the interests of my constituents.

Indeed, while I'm speaking of the good people of Regina North, Mr. Speaker, I took the opportunity on two separate occasions to canvass door to door on the potash

sell-off, just to make certain that my feelings are the feelings of the vast majority of my constituents. I asked at every door where anyone was home; I said, will you buy shares in the Potash Corporation of Saskatchewan if they are put on the market, if we cannot stop the sale? Will you be one of the participants? Every one of them, without exception, said no — every one of them, without exception, said no.

An Hon. Member: — You were canvassing in the wrong place.

Mr. Trew: — Most . . . I'm going to interrupt my next sentence because the member for Regina Victoria said I was canvassing in the wrong place. Mr. Speaker, and my colleague from Regina Victoria, I want to assure you I was in what is the better-off financially portion of my constituency. I was where, if there is any extra source of money around, any money for investment, it would be in the area that I was canvassing those two days, and not one person would purchase shares in the Potash Corporation of Saskatchewan. Not one person, in those two days, was in favour of this give-away of our heritage. Not one person.

That spoke volumes to me because in other times when I am out knocking on doors there is still the odd person out there who does not share my political beliefs. Indeed the other day I was out knocking on doors and ran into a person that I'm sure government members would take great joy in. That person assured me there are still Conservatives out there. I assured that person that, yes indeed, we'd had two previous conversations on his doorstep and both the previous conversations were the same. I knew what his politics were, and all the more power to him, but if it's any consolation to government members, you've still got a little bit of support out there.

One out of a great many doors that I knocked on where the person would admit to still having any liking for the present government. And in all the rest of the houses the people were saying no to the sell-off of the Potash Corporation of Saskatchewan. They were saying no to the government of Saskatchewan in their mad dog rush to privatization. They were saying very, very clearly that the government's actions have gone too far. And it's interesting, Mr. Speaker, that of those people, I am sure that they were not all New Democrats or would not all consider themselves to be New Democrats at any and all times.

(2145)

Indeed from the election results it would be quite clear that . . . I don't know, 30 or 40 per cent would be something other than a New Democrat in my constituency. And I'm proud to represent those people regardless of how they voted, but even those Tories and Liberals were telling me the government's gone too far, too far. They won't accept it any more.

Indeed I suspected, I had the feeling from the end of the canvassing that these people already made up their mind, Mr. Speaker. They have decided that it's just a matter of time; it's just a matter of time until the government calls an election. They have made up their mind, as have

increasing numbers of Saskatchewan people, that the present Conservative government has lost touch with reality, they've lost touch with the people.

I don't think there's much doubt that they were in touch in 1982 and had a fairly good grasp on what people wanted, but it's a tired government with a bunch of tired old people and just driven now out of pure ideology. But clearly it's a government that has lost touch with the people.

Currently Saskatchewan people participate in our Crown corporations, and I know that surprises a fair number of members opposite because they don't see that participation. But the people of Saskatchewan elect every one of us; all 64 of us who sit in this legislature have been elected by the people. The people pass judgements on governments as they pass judgements on oppositions, and they formalize the judgements that they make over a period of time on election day. And their judgement includes the use, as well as the misuse, of government policies regarding Crown corporations.

The people understand that the Saskatchewan Transportation Company, for example, had a surplus in 1982, has a nearly \$20 million debt today; had 81 buses in '82, has only 62 buses today. The average age of the buses was 4.8 years; today it's 12.1 years. Indeed, many of the buses on the road today have got seniority over some of the employees.

And the same can be said for many of the other Crown corporations. I spoke in my opening remarks about the government telling the people openly that government would not work, and then after they got elected proving that this government does not work. I submit, Mr. Speaker, that members opposite prior to the 1982 and again prior to the 1986 election were telling the people of Saskatchewan repeatedly that Crown corporations do not work, and it becomes a self-fulfilling prophecy. They've now set out to make sure that these Crown corporations do not work and will not work.

That's what this great debate is about. It's a contest of wills, if you like, the government saying it won't work, New Democrats on the other side saying, but it does work and it has worked.

And we've had quite a substantial number of Crown corporations working very, very well for the people of this province over a great many years. Indeed, many of the Crown corporations, such as SaskPower, dates back to long before the CCF even formed the government. And there are very, very few people in this province that would argue that SaskPower has not been a good Crown corporation. It's been good in providing service to the people of Saskatchewan. It has been good in keeping rates as low as they reasonably can, consistent with keeping a long-term debt at a manageable level.

But because of the belief that Crown corporations don't work, we see under the government opposite control, we see the Potash Corporation of Saskatchewan having done not terribly well in the last seven years — not terribly well. And indeed they lost money four out of those years. But I'm not sure — actually I am sure — it's not a reason, I

submit, to get rid of the Potash Corporation of Saskatchewan, Mr. Speaker, it's rather a reason to get rid of the government that has been controlling it.

And part of what I base that on is, from the time that the potash corporation was set up under the Allan Blakeney New Democrats, the Potash Corporation of Saskatchewan made a profit every single year while New Democrats were in power, and that profit grew and grew and grew.

In my notes a little later on, I will be enhancing that statement, or fleshing it out, if you like, but the fact is Potash Corporation of Saskatchewan consistently grew, consistently paid more money each successive year in royalties and income taxes to the provincial government; plus, it was paying off the money that had been borrowed for the initial purchase; plus, in the last two years of the New Democrat administration, the Allan Blakeney New Democrats, the treasury of Saskatchewan, or the then . . . the Minister of Finance took a \$50 million dividend in . . . 50 million one year, 50 million the next year, for the provincial treasury.

Now that \$100 million, of course, was \$100 million that the Minister of Finance, or the government of the day did not have to extract from individuals, because even the present Minister of Finance cares not a whit where he gets the dollar from, but he knows he has to get the dollar in. If it falls from the sky, that's good; that gives him a dollar more to spend. If it comes from potash, that's good; it gives him another dollar to spend. If it comes from alcohol tax, that's fine too; it gives him another dollar to spend. If it comes from potash, that's fine too; another dollar to spend.

The provincial treasury requires about three and one-half billion dollars annually if its revenue and expenditures are going to meet; that is, not be in the present situation where we have a deficit. But if we could . . . if the Government of Saskatchewan could purchase lottery tickets from someone other than themselves, and guarantee that they would be winners, we could have no taxation at all. Of course, all people understand that lotteries are set up to be revenue producers for the sponsors. So that wouldn't work, much as members opposite, much as members opposite might like it to work. It just doesn't work.

Instead, Mr. Speaker, you have to practise good, sound, economic management. You have to be able to take one step before you can run. You have to build on your strengths, not tear them down. And Potash Corporation of Saskatchewan has been a strength in Saskatchewan, a profound strength ever since the day it started. It has been good for the people. It can continue to be good for the indefinite future; certainly through the 1990s, and well into the next century, Potash Corporation of Saskatchewan can be good news for the people of Saskatchewan.

On this side we want to make sure that it is good news. We don't want to be going back to the future or backing into the future, however you want to express it. We've had a situation where the potash corporations were set up by private corporations and they were paying two and a

half per cent, a two and a half per cent royalty. They balked every time there was any attempt by — whether it was the Liberal government headed by the late Ross Thatcher or whether it was by the Allan Blakeney New Democrats — the potash companies balked every time that we ever tried to extract any extra money for the people of Saskatchewan beyond a mere two and a half per cent royalty.

And indeed, if you look at the books from those years, you look at the financial statements, and the amount of revenue that the potash industry was generating for the people of Saskatchewan was negligible.

But while they were balking at increased taxation, they were very, very quick and happy to accept road improvements or water supply improvements, improvements in the local towns and the municipalities. These private potash corporations were only too happy to have government largess pay for the infrastructure, but they didn't want to be major contributors to it.

And it's quite understandable, quite understandable that they would feel that way when you consider why is it that any corporation exists. Quite simply, corporations exist to make a profit, to earn money, to make money. That's their reason for being. And we're really quite foolish if we think they have any other motive other than profit. Certainly the better corporations will try and be good corporate citizens. They'll try and follow good employment practices and so on, but the bottom line is just that — the bottom line, the profit.

There's nothing dirty about that at all, but why is it that the people of Saskatchewan should be the ones that look after these multinationals, look after these big corporations? Why should it be at the taxpayers of Saskatchewan's expense? Why always the little guy that gets hurt? Why not keep the Potash Corporation of Saskatchewan as it is, owned by the people, and keep it for the people so that any revenues stay right here in Saskatchewan; so that profits stay right here, rather than going off to a head office in New York or in Zurich or in Geneva or in South Africa. Why not have those profits here? Why not make sure that for the largest potash corporation in the free world, that the head office is right here in Saskatchewan? That's pretty important.

You know, Mr. Speaker, there are sons and daughters, fathers and mothers, brothers and sisters of Saskatchewan people working in the head office in Saskatoon. Prior to the Potash Corporation of Saskatchewan being set up, those jobs were in New York — New York, not in Saskatoon — they were in New York. And that's not an insignificant thing.

Members opposite may not realize the importance of jobs in Saskatchewan. They should understand it, but I'm not certain that they do. Those people employed in the head office of the Potash Corporation of Saskatchewan have got their own families; in many instances they're home owners or perhaps they're just renters. Either way, their money is going to pay local taxes. They are volunteers, I'm sure some of them, for little league baseball, for hockey, for all sorts of things like that. That's part of why we think Potash Corporation of Saskatchewan should

stay here in Saskatchewan.

Mr. Speaker, I will submit to you that . . .

The Speaker: — Order. It being 10 o'clock, the House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 10 p.m.