

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Swenson: — It's a pleasure for me to introduce to you, sir, and to other members of the Assembly, some members from SEPAC (Small Explorers and Producers Association of Canada) who are in your gallery today. Have been in the legislature to meet various members that we've met. We met with the member from Regina North West from the opposition this morning.

We have John MacDonald, the Saskatchewan chairman of SEPAC — stand up John please — Ken King, chairman of SEPAC; and Craig . . . No, John McGillvray, right, John, and he's a member. And we had one more, but he's not with us yet this morning.

And I would ask all members of the legislature to please join me in welcoming the people from SEPAC.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Electoral Boundaries Commission

Mr. Lingenfelter: — Mr. Speaker, my question is to the Premier. Mr. Premier, it's now more than a week since the Supreme Court of Canada made its ruling and you made one of your bigger flip-flops where you clearly indicated and changed your previously stated position that if the Supreme Court ruled in your favour, you would abandon the 1991 boundary procedure

Court ruled in your favour, you would abandon the 1991 boundary procedure. Mr. Premier, can you tell the House today when the Archer Commission will report, and do you intend to bring in legislation based on that report when and if they do report?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, as you know, we are staunch defenders of rural communities and rural representation. And we did defend rural people before the Supreme Court and we certainly have continued to do that. I believe that the Archer Commission will report to the legislature to the minister either late today or tomorrow — that's what I was advised today — and we said that we would respect their hearing process because it's almost wrapped up, and be able to look at it and look at their recommendations.

But we were very proud of the fact that we won before the Supreme Court. It does say to rural people, despite the objectives of others, in particularly the NDP (New Democratic Party), to reduce rural ridings, we have certainly been there to protect rural people for their representation, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, a new question to the Premier. Mr. Premier, you continue to play loose and fast with the lives of families in Saskatchewan on decentralization. You're also playing loose and fast with the boundaries on which the next election will be won or lost.

I want to say, Mr. Premier, will you today clear up the confusion that you have created — simple yes or no on the issue on which boundaries the election will be fought. Can you tell us today: do you intend to bring in legislation to make legal the 1991 boundaries, and will that legislation be proclaimed before we leave the House and before the House is adjourned. Can you make your commitment here today?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, I've had the opportunity . . . and the hon. member mentions decentralization. I had the opportunity to be in The Battlefords today with the NDP member from The Battlefords. And, Mr. Speaker, I'm sure that he was impressed with the very, very large crowd of people there — approximately 200 people — who showed up, Mr. Speaker, so that they could understand what would be there. They made an excellent presentation on behalf of The Battlefords.

Mr. Speaker, the hon. member said that it was confusing. Well, Mr. Speaker, it wasn't confusing in The Battlefords. They knew exactly what they were going to be receiving. And the hon. member can raise it, Mr. Speaker, so I can respond to it. If he gets the luxury of raising, then I get the luxury of responding to it.

And I'll say to the hon. member, with respect to sticking up for rural seats, I've . . .

The Speaker: — Order, order, order.

Hon. Mr. Devine: — Thank you, Mr. Speaker. When they asked the question, they can't stand to wait for the answer, Mr. Speaker, particularly the member from Moose Jaw North. Let me say, the Archer Commission is to report, Mr. Speaker, either later today or first thing tomorrow, and at that time we will have the opportunity to look at it, Mr. Speaker, and we'll be able to respond to the hon. member.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I would like to put yet another question to the Premier, basically along the same lines. And I'm sure it doesn't go unnoticed to the public watching or the people in the gallery or indeed the press, that the Premier skirts around the issue of which boundaries he intends to call the next election on. I want to give him one more opportunity to clarify that for the people of the province.

Can you tell us today which boundaries you intend to call the next election on? The 1989 boundaries that you have clearly supported and asked for approval from the

Supreme Court — you have that. Or will it be the 1991 boundaries? Do you have the courage of your conviction, Mr. Premier, to tell the House today which boundaries will the next election be fought on?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the NDP leader doesn't have the courage to debate whether there's boundaries or no boundaries, Mr. Speaker. When the boundaries are first come out, he said we'll call an election, and then we won't, and we shouldn't have one, Mr. Speaker. Then he hid when there was deficits. And now I've asked him to go from community to community to have a debate and he says, I won't do that, Mr. Speaker.

I've said we defended the rural ridings. We'll continue to defend those rural people. We're very happy with the Supreme Court decision, and we will make sure, Mr. Speaker, we'll have a chance to look at the Archer review as well as the Supreme Court and we'll let the hon. member know when it's delivered here in the House.

Some Hon. Members: Hear, hear!

Costs of Decentralization

Mr. Tchorzewski: — My question is directed to the Premier. Mr. Premier, today's announcement furthering your decentralization talks about the Department of Social Services — the seniors' bureau and the family bureau. With all of this you have brought the total number of jobs that you're claiming to be moving to other parts of the province to 1,072.

Now, Mr. Premier, with that kind of a massive operation, surely it's not unjustified to ask you about the costs. So I'm going to ask you this question: what are the costs? Is it \$56 million based on the Department of Highways' estimates? Is it thirty-seven and a half million dollars based on the estimates of your own department? Is it \$32.2 million based on the estimates of the city of Regina? Or is it the \$26.8 million based on the Manitoba experience, Mr. Premier? Or is it more?

The people of this province have a right to know. It's their money. They're already paying for a deficit that is beyond what we should have to pay in this province. What is the price, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've said all along that I'm certainly prepared to stand behind it, that it is from 8 to \$12,000 per job, Mr. Speaker, and per person that is moved. And the hon. member knows that I've said that. We've had years and years of experience with it. He's had years of experience.

The interesting part of this whole question, Mr. Speaker, is the position of the NDP. The public doesn't know whether they're for it or against it. That's the interesting thing. We said we're for it. We said that it's a good thing to take the jobs to The Battlefords, for example. And the NDP, they haven't said whether they're for it or against it. I quote the *Leader-Post*, Mr. Speaker, and it says,

"Romanow maintains that his party isn't against decentralization **per se**, but rather against the way the Conservative government has handled it."

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, how about that? How about that, Mr. Speaker?

And then the union leader comes up in the same paper, the *Leader-Post*, Mr. Speaker. And the union leader says and I quote, "I think Romanow's a chicken---- . . ." because he hasn't made up his mind. Well what's his position? Is he for it or against it? Is he going to stand up for one or is he going back down or another, Mr. Speaker?

I said to the hon. member it costs between 8 and \$12,000, Mr. Speaker, per move. And they make up other figures, Mr. Speaker, but I'll stay by that one. And I will stay defending decentralization because it's the right thing to do, Mr. Speaker, and I'm not going to hide in the rural, or hide in the urban, say one thing here and one thing over there. We say the same thing all the time. Just like the supreme courts, Mr. Speaker, we stick up for rural people.

Mr. Tchorzewski: — A new question, Mr. Premier. Let me make it unequivocally clear the New Democratic Party is dead against your bizarre style of decentralization . . .

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — . . . just as the people of Saskatchewan are, and many others are, Mr. Premier. There are voices growing in numbers who are saying what you're doing is wrong and that are questioning the fact that you're unprepared to table the cost/analysis study to show what the real costs are going to be.

And one of those, one of those, Mr. Premier, and my question is, the Association of Saskatchewan Taxpayers who say that you should not be proceeding with your decentralization plans because you have failed to produce anything to justify the costs.

How, Mr. Premier, do you explain this failure on your part to those 10,000 members of the Saskatchewan Association of Taxpayers who are saying to you, stop this; enough is enough; explain what the costs are going to be. How do you explain that to them, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, you and I know and the media knows and all of the public knows, that if I was going to do it, that member would be against it. I mean that's just a fact. If we come out with a cost that said it was \$9,564 for it, he'd be against it. Mr. Speaker, we move Crop Insurance to Melville and he was against it. And he . . .

The Speaker: — Order, order. Order, the member for North West. Order, order.

Hon. Mr. Devine: — I mentioned Elbow. When we expanded the recreational services and the golf course

and the marina at Elbow, they were against it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we had 2,000 people out on the streets of Estevan on Saturday night, Rafferty rumble, and they were against Rafferty, Mr. Speaker. They're against Alameda. If we moved Agriculture . . .

The Speaker: — Order, order, order. Order, order. I can't allow constant, loud interruption. I'm going to have to intervene. And I'm going to have to do this repeatedly until hon. members cease and desist, as it were. I'm going to give the Premier a few seconds to wrap up. He's had plenty of time, and I'm going to give him just a few seconds to conclude his remarks and we'll go to the next question.

Hon. Mr. Devine: — Mr. Speaker, I just make the point — and it's a political point here in the House — that when we do diversify, Mr. Speaker, like a million dollar community development bond in Elbow, the NDP's against it. When we move Crop Insurance to Melville, they're against it, Mr. Speaker.

So I just make that point. And if when we want free trade, Mr. Speaker, they say, well they're for free trade but not our way. Well I just say, Mr. Speaker, we understand the NDP only too well, and so does the public.

Mr. Tchorzewski: — A new question to the same minister, the Premier, Mr. Speaker. Mr. Premier, the association of taxpayers, the Saskatchewan Wheat Pool, the SFL (Saskatchewan Federation of Labour), the home builders' association, and many others have said you don't know what you're doing; put a stop to this. Tell us what it's going to cost. Show us the benefit. Enough is enough.

Now, Mr. Premier, the Saskatoon *Star-Phoenix* on March 5 said the following: "No pre-election job moves: Devine" states. It went on to say:

But he (and it refers to the Premier) doesn't know how many jobs will be moved and he says nothing will happen before a provincial election is held.

Your direct quote, Mr. Speaker. Do you still stand by that position? Is it a fact that nothing will happen until after a provincial election, or have you flip-flopped one more time, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we have a long list of towns and communities — in fact, Mr. Speaker, we have 250 communities — who have applied for Fair Share, the SUMA people (Saskatchewan Urban Municipalities Association), people all over the province of Saskatchewan. And I can bring you letters and endorsements, Mr. Speaker, of Fair Share.

And the hon. member says now he endorses the concept of Fair Share. His leader says Fair Share's a good idea, to distribute those jobs. They'd do it differently, Mr.

Speaker. That's the point. That's all he says. Well we'd do it a little bit differently. They consult a little different. They change this a little different.

I'll just say to the hon. member, Mr. Speaker, that we have been doing this for years. We've been very careful. With respect to the timing, it's taken five years on Fair Share up till now. We're going to be doing it for another five years, Mr. Speaker. It's going to start now, and it'll take years and years to complete.

People will now go out to The Battlefords, Mr. Speaker. They'll go out to The Battlefords, and they'll say, here's the real estate building. Here's the kind of . . .

The Speaker: — The member for Regina North West is very anxious to ask a question. I'd ask him to wait his turn, wait his turn.

Hon. Mr. Devine: — Thank you very much, Mr. Speaker. We've said to initiate the moves, first of all they get the real estate, and they look at the office space as they will in The Battlefords today or that they have in Melville. Then the employees start looking, Mr. Speaker. The process starts this summer, and it goes right through for the next five years, Mr. Speaker. The whole thing will be a 10-year program. And that's fair, Mr. Speaker. It's professional, and it's the right thing to do.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the Premier again. Mr. Premier, for your information, on a CBC (Canadian Broadcasting Corporation) open-line show which is in progress right now, there are 14 to 2 phone calls opposed to your Fair Share program.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And over half of them, Mr. Premier, have been rural . . .

The Speaker: — Order, order, order. Order, order.

Mr. Tchorzewski: — I ask you, Mr. Premier, how can you expect anyone to take your program seriously? You won't tell people what the real costs are. You won't produce any studies you have done. You won't make any definitive statement about when — if any — jobs might be moved.

There is nothing in this program except a series of blatant political announcements. When are you going to quit playing games with all of the people of Saskatchewan with these cynical, political announcements, and when will you call an election so that the people of this province can decide and elect a government that will act responsibly? When will you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, this reminds me of the chamber of commerce debate here in Regina when we put forward our strategy to help rural Saskatchewan, and to harmonize, balance the budget, decentralize, and the NDP's position couldn't be found, Mr. Speaker.

Right now they're saying over there that . . . isn't this awful? Isn't this . . .

The Speaker: — Order, order, order. Order, order. We're going to have to seek a little balance and I'm going to have to ask the member from Quill Lakes to co-operate because . . . Quill Lakes.

He says I'm on his back. I'm really not, sir, on your back, except that you never seem to be able to stop interfering. This is the problem, you see. And therefore I have to name you. So I'm going to name you and ask you to stop interfering. Now allow the Premier to speak.

Hon. Mr. Devine: — Mr. Speaker, it is nice to hear from the member of the Quills because we've had a fair amount of Fair Share decentralization into that constituency, Mr. Speaker, and they very much support it. And they will stand there and say that they support it, but at the same time, Mr. Speaker, when they're in Regina, when they're in Regina like the centralized member here who was formerly from Humboldt, then they have to say they're against it, Mr. Speaker, because they're having some union leader's support who says well you've got to come out tougher.

Well, Mr. Speaker, they flip-flopped on it just like they flip-flopped on harmonizing with one tax, just like they flip-flopped on the agriculture program, Mr. Speaker. They haven't got a position, Mr. Speaker, but we do.

Location of Fair Share Saskatchewan Office

Mr. Calvert: — Thank you, Mr. Speaker. I have some very specific questions for the Premier to which I would expect some very specific answers, Mr. Premier. And my questions are in regard to your Fair Share decentralization offices.

Some months ago, with a great deal of flourish, you folks announced that the head office for Fair Share Saskatchewan was to be located in Watrous. Then as a sign of your commitment to this long-term program, you signed a six-month lease. Well we're into the fourth month now, Mr. Premier, of that six-month lease. My question is: have you renewed the lease, for how long, and what are the terms and conditions?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we have, we have . . .

The Speaker: — Order, order, order. Order. Now I'm going to once more have to ask the member for Quill Lakes to allow the response to go forward. Member for Quill Lakes, order.

Hon. Mr. Devine: — Mr. Speaker, we received, and thought we would receive, a large number and indeed hundreds of applications from communities outside Regina, so we set up the Watrous office to receive those applications. And indeed, I believe, over 250 applications came in from cities and towns and villages all over Saskatchewan, Mr. Speaker. And we set up the office in Watrous, and the people of Watrous were quite prepared to open that up, Mr. Speaker, and allow us to

have a facility to accept all these applications.

At the same time, Mr. Speaker, the employees are here in Regina, and the employees have to be professionally dealt with as well as receive the applications in Watrous. So, Mr. Speaker, it only makes sense that we have an office there for Fair Share as well as the capacity here to deal with the public service, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Well, Mr. Speaker, if I could paraphrase the Premier, if I could paraphrase the Premier, we have the office in Watrous, but the employees are in Regina. We have a Fair Share decentralization office which now I understand, Mr. Speaker, has been centralized to Regina. Here I have a quote from Saturday night's Leader-Post and I quote:

In effect, McLeod now admits (that) the Ramada (meaning the Ramada Renaissance in downtown Regina) really is Fair Share Central.

Now, Mr. Premier, how can anyone believe anything that you commit in this program with this kind of a record, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — I just said to the hon. member that the employees are in Regina. The employees are in Regina and the applications are coming to Watrous, and then you match the two of them, Mr. Speaker. The employees are here, and they're shared all over the province. Now at the same time, Mr. Speaker, I think it's fair to point out that the leaks did . . .

The Speaker: — Order, order. Order.

Hon. Mr. Devine: — Mr. Speaker, in dealing with the public employees here as we did with Crop Insurance and ACS (Agriculture Credit Corporation of Saskatchewan), Mr. Speaker. We want to make sure that the employees are informed at the same time that we're matching them in the communities all across the province of Saskatchewan.

And that is that down here, Mr. Speaker, so that we can do it confidentially and provide the information so that in fact when the announcement's made in The Battlefords, the people here know exactly at the same time, Mr. Speaker.

Mr. Calvert: — Well, Mr. Speaker, now we have ascertained there's a mailbox in Watrous but the employees are here in downtown Regina. Mr. Speaker, my new question to the Premier is this. It is my understanding from this Leader-Post article that there is a massive security arrangement surrounding your employees in the Ramada Renaissance — in fact the elevator won't stop on the 11th floor, we're told.

Mr. Premier, can you explain these elaborate security provisions down at the Ramada Renaissance — provisions that keep the taxpayer from that office, that keep public servants from that office, that keep journalists

from that office? Mr. Premier, can you explain the elaborate security precautions that are down at the Ramada Renaissance?

Hon. Mr. Devine: — Mr. Speaker, the opposition is the first to criticize if the information is leaked before the announcements. They said that wouldn't be fair to the public service. You should be fair to them. Allow them the same information that you allow the communities and at the same time, Mr. Speaker.

So when we are putting these together in confidence so that we can inform the employees in a professional way . . . now they're standing up and say, well why would you want to do that? Well, Mr. Speaker, they can't have it both ways. We provide them with the information.

We don't like to see it leaked as it was with Agriculture and, I believe, the Department of Highways. We'd like to have the information go out exactly the same time so the Department of Social Services finds out the same time that Battleford did today, Mr. Speaker. And that takes some confidentiality, and it's a professional way to handle it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, a new question to the Premier. Mr. Premier, we've ascertained today that you at one point said there'd be no moves before the election; now you're saying there's going to be moves before the election. You said that the head office was going to be in Watrous; now we find out that the head office is in Regina. You say this is going to be an open process to the people of Saskatchewan; now we find out that the doors are locked at the Ramada Renaissance.

You won't divulge the cost of this scheme. Mr. Minister, isn't all of this just proof that what we have here is nothing but partisan politics being practised before an election in a vain attempt to divide our province, in a vain attempt to get your government re-elected? Isn't that what we have here, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, if they think that it's partisan, Mr. Speaker, if the NDP think that it's partisan, Mr. Speaker, at least they should have the courage to say to the public what they would do.

ACS into Swift Current is not partisan; it's a good idea. The Water Corporation moving to Moose Jaw was not partisan, Mr. Speaker. It's a very good thing to do. Mr. Speaker, if we moved the Crop Insurance Corporation to Melville, that wasn't partisan; it was a good thing to do. And Agriculture to Humboldt is a very good thing to do — not partisan. You ask the people.

And actually those folks over there have said yes, we'd do it too but just a little bit different than you would. Well what kind of a response is that, Mr. Speaker? They said that about interest rate protection. They said that about decentralization. They said it about shares. They said it about everything you could imagine. They don't have the courage to put together a plan. All they can do is criticize,

Mr. Speaker. That's why they're going to stay in opposition for a long, long time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Relocation Details of Department of Agriculture and Food

Ms. Simard: — Thank you. Mr. Speaker, my question is to the Premier. Mr. Premier, it's now almost three weeks since you made your first decentralization announcement. That was the move to Humboldt and area. Can you tell this House today how many employees have been given their move orders and when they are to report to work in the new location?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, as far as I know, I know none have been given the notice of movement. As I said, we first of all look at the facilities so that in fact you can have your office space, and then you start with your employees, as we did with Crop Insurance in Melville, Mr. Speaker. And it takes a matter of weeks, but the process will begin this summer, Mr. Speaker.

Ms. Simard: — Mr. Premier, I understand that according to an internal survey of available office space you conducted, there was no available office space in Humboldt or the six surrounding communities that was adequate for your needs. Do any of those communities now have upgraded space which would allow the move to take place, and can you tell this Assembly how much it's going to cost to upgrade that office space?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, as we've done in the past, we have . . . and I believe with the community of Kamsack, Mr. Speaker, we have worked with the community. They have some buildings that may be available. At the same time we look at new buildings and we can compare that to the tendering of a new facility. And that's exactly what we do.

So we have a liaison committee that works with each community, and they go out and they look at existing space. And then they look at the building and then they look at the tendering costs and they make the appropriate decision with the local people that is appropriate, Mr. Speaker. That's exactly what's going to be happening in Humboldt, what will happen in The Battlefords, what will happen in other communities, Mr. Speaker. And it is precisely what is recommended by the chamber of commerce or other people who work in those areas, Mr. Speaker.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 87 — An Act to amend The Marriage Act

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Marriage Act.

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

PERSONAL STATEMENT

Hon. Mr. Hodgins: — Mr. Speaker, before orders of the day, I'd ask leave of the Assembly to make a statement of a very personal nature.

Leave granted.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly to make a statement that for me to describe as difficult, is clearly an understatement. My statement today is a personal statement. It reflects my own beliefs at the deepest level. It is about my own values and principles. And I make this statement, Mr. Speaker, after considerable soul-searching, inner turmoil, and questioning of what is right and what is wrong and what is in the best interests of this province of Saskatchewan.

Mr. Speaker, this statement is about me. It's about politics. It's about choices, and it is about the people of Saskatchewan and the services that are delivered to them by our public servants. I have served as an elected member in this Assembly for more than nine years, more than five of these years as a cabinet minister, and all of these years as a member of the Progressive Conservative Party. I have served as a faithful and loyal team player. Over this time I've learned about government, about politics, about people, and about myself.

Everyone whom I've been in contact with, in one way or another, has made a difference in my life: constituents, colleagues, members opposite, Assembly staff, personal office staff, and even the media have been good to me. A group that has been particularly loyal have been the public servants. The professionalism, courtesy, and dedication that they have extended to me has impacted upon me greatly.

I believe, Mr. Speaker, that we as politicians search continually for the answer for the question, what do people want from government? Sometimes that answer is hard to find. I do believe that people expect stable, responsible, caring, and fair leadership from their politicians.

Mr. Speaker, I have applied these principles to our program, Fair Share, and I'm sorry, but I don't think they pass that test. I have become increasingly concerned that we as politicians on all sides have lost touch with the real principles and the real values of the people of this province. Clearly this program does not add stability to our province. It is setting one against another in a way that to me is unacceptable.

We have a responsibility, Mr. Speaker, to deliver government services to the people in the most efficient manner possible. This province is on the verge of bankruptcy, and we cannot afford to do otherwise. Have the economic and social benefits been fairly weighed against the costs? I'm not so sure.

The people of Saskatchewan, urban and rural, are a

people of compassion. And I'm not so sure that we've addressed that in this issue.

Is this a fair program? No question. There is a need to stabilize rural Saskatchewan. And there is intention here to do that. But there's also politics. And politics to a degree that I am not only uncomfortable with, but that I personally find unacceptable.

Mr. Speaker, you may ask — why speak up now? Like many in the province I want jobs for my constituents, for my area. Our communities need help, and I'm torn between that reality and what is in the overall best interests of the province of Saskatchewan.

Mr. Speaker, I've been part of this decision. But it is a decision that today I cannot find acceptable. I know, Mr. Speaker, that this statement and this decision will do harm to my colleagues. I regret that. And I'm sorry that I offend you.

But, Mr. Speaker, I have weighed this decision carefully after considerable searching of my soul. And, Mr. Speaker, today I have submitted my resignation from cabinet and from the government caucus.

I would respectfully request, Mr. Speaker, that my chair be moved to the opposite side as an independent member.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 73 — An Act to amend The Oil and Gas Conservation Act

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Swenson: — Thank you, Mr. Chairman, I have with me today five officials from my department to discuss this particular Bill. I have on my immediate left, Pat Youzwa, deputy minister. Directly behind me is Ray Clayton, assistant deputy minister; and Linda Zarzecny, the Crown counsel, from Justice. To my right, Bruce Wilson, executive director of the oil and gas division, and Myron Sereda, director of that division.

Clause 1

Mr. Solomon: — Mr. Chairman, I would like to at this point, with leave, before I get into the Bill, just to join with the minister in welcoming the members from the Small Explorers and Producers Association of Canada.

I was unable to be here at the commencement of introductions. And I, at this point on behalf of the opposition, would like to extend our welcome to the members from SEPAC who are seated in the Speaker's gallery. I met with them briefly this morning. I believe Mr. Ken King is the chairman, John McGillvray and John MacDonald, and there may be one or two others in the gallery there as well. But on behalf of the opposition I

welcome you to the Assembly, and I hope that you've enjoyed your afternoon here so far.

We've witnessed some very dramatic events. And with that, I would ask my colleagues in the Assembly to join with me in welcoming them here.

Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Chairman, I want to commence my remarks with respect to Bill 73, the Act to amend The Oil and Gas Conservation Act, with a little background with respect to the government's handling of this Bill.

Last fall when the court decision was made with respect to the Gulf oil company and Kennebar regarding horizontal oil well drilling, there was an assurance made by the government opposite that they would undertake to make some amendments to the appropriate legislative Acts and Bills that exist in our statutes to try and clean up some of the disputes which exist with respect to the horizontal oil well drilling. As a matter of fact, Mr. Chairman, the industry was told on more than one occasion that these disputes would be handled in the fall session of 1990.

The decision by the government to streamline and resolve some of these technical problems was a decision based on the fact the oil and gas industry had budgeted for the beginning of 1991 many millions of dollars. Depending on the company you spoke with, Mr. Chairman, it varied between 1 million and in some cases as high as 15 to \$20 million.

Mr. Speaker, the opposition at that time indicated to the Canadian association of oil well drillers; CPA, the Canadian Petroleum Association; the Independent Petroleum Association of Canada; SEPAC, Petroleum Services Association of Canada, and many other individual oil companies that we couldn't make a commitment on the amendments until such time as we saw the Bill.

During our discussions we were informed by these associations and the various oil company officials that they were given a commitment by this government opposite to resolve those problems last fall. We have seen since, Mr. Chairman, really a delaying tactic that is pretty characteristic of the government opposite. They have delayed in almost every single thing that they've done in the last number of nine years, in particular providing information to the opposition and to the public which is pertinent to their operation and which is very important to the administration of government, and with respect to public accountability of the taxpayers' money.

This delay, this ragging the puck with respect to the oil and gas conservation amendments, is a characteristic which has been frowned upon by every sector in Saskatchewan including some very close friends of the Conservative Party in the oil and gas sector. And these comments have been made to me privately and I believe them to be accurate, Mr. Minister.

So we've seen the initiative of your department, of your government, in response to this court problem, to the

territorial problem, in response to the horizontal oil well drilling problem, that you would resolve the matter last fall. You witnessed last fall coming and last fall going, as did everybody else in this province, without a fall session. Therefore no amendments could take place.

We then saw, Mr. Minister, and heard from many in the industry your commitment that you would introduce these amendments early in the spring, at an early spring session. Well, Mr. Minister, early spring arrived, middle of the spring arrived, and indeed the session did not arrive with the call of the spring.

We then saw on April 11 the House reconvened to discuss a number of important matters. I might add, Mr. Minister, that during this time, when we were informed by the oil and gas sector about their particular problem and capital commitments and their planning on horizontal oil well drilling — we were informed by them — we said that we would support an early call.

The opposition on more than one occasion called the government to task and called them to meet their commitment by calling a fall session last fall. We wrote letters. We issued a press statement. We had a press conference. The Leader of the Opposition undertook to apply some pressure to deal with that issue as well as many other very important issues that prevailed in the public at that time.

Well, Mr. Minister, we're very disappointed the fall session didn't arrive. We indicated publicly and privately to your House Leader and to your Premier that we wanted the House to convene early in the new year, since the excuse that you gave was that time was not right in the fall to pursue the fall session. We then received really not much of a response after we urged on many, many occasions to call an early spring session to deal with the major problems facing the Saskatchewan people, and various sectors in the Saskatchewan economy.

(1445)

April 11 finally came, when you were forced to call the session because you really had no other option — one of the latest calls we've in this Assembly in the history of our province. The only later dates we had was under your government, after the '86 election campaign, when you called the session in June of 1987.

If you recall, Mr. Minister, the reason that was done was because your Finance minister, the member from Qu'Appelle-Lumsden who is now the Minister of Justice, basically misled the electorate in the 1986 budget in the spring prior to the election, saying that they were going to have an expenditure that was only about 300-and-some million dollars in deficit. Of course when the election was over it wasn't 300 and a few million dollars, it was \$1.2 billion, clearly an error of over \$800 million in one fiscal year.

The people of this province saw that lack of commitment and did not like it. There was a lot of pressure for you to do things which you ended up doing which were very unpopular.

So we saw a late call in 1987. But again that was as a result of a pure political decision to try and save your hides. We've seen many other initiatives with respect to that. The latest being, Mr. Minister, just this very afternoon, when your House Leader has resigned from your cabinet and resigned from your caucus because he believes your Fair Share program is totally unfair.

Well, Mr. Minister, with respect to Bill 73, I want to tell you that after repeated efforts by the opposition and by the public to get you into this Assembly to be held accountable and to introduce amendments as we see today, in spite of all that efforts, it's taken a long time for you to get here. We hoped and prayed and publicly tried to coerce you into getting into here earlier. But now we have — I believe it's June 17 today — when we're finally getting into Committee of the Whole with respect to Bill 73.

Well, Mr. Minister, you, I might add, have been very misleading to the public and to the oil and gas sector with respect to . . .

Mr. Chairman: — Order. I find that unparliamentary. I'd ask the member to refrain from . . . Order. The member from Quill Lakes too.

I'd ask the member from Regina North West to refrain from using that kind of language and I'd ask him also to apologize.

An Hon. Member: — What language?

Mr. Chairman: — You said the minister was misleading. I ask you to apologize and to refrain from using them.

Mr. Solomon: — I apologize.

Mr. Minister, the industry feel that they have not been dealt with fairly by you and your government with respect to informing them about your interest and your keenness in introducing these amendments. And I relay, Mr. Minister, only the experience that I have in my discussions with representatives of the industry and with individuals working in the oil and gas sector. They told me what I just related — that you were going to call a fall session to deal with this problem; you didn't. You can define that any way which you like, but let me tell you, Mr. Minister, it was a situation in which you made a commitment and you didn't keep the commitment.

You indicated secondly, that you'd call this Bill before the House in early spring and that didn't happen either. Now you can call that anything you like. Some people may refer to it as misleading. Some other . . .

Mr. Chairman: — Order, order. The member cannot do indirectly what he cannot do directly, so I'd ask you to apologize again and refrain from using that kind of comment.

Mr. Solomon: — I apologize.

Mr. Minister, we've seen you in many instances make a commitment with respect to this Bill, and you have failed to fulfil those commitments. This is not uncharacteristic of

your government. This is expected by everybody in this entire province. They know, whatever you or your Premier says, you never carry out what you say you're going to do. Every commitment you've made, you've always undertaken to do the opposite.

I don't know if you've got a dictionary over there which has the meaning of the word promise; something to break in the future, or a commitment that is something that you won't keep. It seems to me that the people of this province are saying we have a government of opposites over there. They say one thing on their feet in this House or in writing in literature and they always do the opposite. People have to question the sincerity of your government and the sincerity of your party when it comes down to these sorts of situations.

Now I'm not certain, Mr. Minister, whether this is a view you hold in your personal life. I don't believe it is. We see the member from Melfort today finally . . .

Mr. Chairman: — Order, order. The member is straying a long ways from the Bill and I'd ask him also to refrain from that.

Order. It's a question of relevancy and the member has . . . Order. It's a question of relevancy on the Bill. I'd ask the member to be relevant to the Bill.

Mr. Solomon: — Thank you, Mr. Chairman. I will be as relevant as I possibly can. And the point I'm trying to make, Mr. Minister, and Mr. Chairperson, is that this government has made a commitment to the industry with respect to Bill 73 and they haven't kept it. And the train of thought I'm trying to put on the record here is this is not unusual from their past practices. They have in the past done a number of different things which is quite similar in terms of process and commitments, as this commitment is to Bill No. 73.

So we've seen, Mr. Chairman, a whole record, a whole host of things that have occurred in this province with respect to government decisions which have been — to be the most complimentary I can be — to be opposite of what they make a commitment to do.

Mr. Minister, during the course of the April 11 session calling and from that time forward, we made again a public request of your government and of the Premier that we would like to deal with issues that were fairly important to the economy of Saskatchewan — the agricultural Bills, Bills which were related to the oil and gas sector, and other Bills which people were saying to us had relevance and needed some quick response and quick passage.

Well, Mr. Minister, we did not get the co-operation from the government after the Premier indicated, and some of your colleagues in cabinet indicated, that this was a new government; you were committed to a spirit of co-operation; that you would co-operate and be as open as possible to the public and to the opposition.

As a matter of fact, in your commitment you promised once again to pass freedom of information legislation, to pass balanced budget legislation, and a number of other

items which we feel probably would have some merit for a new government, but in the dying days of a government well into the fifth year, we found rather unusual and of course contradictory to all of your past practices.

Well, Mr. Minister, we saw Bill No. 61 be introduced, which in essence was the largest tax grab in the history of this province. We as an opposition stated our position very clearly at the outset that this was an unfair tax Bill and that we would oppose that tax Bill for as long as necessary.

During the course of that opposition your government and you, Mr. Minister, made a public statement saying that the opposition is holding back this Oil and Gas Conservation Bill and holding back really millions of dollars which the oil and gas industry had budgeted to expend in horizontal oil well drilling.

Well, Mr. Minister, your comments were unfair. They were inaccurate. I don't want to use the word misleading because I've been called to order on that. But certainly they were untruthful.

So, Mr. Minister, as a matter of fact we have written your House Leader during the course of April 11 . . . from April 11, 1991 until Bill 61 was finally passed — almost on a daily basis but certainly on a regular basis — we wrote to your House Leader. We verbally indicated to your caucus that we would deal with any other Bill before this Assembly, any other Bill before this Assembly other than Bill 61, which was the harmonization of the provincial sales tax with the GST (goods and services tax) Bill.

And every occasion, Mr. Minister, whether it was a letter or a verbal request, it was turned down. As a matter of fact, I believe it was on May 28 or May 30 — I don't have my **Hansard** handy right now — but on that particular day, after we had raised a number of questions with respect to your ragging the puck on Bill 61 and every other piece of legislation in this Assembly, after we'd raised that, I rose in this Assembly and I asked for leave to get away from Bill 61 and to proceed to Bill 73, to debate it in second reading — this Oil and Gas Conservation Act.

And as you know, and as the public may not know, in order to supersede discussion, whether it's second reading or Committee of the Whole, with another Bill that's not before the House . . . We, Mr. Minister, were not given leave by the government. The opposition was unanimous in proceeding with dispensing with Bill No. 73 weeks and weeks ago, right from April 11, but certainly it's in the record on May 28. And you sat in your chair and you denied leave of this Assembly to proceed in a quick way to Bill No. 73.

Now, Mr. Minister, you really have absolutely no credibility when it comes to your word or your government's word on any particular issue that exists in this province. And we've seen the member from Melfort finally stand in this House and reflect the position that many of your members feel, whether it's Bill 73 or whether it's the Fair Share program.

Mr. Chairman: — Order. I won't accept . . . order. I don't think those comments are fair for the legislative . . . The

question before the Assembly is Bill 73 and the detail of Bill 73 is before the committee. And I'd ask the member to be relevant to the Bill. Bringing other comments or other members into the debate, I don't believe is proper. And I'd ask the member to stay on the details and clause by clause of Bill 73.

Mr. Brockelbank: — Mr. Chairman, I rise on a point of order. And the point of order is this, Mr. Speaker. I'm looking at Beauchesne's, 5th Edition, and perhaps the 6th Edition carries this matter a little further. But I do want to refer on this point of order to Beauchesne's, 5th Edition, page 106, and just prior to that where it gives phrases that have been ruled unparliamentary. And among those is: deliberately deceived, deliberately distorted, deliberate distortion.

Then Beauchesne's, 5th Edition, goes on, Mr. Chairman, and it says on page 110:

Since 1958, it has been ruled parliamentary to use the following expressions:

And it lists misleading, misled. It does not list deliberately misleading or deliberately misled, which I agree is highly unparliamentary.

But for the Chair to interrupt a member who's speaking and says that the government misled the industry is not unparliamentary, Mr. Chairman. And if you say . . . and if you persist, Mr. Chairman, in saying that that is unparliamentary, I shall be asking you to give us a ruling and citations to support your suggestion that that's unparliamentary.

Because a common phrase used every day in public life, is that people mislead other people. But to go around and say that they deliberately mislead, I would agree with you if you raised a point of order in that fashion. But the member did not say deliberately misled.

So I think, Mr. Chairman, I would request from you a better appreciation of the phrase misled as opposed to the phrase deliberately misled.

Mr. Chairman: — I've already ruled on it. The point of order is not well taken. On page 108 of Beauchesne's, 5th Edition, misled is listed under unparliamentary language. And I've already ruled on it and it's the chairman's discretion on the context it's used in.

Mr. Brockelbank: — Mr. Chairman, on page 110, which follows 108, the rules clearly state, since . . .

(1500)

Mr. Chairman: — Order, order. The point of order is not well taken. It is impossible to lay down any specific rules in regard to injurious reflections uttered in debate against particular members, or to declare beforehand that expressions are or are not contrary to order. Much depends upon the tone and the manner.

An Hon. Member: — Mr. Chairman, I challenge your ruling.

Mr. Chairman: — The member's challenged my ruling. Call in the Speaker.

The Speaker resumed the Chair.

Mr. Muller: — Mr. Speaker, during consideration of Bill 73 in Committee of the Whole, I ruled that the member from Regina North West used unparliamentary language when he stated that the government misled the industry. And the member from Regina Centre challenged my ruling.

The Speaker: — Shall the ruling of chairman of Committee of the Whole be sustained?

Ruling sustained.

COMMITTEE OF THE WHOLE

Bill No. 73 (continued)

Clause 1 (continued)

Mr. Solomon: — I'm just going to wait for a few moments until the officials gather their seats, Mr. Chairman.

But I want to go back to the initial commitment by the minister to the oil and gas industry, about how he made a commitment to them with respect to introducing some amendments to resolve the disputes which existed regarding horizontal oil well drilling. He made those commitments to bring in legislation last fall. The commitment last fall, Mr. Chairman, was not kept. And I guess you can call that perhaps happenstance or you can call it an accident or you can call it a false commitment or an untrue commitment or a commitment that was not intended to be carried out. But certainly it led the industry to believe they had a commitment. And, Mr. Chairman, the industry believed the commitment made by the government and by the minister, and the commitment did not materialize. So maybe it was by accident. I'm sure they will raise this with the minister at the earliest possible moment.

But I want to just say that, Mr. Chairman, and Mr. Minister, that organizations that I have been in communication with, and the individuals in the oil and gas business that I've been in communication with, are not very happy with respect to the timing. I still believe that many of these organizations are quite supportive of your policies through Saskatchewan Energy and Mines, in particular those policies that your government has had very little to do with.

I think in terms of administration, your officials are viewed as being fairly competent when it comes to dealing with some of their particular problems which they've raised with officials in the past. And I pass that comment on to you.

We had, Mr. Minister, a number of newspaper reports outlining your government's tabling of the Bill, I believe it was on May 1 was the tabling of the Bill for first reading, and government energy officials at that time . . . and I quote from the *Leader-Post* article of May 2, 1991, an article by Gord Brock of the *Leader-Post* and he states,

and I quote:

Government energy officials hope the Bill gets second reading this week and is finally passed next week.

That was May 2, 1991. It's now June 17 and you failed to bring this Bill in until second reading just last week.

We had in this article a number of things that were suggested, a number of projects which were suggested, Mr. Minister, that the industry was reviewing. In particular there was a backlog, blaming this legislative nightmare for:

. . . delaying 40 horizontal wells in Saskatchewan — an investment of (somewhere between) \$20-\$40 million.

Despite the legal problem, I understand at this point there were 28 horizontal wells which had been approved and drilled in Saskatchewan in 1991 compared to 77 in 1990.

There was a report as well, Mr. Minister, that:

A stack of over 90 applications in the approval process represents \$65 million soon to be spent on horizontal drilling, and government officials expect many more before this year is out.

Specifically with regard to that latter comment, Mr. Minister, I ask you the following questions. Number one: how many outstanding applications are there? And how many dollars, in your view, and how many wells, in your view, have been not pursued with — or dollars spent or wells pursued with — as a result of this incompetent ragging the puck and failure to meet your commitment in respect to introducing amendments to clean up this problem in the oil and gas sector?

Hon. Mr. Swenson: — Thank you, Mr. Chairman. I was particularly happy that the members from SEPAC would be here this afternoon to listen to the flights of fancy of the member from Regina North East. It's absolutely incredible some of the statements that were made there that everyone in the oil and gas sector today knows are absolutely nonsense.

There was a joint industry task force on the horizontal well problem that members of SEPAC, IPAC (Independent Petroleum Association of Canada), CPA, all had a part in. That particular report was not brought back by industry till the end of January, Mr. Chairman. It was a very in depth look at the problem that had arisen out of the Gulf-Kennebar situation. And everyone in the industry in western Canada knows that Saskatchewan, by using it's EOR (enhanced oil recovery) policy, was able to bring horizontal well drilling a lot further along than any other jurisdiction.

That people in Energy and Mines were able to work with the industry to try out different things, to see how it worked with the various pooling arrangements, to see how drainage worked, to see how water coning worked — all sorts of things that were necessary to try and solve before you bring in a permanent fix to a situation. The

department did its best to get interim regulations in place, Mr. Chairman, so that most of those particular projects could go ahead.

And if the member opposite honestly believes the things that he was saying, then he would honestly also tell the public that the largest tax grab in Saskatchewan history wasn't Bill 61, it was Bill 42, and it was done by an NDP government to that industry.

(1515)

And if one takes the trend-lines from the time that Bill 42 was brought in, Mr. Chairman, from 1982 to 1990, had that party stayed in power with that legislation, we're looking at a loss of \$960 million net revenue to this provincial government. We're looking at a loss of an additional \$2.4 billion of investment in this province. We're looking at 7,500 less wells drilled. We're looking at 5,000 additional jobs that wouldn't have happened. We're looking at 240 million barrels of oil that would have stayed in the ground and a gas industry that wouldn't have existed.

Now that's what Bill 42 is doing to the folks in this province and doing to that industry. So if you want to talk about a tax grab, Mr. Chairman, that member better come clean with the folks in this province and tell them exactly what did happen.

Now the reason this legislation didn't occur quicker, as everyone in this province knows, is that that party ran a filibuster in this legislature for weeks on end. And that's because this government felt it responsible to raise the necessary taxes to pay for the programs of the government before they implemented them.

And the only reason this particular Bill has not come before this legislature, Mr. Chairman, is because of those people over there. And I would say that most people in the oil and gas industry understand that and do not trust those people over there, because you hear one story in here, Mr. Chairman, and you hear another story out there.

And I am sure, Mr. Chairman, that the member from Regina North West has talked to the oil industry, and he has told them many nice things, just as the Leader of the Opposition did at his dinner in Regina. He said we've grown up. We're more concerned about wealth generation now rather than wealth distribution. You folks and ladies and gentlemen from the oil and gas industry are here tonight; you have nothing to fear from us any more. We would never do those things again.

Well, Mr. Chairman, I have heard member after member of that party stand in this legislature, particularly on the debate on Bill 61. When members in the government were challenging them where they would get the funds to pay for some of the programs that this government was saying that we have to tax for, everyone of them over there stood in their place, Mr. Chairman, and said we will take it from the oil and gas industry. And I see them hanging their heads there because they said it publicly. And it ranged anywhere from \$4 billion to \$2 billion to whatever happened to get into their heads that day, Mr. Chairman. But that is on the record of this legislature, and

it is how that party views that industry.

Now, Mr. Chairman, the member opposite asks some questions. There presently are 89 approvals pending on horizontal drilling in the province. There were 12 that could not be approved because of the Gulf Kennebar decision, and I might add on that particular decision that that was appealed by Gulf in the January-February period of which Saskatchewan Energy and Mines intervened upon in the hopes that that situation would be resolved back then. It was not. The courts upheld the other ruling. It would then become absolutely necessary to do by legislation what we could not do by regulation, and the member opposite also knows that. He just neglects to mention it to the folks.

The cost, Mr. Chairman, of drilling a horizontal well in Saskatchewan today, are approximately \$1 million in the south-east, around a half a million to \$700,000 in the north-west in the heavy oil area.

I might remind the member, Mr. Chairman, that those pending ones — the ones that this legislation will approve by passing this legislation — have been held back; they have not been lost. It is fully expected that those wells will be drilled, that that investment will occur in this province, and that that oil will be produced. And I would like to say to the industry today, Mr. Chairman, that it will be produced under a royalty regime that this government brought in, that the industry is confident with, that the industry knows for way into the future what those royalty rates are going to be. And, Mr. Chairman, as the Energy minister, I'll stand behind this government and its oil policy any day of the week, and I think most people in the industry will.

And I challenge those people over there to tell us what their royalty regime is going to be if they should happen to form a government and what they would do with horizontal wells.

Ms. Atkinson: — Thank you very much, Mr. Chairperson. I rise on a point of order. The Minister of Energy has made several references to our guests in the gallery this afternoon, and I would suggest, Mr. Chairperson, that he has in fact involved our guests in the gallery in this debate. I would ask you to rule on that point of order.

And while you're ruling on that point of order, Mr. Chairperson, I understand the rules of this House mean that the minister has to direct his remarks through the Chair. The minister has on several occasions this afternoon directed his remarks to our guests in the gallery, and once again I would like you to rule on that point of order as well, Mr. Chair.

Mr. Chairman: — I ask the minister not to make . . . Order. The point of order's well taken. I'd ask the minister not to make reference to guests in the gallery or . . . and I'd ask him also to make his comments through the Chair.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Well, Mr. Chairman, I thank the minister for his question although again he makes a statement which is inaccurate, a number of statements which he

made which are, I believe to be, inaccurate. He started out at the very outset by saying I was from the riding of North East. Of course everyone knows that I'm not representing the riding of Regina North East; it's North West.

And secondly he talked about Bill 61 which he felt the government was compelled to introduce in this House and try and ram through without a mandate from the people of this province — an unfair tax. And it was filibustered by the opposition. Well, the opposition, Mr. Chair, are very proud to have filibustered that Bill.

Some Hon. Members: Hear, hear!

Mr. Solomon: — But I underline once again that every day of the session during the filibuster, we underlined our commitment to proceed to any other pieces of legislation excluding Bill 61. And the member from Thunder Creek, the Minister of Energy, declined leave to go to Bill 73.

That's a fact. It's on the record, and it's evidenced and supported and substantiated by a number of letters and legislative comments in *Hansard*.

With respect to Bill 61, the member again has misled or tried to put a connotation on that statement that is untrue. That Bill was not passed to help the people of this province. It was a Bill which was put forward in this House to help pay for their waste and mismanagement, to help pay for their Cargill sweetheart deals, the Weyerhaeuser sweetheart deals, the GigaText and the High R Doors, and the game farm, and all sorts of other incompetent initiatives this government has undertaken.

We have gone, Mr. Chairman — and this is relevant to the minister's comments — we have gone in 1982 from an operating surplus of \$139 million to where we are now; a deficit of over \$5.2 billion, at least that we can track down. We think it's more.

In addition to that, Mr. Chairman, we have gone under the management of this incompetent government — this government that is riddled with individuals who couldn't organize a two-car parade — we've gone from a Crown corporation capital debt of \$2.3 billion, which is listed and supported by documents on their own Conservative caucus in 1982 . . . and you will recall those, Mr. Chairman . . .

Mr. Chairman: — Order. I'd ask the member not to involve the Chair in his debate.

Mr. Solomon: — Mr. Chairman, we have seen the minister again try to stray from the truth by saying that this Bill 61 was meant to pay for government programs that he felt were important to rural Saskatchewan. That is untrue. In 1982 the Crown corporation capital debt was \$2.3 billion. We've gone from \$2.3 billion in the Crown corporation capital side to over \$9 billion that we can find of Crown corporation capital debt. That's a total of \$14.2 billion.

And members of this Assembly, and members of all of these economic sectors, will look at this initiative of the government with respect to Bill 61 as nothing more than a

tax grab to try and pay off some of their incompetent moves with respect to building that deficit.

With respect to the Crown corporation capital debt, they've sold off or privatized most of the profitable Crown corporations while increasing the debt almost fourfold, Mr. Chairman. And we've seen the people of this province lose their assets before their eyes. Now they introduce this Bill 61, the biggest tax grab in the history of the province. Bill 42 had nothing on Bill 61, Mr. Chairman.

And, Mr. Chairman, I want to say that this is evidenced and substantiated. The people who are viewing this debate perhaps may say, well the member from Regina North West, the opposition Energy and Mines critic, is just giving a rhetorical speech. Well let me tell you that my position — with respect to this government, which we have claimed for many, many months is on the verge of bankruptcy — was supported by the cabinet minister from Melfort this very day, who stood in this House, resigned from cabinet, and said this province is near bankruptcy. He's admitting . . . you read the statement. The member from Morse has indicated that's not true. We heard it from his very own mouth. He said our province is near bankruptcy, and they're undertaking this Fair Share program . . .

Mr. Chairman: — Order. I'd ask the member to refrain from putting words into other member's mouth. I'd ask him to stay to the question that's before the committee, is Bill 73.

An Hon. Member: — He was talking about all the tax Bills.

Mr. Chairman: — Order, order. I don't think it's fair to bring some other member into the debate that isn't in the legislature and who has made his statement and certainly his statement . . . you can read it tomorrow, but I'd ask the member to stay on Bill 73. The question before the committee is Bill 73, The Oil and Gas Conservation Act. All I've asked the member to do is make his statements relevant to the oil and gas Bill before the committee.

An Hon. Member: — May I address a comment to the Chair?

Mr. Chairman: — Does the member have a point of order?

An Hon. Member: — All right, a point of order if you want to be . . . yes, all right.

Mr. Shillington: — The point of order, Mr. Chairman, is that the Chairman does not determine what members might say and what they might not. I frankly know of no rule which says you can't quote what another member says in a debate in the House. Clearly the opposite is true, particularly when the member is — or at least was — a member of the government front benches. That is not out of order.

If the subject matter is out of order that may be different. But simply quoting what a member says is not out of order. And I really would be interested, if the Chairman

has any basis for such a decision, I'd be interested in hearing it.

Mr. Chairman: — You made my point by saying I said found the subject matter out of order. And that's why I called the member to order, to keep his comments on Bill 73 and the questions and comments on Bill 73.

Mr. Shillington: — Well I'm delighted to be of assistance to the chairman in redefining the point of order. What was it then about the subject matter which was out of order? The member was talking about government revenues. That's what this thing is all about — government revenues. How on earth could a comment about government revenues be out of order, on The Oil and Gas Conservation Act? That's the name of the game — government revenues.

Mr. Chairman: — The member was discussing another member's resignation, not Bill 73, which is the Act to amend The Oil and Gas Conservation Act. I'd ask the member to keep his comments on Bill 73.

Mr. McLaren: — I would ask for leave, Mr. Chairman, to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. McLaren: — Thank you very much, Mr. Chairman. It's my pleasure to introduce to you and through you to all members of the Assembly, 40 grades 3 and 4 students from St. Mary's School in Yorkton. They're accompanied today by their principal, Glen Tymiak, and two of their teachers, Helen McLashen and Carol Nagy, and chaperons Janet Varga and Pat Sommerville.

It's my pleasure to introduce them to the Assembly today. We hope you're enjoying your tour of the legislature and to the Assembly, and I would ask all members to please welcome these students from St. Mary's School in Yorkton. I'll be meeting with them for some photos and some refreshments just a few minutes later on. So please welcome these students to the Assembly today.

Hon. Members: Hear, hear!

(1530)

COMMITTEE OF THE WHOLE

Bill No. 73 (continued)

Clause 1 (continued)

Mr. Solomon: — Thank you, Mr. Chairman. I'd like to, on behalf of the opposition, welcome the students and parents and teachers here as well.

Mr. Chair, we have seen, Mr. Chairperson, we have seen the minister in his remarks make at least two points which are inaccurate. I've raised the two of them already.

And I want to just elaborate on perhaps one other point that I think is very crucial for the industry to realize and to understand is really an unfair comment. And he refers to

scaremongering. I'm not sure if that's parliamentary, but he was warning the oil and gas industry that if the NDP get elected that we will be bad people.

And I think the record in the last number of eight or nine years will show very clearly as to who would agree with that statement. We've already gone through a little course of history relating back to October about the minister's commitments to the industry and promises to others, saying the government was going to call the session and the legislature back in the fall, and that was never realized.

We have seen, Mr. Minister, and Mr. Chairman, the government opposite introduce a Bill, Bill 61, which was a harmonization of the provincial sales tax with the GST which will result in the largest tax grab in the history of this province. And we maintain, Mr. Chairman, that it's a result of the government opposite's incompetence, their waste and mismanagement.

And we can go through all of the items that we've talked about before, but I don't think the members want to be reminded again. We can talk about all the patronage appointments, all the five-year contracts they've signed with the political hacks, all of the trips the cabinet members have taken around the world at taxpayers' expense. And you can mention any exotic location on the globe that we call this earth, and they've been there on taxpayers' expense, Mr. Minister, without any beneficial fiscal attributes for this province accruing there too.

So we've seen, Mr. Minister, the Cargill deal which is a sweetheart deal. You've undertaken to help finance the largest U.S. corporation in the world. It has sales in 1988 of \$47 billion — that's with a capital B — which is greater than the treasuries of the four western provinces combined, multiplied by two.

Yet you and your government felt compelled to provide financing to the tune of \$369 million of taxpayers' dollars without any fiscal forecast or any market forecast which you could table in this Assembly.

The sweetheart deal for Cargill includes things like a marketing fee for production of fertilizer. Every tonne of fertilizer this corporation produces results in a marketing fee of between 2 and \$3 a tonne. In some cases it's been alleged it's been \$5 a tonne. This will amount to somewhere between 10 and \$20,000 a day for the production of fertilizer which Cargill will receive as a marketing fee whether that corporation makes a penny or not, whether the Saferco fertilizer plant makes a penny or not. This is one of the sweetheart deals for Cargill and another bad deal for the taxpayers of this province.

Mr. Chairman, we've seen them undertake little sweetheart deals for GigaText and Guy Montpetit, and we went through that. I won't get into the details of that but in essence cost the taxpayers \$5.5 million right off the top, plus a number of unrelated costs which we can't seem to get answers on.

We've seen the government, through the Saskatchewan Transportation Company, not provide any information regarding the scandal, the bus scandal, where it's alleged

moneys were changing hands to the benefit of perhaps those in high places.

And of course the Crown Corporations Committee of which I am opposition co-ordinator for has not met. Although in previous legislatures the Crown Corporations Committee has met in every session, usually within a couple or three weeks after the commencement of the session, it is now day 50 or 51 in this Assembly and the government opposite has refused to call the Crown Corporations Committee together.

This committee reviews over half of the expenditures of the government and we want to know the answers to a number of important questions relating to STC (Saskatchewan Transportation Company) and SaskPower and SaskEnergy and other matters. But they're hiding behind not calling the committee, even though Public Accounts Committee has been meeting and has been in effect for the last number of weeks.

We've seen their dislike for public accountability and accessibility with respect to their expenditures. They won't answer questions in this Assembly, Mr. Chairman, in question period regarding Crown corporations. As a matter of fact, the Deputy Premier and others have referred questions and matters related to the Crown corporation sector to the Crown Corporations Committee.

Yet after five letters, the last two unanswered from the opposition to the government, urging an immediate reconvening of the committee, they've failed to do so. We've raised it with them on four or five other occasions verbally and they keep saying, all right, after the next caucus meeting we'll get together and have a Crown Corporations Committee meeting. And here we are well into June — June 17, and no Crown Corporations Committee meeting whatsoever.

So, Mr. Minister, I guess the onus is on your government. The limelight is yours. You have made commitments in the past that you've kept, to the taxpayers and to the public at large . . . you've made commitments that you've not kept, I should say. You've made these promises and you've stood in this House and refused to acknowledge even the promises.

We can talk about the commitment to run on the 1989 boundaries which were raised in question period today. But we won't talk about that. The Minister of Justice and the Premier publicly acknowledged in writing and verbally that they would run . . .

Mr. Chairman: — Order, order. I'd ask the member to tell me which clause those comments are relevant to in Bill 73.

Mr. Solomon: — Mr. Chairman, that's a very good question. And when we're in government we'll answer that.

But my question is this, relating to Bill 73, and I guess all of my comments are relevant to this question, Mr. Chairman, and they're relevant because we've tried to remind people in this province of the government's

record. It's a bad record. It's a record of unkept promises. It's a record of opposite commitments. They make a commitment, then they do the opposite. It's a government's record of misleading the public, in my view.

And what we have seen, Mr. Chairman, is this Bill 73 finally come to this House after months and months of delay by the government. And my question to you, Mr. Minister, is this: why have you delayed or misinformed the oil and gas sector by letting them believe or leading them to believe that you would deal with this problem last fall, yet you haven't dealt with it until just today.

Hon. Mr. Swenson: — Well once again, Mr. Chairman, the member absolutely refuses to deal in reality. The member opposite knows well the process that industry has gone through. He knows well the process as far as consultation has gone on this particular problem. He knows the legal parameters that this process has gone through. So for him to say that there hasn't been consultation with the oil and gas industry is utter nonsense.

Mr. Speaker, the member made a few statements that I think it's very important to respond to. Because since 1982 this government has been able to work with the oil and gas industry through some very good times and some very difficult times to keep our industry alive and well, employing people.

And certainly no one wanted the horizontal well problem to crop up, but I guess because this legislation was 30, 40 years old, and the fact the word horizontal did not exist anywhere in the legislation, any time that you get into the judiciary, you're going to have problems like this.

The Oil and Gas Conservation Board probably should have continued to exist to present, but unfortunately during the mid-1970s it was shut down and abolished. Mr. Chairman, we feel that it's important to reactivate that to allow industry to know that there is some good third-party involvement in solving these problems, that it doesn't all rest entirely in the hands of the minister.

The member opposite made a comment, many comments in fact, about Bill 61 and the reasons for and what not. As a minister representing the oil and gas sector, the mining sector, indeed everything that comes out of the ground in this province, Mr. Chairman, I felt that it was good for me to speak up in favour of that particular Bill, besides the fact that it was the government being responsible about its funding requirements.

For the very first time, most of our primary producing sectors in this province, and certainly the oil and gas industry would be one of those, Mr. Chairman, is now on an equal footing with Alberta as far as purchasing of goods and services. It will amount to many millions of dollars. And it is particularly noticeable on the west side of the province where formerly goods and services were purchased in the province of Alberta. Those things purchased on our side had to be eaten by the company.

The fact that with harmonization, that these companies will be able to pass those costs through.

To have the investment tax credit I think will be very significant particularly to the smaller producers and companies, Mr. Chairman, who in the past have in some ways faced unfair competitive balances with the province of Alberta and they will now be on an equal footing. Both provinces will have the GST; neither province asked for it.

We have it. The realities are that if you have it, you should do the best with your tax system to lessen the impact. And certainly our primary producers, our agricultural people, our oil and gas people, our potash people, our mining sector will benefit from harmonization to the tune of many millions. And I think most people in the industry recognize it. They're coming forward publicly. They're stating it in letters. They're stating it in letters to the newspapers saying, yes in our industry this does make sense. And I think it was incumbent upon me, Mr. Chairman, as minister responsible to put that on the record and I have done.

Member opposite says that the fertilizer business is not one to be in. He also said the same thing prior to 1982 about natural gas. I think we had three wells drilled in . . . nine wells, excuse me, drilled in 1981. We hit over a thousand a couple of years ago. We've been increasing our reserves, nearly doubling them, Mr. Chairman.

If you have an abundance of natural gas, your transportation systems limit the amount that you can sell presently into other market-places. One of the ways that you add value to natural gas is to make nitrogen fertilizer, Mr. Chairman. Accordingly, the plant at Belle Plaine will use about 18 bcf (billion cubic feet) a year, Mr. Chairman. The royalties alone on that would be in excess of \$5 million to the province of Saskatchewan. Now that is a great deal of revenue I would think that this province would be foolish to forgo.

Why should all of these revenues accrue to the province of Alberta always? Members opposite, when they were in government, felt quite at ease about paying all of those moneys into the Alberta Heritage Fund for the manufacture of fertilizer, the manufacture of other things, petrochemicals. We have a gas industry, thanks to this government, and working with the industry.

If we have a gas industry, we should do all we can with it to generate revenue for this province. They will generate very significant royalty revenues and that simply did not exist with members opposite. Their theory was we should leave it in the ground for some future date. Our theory has been that it can be a good economic generator here in our province with jobs, value added products, and it certainly adds to the framework of cities like Moose Jaw and Regina, Mr. Chairman.

So I think the member opposite obviously, as I said before, deals in flights of fantasy. The industry knows that. And we have moved along on this particular Bill as quickly as has been possible. My preference would have been to deal with it in the very first days of the legislature, unfortunately it was not, and I would like to, Mr. Chairman, now get on with it.

Mr. Solomon: — I'll repeat my question, Mr. Minister. Why have you delayed this Bill for the last number of months when you made a clear commitment to deal with it last fall?

Hon. Mr. Swenson: — Mr. Chairman, the member opposite mustn't have been listening. There was a joint industry task force struck to deal with this problem. That task force, which included everyone in the oil and gas sector, made its report at the end of January.

I think it was only appropriate, Mr. Chairman, when dealing with a problem such as this, which obviously involves many areas of the industry, many of the givens that we were used to dealing with in the industry could potentially be changed by amendments to this Act, that you should consult the industry, ask their opinion on it. They gave their opinion; it was at the end of January. Mr. Chairman, the Bill was brought before the House. If the filibuster for some months had not taken place, the Bill would have gone through.

(1545)

Mr. Solomon: — So what you're saying then is the commitment that you gave last fall wasn't really a commitment; that you sort of talked about well we're going to have a fall session, but it's actually going to be the fall of '91. Could you kind of be a little more specific, Mr. Minister, because it's puzzling to everyone that's listening and will probably read this **Hansard** why you made a commitment, unless the oil industry officials that I spoke with weren't being accurate with me.

But I wrote these notes down and a memo to file, and I have it. And this is as a result of conversations I had with them. They said the Minister of Energy, the government, made a commitment to call a fall session, a late fall session — be in November or early December — to deal with this problem. Now you're saying that the task force of which you refer to, which I'm aware of, that they were the ones that were handed the task to come up with some recommendations.

If that's the case, who did you mislead, Mr. Minister? Did you mislead the industry in the fall? Or did you mislead the task force in giving them directions to report in January?

Hon. Mr. Swenson: — Mr. Chairman, there were commitments made to change as many regulations as possible to facilitate as much activity as possible. Those regulations were changed in December. A great number of the permits that were pending were able to go ahead because of those regulatory changes. There was a lot of co-operation amongst members of the industry so that wells could go ahead. It was clearly understood that in a few cases where problems could not be resolved, that legislation was necessary.

The department did not hand the entire task over to industry. It was a joint task force between this department and industry. And I think that that process went very well, Mr. Chairman, that there was a lot of good ideas brought forward. And I think the Bill that we have before us today will solve the problems that cropped up in the particular

case and that people will be able to get on with doing what they want to do and that is the business of finding oil and gas in the province of Saskatchewan.

Mr. Solomon: — Well, Mr. Minister, according to Tim Jeffery from Saskoil and the same . . . I think it's Wednesday, May 29, *Leader-Post* article by Bruce Johnstone. He said that:

Saskoil announced that its projected capital budget of \$190 million for 1991 was being reduced to \$150-\$160 million, partly due to the uncertainty about the horizontal drilling legislation.

Well either you're kidding us today — you're fooling us or trying to fool us — or Tim Jeffery's trying to fool the media and the public. Which is it, Mr. Minister?

Hon. Mr. Swenson: — As I said, Mr. Chairman, there were certain applications that could not be dealt with because voluntary agreements could not be gotten amongst industry to drill certain wells. They were a small number. In Saskoil's case, they had certain projects that fit that particular bill.

And I might remind the member that there were people still making comments on the industry tax force as late as March and accepted by this department that a lot of people wanted to get their say in on this particular thing. And they were certainly given the opportunity. No one in the oil and gas industry was shut out of that particular process.

So I don't think that this department or this minister held up anything. We were ready to bring this legislation forward at the beginning of the legislative session, and other events took place that prevented it from being passed at that particular time. But certainly the timetable was not delayed. The regulatory changes were made as committed, and a great deal of activity took place. So I think the member must have got his notes mixed up, Mr. Chairman.

Mr. Solomon: — So what you're saying then is that the industry were misleading the opposition, in particular the Energy critic, when they were saying this was an important Bill, that you had made a commitment to deal with it in the late fall session or an early spring session, and that actually it was the industry that was holding this whole horizontal oil well drilling situation up.

So that's going to read well with the industry I'm sure, Mr. Minister. And that really then reduces a lot of pressure on us to pass this Bill this afternoon. And I think that bodes well for the democratic institution of this legislature, Mr. Minister, because now we can have a little more comprehensive look at the pros and cons because you're saying that the industry has been supporting your introduction and your timing of this Bill. And I would venture to say then that the support for the passage of this Bill you claim is not as urgent as they claim. And I guess it's one or the other, Mr. Minister. I'd like to know exactly how urgent you think this Bill is.

Hon. Mr. Swenson: — Mr. Chairman, I think the Bill is

quite urgent because we were ready to go the very first day that this House came in in April. This government was ready to introduce that particular piece of legislation, have it debated, passed, and out of here way back in the beginning part of April. And unless I'm wrong, Mr. Chairman, April is spring and it was the spring session of the legislature.

So I don't know exactly where the member's coming from. I'm just glad that Saskoil is here to comment today in the shape that they are, Mr. Speaker.

Mr. Chairman: — Order. I'd ask the minister not to make reference to the members of the gallery.

An Hon. Member: — I didn't.

Mr. Chairman: — Oh, I understood you made a reference to the gallery. I'm sorry.

Mr. Solomon: — Well, Mr. Minister, can you then explain to us why you have not expedited Bill No. 73 when you had the opportunity on more than one occasion.

Hon. Mr. Swenson: — Well we're sort of going around in circles here, Mr. Chairman. I think it was clearly understood by everyone in the House today that the reason it didn't get introduced was because of the opposition filibuster. So I can't say any more than that.

Mr. Solomon: — Well, Mr. Chairman, what the minister has just presented as truth is not the truth. We have said time after time in this House in the last number of weeks, actually right through to the April . . . We sent a letter to the House Leader on the government side, the Conservative House Leader who today resigned from cabinet and resigned from the Conservative caucus because he can't put up with garbage like we're getting from the minister right now either. Neither can the people of this province.

So, Mr. Minister, what are you trying to do here, play some goofy politics? Are you trying to make things right because you've made things so wrong over the last nine years? What is the purpose of your accusation which is untrue and false, that we have held up this Bill since the late calling of the session by your government?

Every day since the budget was introduced we have sent a letter to your House Leader and to your . . . I think a carbon copy to your caucus saying that we want to deal with every piece of legislation on the order paper except Bill 61 or any other matter except Bill 61.

Now why did you deny leave in the House for the opposition to move towards consideration of this Bill day after day — at least one time in particular. And why, Mr. Minister, did you not expedite the review of Bill 73?

Hon. Mr. Swenson: — Well, Mr. Chairman, it seems that the members opposite don't want to talk about this particular Bill and the details that go along with it. But as I said in my opening remarks I think, Mr. Chairman, it's incumbent upon any government when they bring forward a spending program in their budget, that they be

able to show and back up how those moneys are going to be garnered.

And in the case of this government, the Minister of Finance presented a fairly comprehensive package to the people of the province of Saskatchewan, Mr. Chairman. Part of that comprehensive package was a tax measure.

The government felt, Mr. Chairman — and I concur — that it was important to implement those tax measures before moving onto other business. Now, Mr. Chairman, it was entirely up to the opposition to determine the length of that particular process. Bill 73 could have moved ahead quite expediently had the members of the opposition not blocked the progress of this House for some months.

Now, Mr. Chairman, if members opposite say that government should present budgets and not show to the people of this province how they are going to get the money, which I suspect is the case of the NDP today, then I say that's wrong, that a government should come forward, show the taxpayers of this province sector by sector by sector where that money is going to come from that will be spent on their behalf.

We did that. We talked about harmonization. We talked about harmonization in my case: how it affects the industries that I'm responsible for. And I think that is the proper thing to do, Mr. Chairman. That was done. It was entirely up to the members opposite to determine the speed at which that occurred.

Mr. Solomon: — Well, the minister is espousing utter nonsense. First of all, you've had the ball in your court with respect to Bill 73 since you made the commitment last fall to the industry. You've had the ball in your court since the calling of the Assembly on April 11 to bring forward this Bill. The record is public and for everyone to view. We have made the offer on every occasion to review Bill 73 or every other Bill except Bill 61 from day one of the resumption of this Legislative Assembly.

And the minister has the brass to stand in this House and suggest that we're holding up Bill 73. Well, Mr. Minister, all I can say is that there's no hope for you or your government. This is another example of your goofy politics. You have no interest in governing the province. If you and your colleagues spent half the time administrating the province as you spend on crazy, stupid politics from the Conservative philosophy, the province wouldn't be in the mess we're in.

Some Hon. Members: Hear, hear!

Mr. Solomon: — And I might add, Mr. Minister, you wouldn't have lost your House Leader today to a resignation because he can't stand what's going on in your caucus. We've seen nine years, nine consecutive years, of deficit budgets on behalf of your government, put forward in good economic times. And the oil industry people will know that between 1982 and the beginning of 1986, end of '85, we have world-record levels for oil prices. And in this province we had an actual decline in the amount of annual royalties received by the province.

So here we see nine consecutive deficit budgets by your government. And you had an excuse every single month of every single year for the past nine years as to why it was a deficit budget. You had an excuse every single month of every single year as to why you wasted and mismanaged this province in the most incredible example of incompetence ever shown in North America in terms of government.

An Hon. Member: — What's your answer? Call an election . . .

Mr. Solomon: — And I guess the member from Cut Knife-Lloydminster who's awakened in this debate . . . I would suggest to the member from Cut Knife-Lloydminster, who represents an oil district, an oil-patch district, to perhaps ask the minister to stand in this House today and ask his colleague, the Minister of Energy and Mines, why he hasn't expedited Bill No. 73 when he's made these claims to do so.

Instead he wants to do a little political rhetoric. He wants to play some politics. And for what purpose? I don't know. I don't think anybody else in this province knows either.

So, Mr. Chairman, we have Bill 73 before the committee finally, June 12, after all these delays. We've seen a commitment made by the minister which he now denounces or renounces. He says, oh I didn't make that commitment. He's now saying that the oil and gas industry have misinformed the opposition. And we'll take that to note and put it in our little records books.

I don't believe that to be the case. I believe the minister has misinformed the industry. I've met a lot of people in the oil and gas business and I'll tell you one thing, Mr. Chairman, they have more integrity in their fingertips than this government has in its whole cabinet, as far as I'm concerned.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Minister, I want to ask you a question with regard to Bill 73. You won't explain to this House why you didn't expedite Bill 73. Instead you give us a political, garbled answer. You won't, Mr. Chairman, explain to this House why you misinformed either the task force or the industry with respect to dealing with these problems.

So maybe you'll explain something about the Bill. I know this is a technical question and you've got some support there. I'm sure that the officials would be able to advise you on this, but I'm anxious to know, Mr. Minister, what precise events led to the creation of the Oil and Gas Conservation Board that you propose in your Bill.

(1600)

Hon. Mr. Swenson: — Well the reason, Mr. Chairman, the most compelling reason was the fact that in the Gulf Kennebar legal dispute that horizontal drilling was cited.

Because Saskatchewan has been a leading jurisdiction in western Canada in horizontal well-drilling technology, it

was felt that the board would be very useful as we went into the future for solving some of the problems that may arise.

And certainly when one gets into pooling arrangements, unitization, other things that will occur and have in the past, and which this department has very adeptly handled, it would be easier to have the Oil and Gas Conservation Board in place.

I don't know the exact reasons, Mr. Chairman, why it was sort of let go in the mid-1970s. I have suspicions, but that's not for the discussion today. I think it is fair and reasonable, what has been proposed, and certainly matches the expectations of industry.

Mr. Solomon: — So what you're saying is the events leading up to these amendments: (a) is the Gulf Kennebar court decision; and (b) the task force report. Is that correct? Is that what you're saying?

Hon. Mr. Swenson: — Well as I said, Mr. Chairman, certainly there are other things. The task force report dealt with other areas — fiscal policy in regard to royalties. Certainly a good part of the court case hinged upon drainage and what was considered proper drainage for a horizontal well as compared to a conventional, vertical well. And how would you adjudicate that drainage pattern in relationship to adjoining land owners?

There were many things involved in the decision that I think brought about this particular piece of legislation. This is one part of it. Certainly there were other areas I think that necessitated this change.

Mr. Solomon: — Who were the members of your task force you referred to earlier, Mr. Minister?

Hon. Mr. Swenson: — It was, Mr. Chairman, the Department of Energy and Mines; the Canadian Petroleum Association, known as CPA, the Independent Petroleum Association of Canada, IPAC; and SEPAC, the small producers association. So the three producing groups plus the Department of Energy and Mines.

Mr. Solomon: — And who specifically represented those organizations on the committee?

Hon. Mr. Swenson: — Mr. Chairman, there were various executive members of the various associations who had input into it.

Mr. Solomon: — Is it possible to have their names?

Hon. Mr. Swenson: — I, Mr. Chairman, wouldn't have that presently. I can certainly provide it to the member later.

Mr. Solomon: — I know this is treading on thin ice, but could I ask the minister for a commitment to have it by a certain date in writing?

Hon. Mr. Swenson: — It should be no problem tomorrow, Mr. Chairman, with that.

Mr. Solomon: — Okay, thank you. I wouldn't mind as

well, if you have the information today, I wouldn't mind knowing what the term of the task force was, plus the terms of reference of the task force, and any costs related thereto.

Hon. Mr. Swenson: — Mr. Chairman, I'd be happy to provide the member . . . there was a letter sent last September to the various organizations outlining the mandate of what was to be achieved in that particular thing, and I'd be happy to provide a copy of that letter to him. We can get it to him tomorrow. And there were no direct costs involved.

Mr. Solomon: — Mr. Minister, I was wondering if it would be possible to get that letter after supper this evening because I think we'll get it in the evening, and I wouldn't mind having that information available to me in case I have some questions pertaining to this Bill as it relates to the task force. And if that's possible, we may want to ask a few questions on it at 7 o'clock.

Hon. Mr. Swenson: — Yes, we can get it to the member this evening, I think. I don't know if I can have it here right at 7, but we'll do our best.

Mr. Solomon: — Thank you. A question I have with respect to the Bill: could you, in layman's terms, explain to the Assembly how the horizontal well drilling disputes, be they drainage or otherwise, are resolved in this Bill?

Hon. Mr. Swenson: — Well, Mr. Chairman . . . and I hope the member can appreciate this is something that is fairly highly technical in nature, so I will do my best to put it in terms that everyone can conceptualize. One of the problems as identified in the court use was the definition of a drainage unit. And in the legislation it said the drainage unit had to be consistent in size and shape for a given pool, a given oil pool.

In other words, if you had 40 acre well placements within that particular pooling arrangement, that that would be consistent then with the drainage unit attached to that well. And that's fairly easy to predict with a vertical well because of the engineering that would be associated with it, what type of pool you're into, what your water pressures would be like, your coning, all those sorts of things.

In the case of the Gulf Kennebar situation, because the well crossed over more than one particular drainage unit as identified under the old Act, it therefore became a problem. Obviously in a horizontal situation those parameters change. We needed the flexibility then to look at each situation, see how the engineering worked out in those various pooling arrangements, if one existed, and then be able to adapt the well to that particular pooling unit without being restricted to a particular size of drainage unit.

Mr. Solomon: — And these changes, therefore, Mr. Chairman, would allow the Oil and Gas Conservation Board to make those judgement, I'm asking? Or is it still possible for the department to use the amendments and make those distinctions?

Hon. Mr. Swenson: — No this would allow the

department to make those particular judgements as far as the size, shape, and nature of the drainage unit attached to that particular well, given the engineering associated with it. But even then you may be in a dispute situation, and then it is very wise to have the Oil and Gas Conservation Board available to look at that particular situation.

Mr. Solomon: — So then the department makes the decisions. If it's disputed, it goes to the OGCB (Oil and Gas Conservation Board). And I guess, following that train of thought, my question would be this, Mr. Minister: why would you create the OGCB as opposed to something like the Alberta Resources Conservation Board, the ARCB, which is quasi-judicial. Is there any thoughts on that?

Hon. Mr. Swenson: — Well I think, Mr. Chairman, it's a case of everyone wanting to start fairly small, very cost-effective. In the case of Alberta, that particular institution is long-standing, but it is very large and very expensive.

And I think industry know that and appreciate that we wanted to take a body that had existed here in the past, had been well respected, use it, gain some experience with that particular thing before moving into larger horizons.

In the case of the Alberta institution, in this particular instance it would be the one developing the policy and implementing the legislation, if you will, rather than the government. And that is the way that it is done over there.

But I say, it's a very large institution. It costs a great deal of money to run and administer. And I think that both the government and industry felt that we wanted to stay considerably smaller and cheaper here to see what evolved down the road.

Mr. Solomon: — Once these amendments are passed, Mr. Minister, how quickly will these disputes which you refer to be cleared up by the department? How many would there be that you feel would be on your waiting-list to review, and how many companies are involved right now?

(1615)

Hon. Mr. Swenson: — Well, Mr. Chairman, with the passage of this particular legislation, theoretically you will not have any applications that can't go ahead. Certainly there are some unitization areas that I think will necessitate the interaction of the board, and the commitment has been made by the government that the board will be up and running and in place this fall with Weyburn as its headquarters. So that commitment has been given to industry. And once the horizontal part moves forward, we'll just have to wait and see. But theoretically we shouldn't have any problems.

Mr. Solomon: — So what you're saying, Mr. Minister, is that once these amendments are passed, there are no disputes which . . . or at least applications for proceeding that are or will be held in abeyance, you're saying that once this Act is passed, those companies who have made

applications, their applications will be approved immediately, and they will proceed accordingly as to their budgets and their plans corporately. Is that what you're saying?

Hon. Mr. Swenson: — Yes, Mr. Chairman, this particular Bill will give the department the ability to adjudicate those applications to set the drainage units, to set the allowables . . . Now the original problem well, the Gulf Kennebar one, on the question of allowables, may in fact end up going before the board. That's hard to say right now. But I can foresee that if people did not change their views of the world, given the department's ability now to set the standards on these particular things, that that one perhaps could go that far.

Mr. Solomon: — Are you saying, Mr. Minister, then that the Gulf Kennebar dispute will not be affected by this legislation? That they will proceed through the court process?

Hon. Mr. Swenson: — We don't have a court process *per se*, Mr. Chairman. Once this legislation is passed, the department will set allowables and drainage for that particular well. Now if either one of those parties take issue with that, they may in fact wish to go before the board and that would be fair, because that is the process that this particular piece of legislation sets up. And that would be their choice. They may not once the department sets those particular conditions.

Mr. Solomon: — This legislation then, Mr. Minister, will in effect render any court appeal that Gulf may have with respect to their court case or Kennebar . . . And it would be resolved out of court. That's what you're saying here? Is that correct?

Hon. Mr. Swenson: — Mr. Chairman, the word "horizontal" which was part of the original problem, that particular part will be removed and the parties should be able to come to a resolution outside of the court system.

Mr. Solomon: — The reason I asked that question, Mr. Minister, is I wanted to just ensure that this legislation — although it has been delayed by your government for a number of months — I wanted to make sure that this was not a premature piece of legislation. If it resolves their disputes, it's very worthwhile, especially if it resolves it amicably between the two parties. If it doesn't resolve the issue and they end up in court anyway, it seems to me this may have been a premature effort on your part. But you claim today that it should resolve any further legal appeals.

I want to talk about the board now, Mr. Minister. And perhaps I'll raise some questions with the board and how it operates, but at the moment the member from Regina Centre wishes to ask a couple of questions.

Mr. Shillington: — Thank you very much. I have some specific questions, Mr. Minister, and then I have a series of . . . a more general question. I'll go from the specific to the general.

Just curious, Mr. Minister, about one section. I gathered, Mr. Chairman, it's the . . . following the normal practice of

asking all our questions under subsection 1, 7.21 states that the minister may refuse any order — kind of an odd provision. It would appear to be that section 7.11 already gives the minister the power to refuse an application. It says the minister may, on his own motion or in the application of any person, but clearly uses the word “may.”

I’m a little curious as to why it was felt that 7.21 is necessary. I don’t know that I have seen a section before in legislation which says the minister may refuse to do something. This government has amply demonstrated that the ministers of this government can and do refuse to do virtually anything.

Hon. Mr. Swenson: — Well I think in answer to the member, Mr. Chairman, clearly you would not want the situation occurring where the minister had to hear the complaint under all conditions. And it’s clearly outlined in here, and I would read them into the record, Mr. Chairman, of reasons why that the minister may feel otherwise: (a) the application is frivolous or vexatious; (b) the applicant is not or is not likely to be directly, adversely, and sufficiently affected by the matter or question on an issue; the matter of question also falls within the scope of another Act or within the jurisdiction or another board or tribunal; the matter of question has been sufficiently dealt with in a previous investigation, hearing, or inquiry; or the matter or question is before the courts or has been dealt with by the courts.

I mean these are things that are known to the member opposite, Mr. Chairman, in other areas and obviously are nothing particularly new, and he would know that.

Mr. Shillington: — I will appreciate, Mr. Minister, why you’d want to be able to refuse an application. I’m wondering what you think it is about section 11 that . . . what is it about the language of that section that would require the minister to refer anything to the board which came to his attention, however ludicrous. I just suggest to the minister, you don’t need the section, and I’ve never seen one quite like it. The last thing this government needs is any excuse for an action.

Hon. Mr. Swenson: — Mr. Chairman, legal counsel advised me that section is there to just make it absolutely abundantly clear to people who would be looking at this particular Act.

Mr. Shillington: — As I said, I guess off camera, the last thing this government needs is any excuse for an action. It strikes me as abundantly clear from section 11 that it already is.

Mr. Minister, is it the intention of the minister or the cabinet — or whatever may be left of it in the day, Mr. Chairman — is it the intention of the cabinet to make any changes to the board?

Hon. Mr. Swenson: — Mr. Chairman, perhaps the member needs to clarify something. The board at present doesn’t exist, so cabinet couldn’t make changes to a board that doesn’t exist yet.

Mr. Shillington: — I was reading . . . I would readily

admit, Mr. Chairman, I’m not an expert on oil and gas; I’ve not practised oil and gas law as a lawyer and I’m certainly no engineer. However section 6 of the explanatory notes suggests there’s an existing section 7 which says the Lieutenant Governor may establish a board to be called the Oil and Gas Conservation Board. So I gather this section is in existence. Well okay, I gathered then from the minister’s comment, there is no board.

The comment I want to make then to the minister. I won’t waste time by asking why there isn’t a board. The question I want to ask you, Mr. Minister, is who represents future generations? I gather this is a board which recommends matters to the minister. I gather from this it may deal with specific subjects. I gather as well this board might well deal with more general subjects.

The scope within which the board may operate appears to be almost without limit. And in the hands of an imaginative minister and an imaginative government, this board could inquire into virtually anything.

The question is, Mr. Minister, who represents the future generations? I suspect the oil industry will be well represented on the board. I suspect consumers will be well represented on the board. It has always concerned me that in the administration of natural resources, future generations are never represented. In the event that a government is tempted to seek additional revenue by allowing the oil and gas wells to be exploited unduly quickly, one may get additional revenue but you also rob future generations of part of their birthright.

I’ve often thought it useful, Mr. Minister, to in some way build into these mechanisms some assurance that the wells will be developed no faster than is prudent. This isn’t an entirely theoretical concern, Mr. Minister. I’ve said while I’ve not practised oil and gas law, I do talk to lawyers who do. And some of them have expressed the concern, Mr. Minister, that under this government the oil and gas wells are being developed quicker than is prudent, given a good conservation and given the overall objective, I think, to develop the maximum amount from the well and not to develop them so quickly as will damage them. I’ve heard people who are knowledgeable about the industry suggest that perhaps that’s being done by a government which is more concerned about the immediate revenue than it is about preserving the industry for the next generation.

My question, Mr. Minister, therefore is: has the minister given any thought in the board, the make-up of the board, to someone whose function it will be in a sense to represent the generations yet unborn, and ensure that there is brought to bear on the decisions of the board, and I suppose ultimately the minister, there is brought to bear the point of view of, is this regulation in accordance with sound management and will whatever is being contemplated ensure that the wells will be retained as long as possible and that we won’t be exploiting them quicker than is prudent?

I’d ask the minister to comment on this and tell us whether or not there is in the existing board, the existing mechanism, anything to ensure that wells are developed

in a fashion which is prudent and that a government would not develop them unduly, in an unduly hasty manner wanting to maximize revenue and not particularly perhaps caring what happens to those who follow.

(1630)

Hon. Mr. Swenson: — Well I think, Mr. Chairman, that the member should clearly recognize that the board is there to make sure that the Act is properly followed, in other words The Oil and Gas Conservation Act is properly followed. The whole premise behind this Act is the conservation and preservation of the oil and gas industry, making sure that the allowables, for instance, are proper so that you don't deplete your reservoir before you can attain the maximum amount of oil or gas from that reservoir. And that's why you have things like pooling arrangements and unitization, so that those things can be managed in a proper and reasonable way.

Now if the member is suggesting that Saskatchewan should go back and lock in its natural gas reserves as was done previously where we paid other jurisdictions for that natural gas and could not have natural gas delivered to farms and villages and homes in the rural parts of our province, then I categorically disagree with him.

But this board's mandate is not to set the policy of the government. That is done by elected people like you and I who develop government policy. This board simply takes The Oil and Gas Conservation Act and makes sure that it is followed properly by the people involved with it.

Mr. Shillington: — I won't get into the debate with the minister about the policy of the former administration in the '70s. That, I guess, is for historians. It is perhaps of less interest to members of the Assembly at this point in time.

What I'm asking you, Mr. Minister, is for assurance that environmentalists, conservationists, call them what you want, use whatever terminology you want, but that point of view will be represented on the board and that the board will not simply represent the stakeholders. The stakeholders are the industry, consumers to some extent, and the government — all of whom have an immediate interest in what happens.

Those who come from the point of view of a conservationist — and I'll use that term rather than environmentalist, but I think they mean the same — those whose inkling and nature is of a conservationist don't represent any stakeholder. They represent the generations yet unborn — our children, our children's children, and so on.

I'm asking the minister for some assurance that those who are on the board will include not just the stakeholders but will include someone who comes to the board as a conservationist and who will weigh the decisions made by the board from that point of view. Surely a board which is balanced would have one or more such people on the board.

Hon. Mr. Swenson: — Well certainly, Mr. Chairman, no one has been precluded from the selection process. One

of the things that clearly would be within the mandate of such a board are environmental issues. And indeed someone with a good environmental perspective, you may want to have that perspective on the board.

I mean the question of orphan wells, about salt water problems, different things that obviously will crop up in the oil and gas business as time goes on, and particularly as many of your pools mature and you get into the case of abandonment, if new technology cannot take more oil or gas out of that reservoir, certainly an environmental perspective would be something that perhaps would add to the board. No one has been precluded at this point.

Mr. Shillington: — Well I'm not asking the minister who's been precluded; I'm asking the minister who's included.

Mr. Minister, your comment — unless I misunderstand you, and if I do, I'm sure the minister will correct me — your comment I think can be summarized by saying that it may well be in the interests of the current stakeholders to approach the matter from the point of view of environmental concern, and therefore that point of view may well be represented on the board.

I'm asking you to go a step further than to simply suggest that if it's in the stakeholders' interests to view the matter from the point of view of a conservationist, they'll do so.

I'm suggesting to the minister that the time has come when boards such as this board should include someone whose interest and specific bent is that of a conservationist. The time has gone, Mr. Minister, when we can simply develop for development's sake and not worry about the environment. That day is gone, and I think it is gone in the public mind as well.

Until relatively recently governments often pursued development, justified it on the basis of jobs and additional wealth, and exhibited a good deal of impatience to those who said, ah but there are environmental concerns.

To put it mildly, Mr. Minister, the government which gave us the Rafferty dam is not someone whom I necessarily trust to manage the natural resources of this province. This government's — I won't get into this in length because it isn't directly on point — this government's environmental record is absolutely abominable. It is a profanity. It's nothing less than a profanity.

I think, Mr. Minister, it would behove your government to give this Assembly some assurance that environmental concerns will be weighed on the board and that there will be people on that board who represent that point of view who are conservationists who ask themselves what effect will this decision have not just on those who are here now, but on the future of this industry and on the future of this planet. I ask your assurance, Mr. Minister, that some people will be appointed to the board of that particular ilk.

Hon. Mr. Swenson: — Well, Mr. Chairman, as I clearly explained to the member earlier, the purpose of the board will be to implement The Oil and Gas Conservation Act, okay, on all parts of it and see that it is clearly followed.

I think the member is suggesting on policy development side that there need to be changes, and that well may be the case down the road that elected people will develop policy that perhaps will be in line with what the member is talking about.

I believe that a lot of those considerations are looked after today. If the member is suggesting that one has to, for instance, have a member from Greenpeace on the board in order to get the proper environmental protection, I think that yes, he is right, he doesn't know much about the oil and gas industry.

I'd just like to read into the record, Mr. Chairman, some of the things that pertain to the Act that are clearly identified on the environmental side, which the people in Energy and Mines already look after.

These are regulations and guide-lines: use of surface casing must meet API (American Petroleum Institute) standards in all wells to protect potable waters; design of salt water injection wells; testing integrity of salt water injection wells and injection lines; diking all storage tanks, both oil and water; diking of wells and facilities adjacent to water bodies or waterways; reporting spills, spill containment, and spill clean-up; limiting use of earth and pits for fluid storage; limiting burning of oil and oily waste; disposal of drilling fluids and oily waste; limiting access to environmentally sensitive areas, critical wildlife habitat areas, etc.; abandonment of wells and restoration of surface areas; constructing and operating pipelines.

Obviously, Mr. Chairman, when one gets into those types of areas, whether we're talking about the environmental side or talking about the engineering side of a particular pool, pressures, drainage, that type of thing, that I think one would want people that are fairly technically sound on the board, someone who has a good engineering background.

And certainly today that engineering background can be on the environmental side as well as on the drainage side, for instance. That reservoir questions that might entail, as were identified in the Gulf Kennebar situation, were clearly drainage patterns, reservoir pressures, those types of things that were associated with that dispute, you would want someone on the board with a fairly high degree of technical expertise.

And certainly the industry, in their submissions to us, have clearly identified that aspect if they need people that are very technically competent in order to make some of those decisions.

Mr. Shillington: — The minister can't mean what you just said. First of all with respect to Greenpeace, I am not a member of that organization but I'm just going to say, Mr. Minister, that I would venture to suggest that history is going to be a lot kinder to the Greenpeace organization than it's going to be to members of this government.

Some Hon. Members: Hear, hear!

Mr. Shillington: — So if the minister is looking down his nose at the Greenpeace organization, I'd suggest you

have another look. You've got the situation backwards.

Mr. Minister, without suggesting that . . . Greenpeace I think would have . . . I'm not sure they would be interested. Mr. Minister, you can't mean what you just said. What you just said is that the board is going to be in place to implement the legislation.

Mr. Minister, you're surrounded by people who appear to be both bright and competent. I suspect they're going to implement the Act. That's the function of the public service, if you don't destroy the thing by scattering them all over the province. So long as there is a public service left when all this comes to an end, they're going to be the ones who implement it.

If you're setting up a board, Mr. Minister, surely the purpose of setting up the board is so that the public point of view may be brought to bear on the decisions of today. That's what a board is for. A board does not implement legislation. It brings public opinion to bear on the decisions.

I am suggesting to the minister that in 1991, with all that has happened in the last few years, the ozone layer, holes in the ozone layer, etc., I am suggesting that the time is long since past when the public want development decisions be taken without due regard to conservation and environment. The public are demanding that.

And that's what this board is set up to do — to bring to bear on the decisions of the day the questions with respect to conservation and the environment. I'm asking the minister for an assurance that someone with a background in conservation, with a background in environmental concerns will be on the board so that that point of view will be heard when the recommendations are made to the minister, whether they be on subjects general or specific.

(1645)

Hon. Mr. Swenson: — Mr. Chairman, I think at some point in the conversation I used the word implement, and perhaps that was the wrong word to use. And I'm sorry to the member if I've misled him. The Department of Energy and Mines will continue to manage in this case the oil and gas resources of the province of Saskatchewan.

In the case of a dispute as has occurred, which did have significant ramifications to a particular part of the industry, the board would have the ability to look at that dispute in depth as relates to The Oil and Gas Conservation Act, and render an opinion.

The department will continue on a day-by-day basis to do the things that are necessary to produce oil and gas in the province of Saskatchewan, and will implement the policy of the elected government of the day as they have done in the past, as they do today, and as they will do in the future.

The board is simply there in the case of a dispute that is beyond the normal procedures to render advice on that particular dispute.

Mr. Solomon: — Thank you, Mr. Chairman. Now, Mr.

Minister, I'm not sure whether you understand the line of questioning from my colleague or the opposition with respect to the make-up of the board. Perhaps this is your opportunity now to explain to the Assembly precisely how the board will be composed. Who or what organizations will be represented on this board?

Hon. Mr. Swenson: — Well clearly, Mr. Chairman, as I said before, no one has been precluded from this particular board. And clearly one would not have industry stakeholder groups represented on such a board. You would not have a member from CPA or IPAC or SEPAC with their representatives on there.

Clearly you would look for expertise in the areas of engineering, geology, perhaps legal matters. There may be somebody at the University of Regina for instance who had a strong background in geological engineering that would be appropriate for that type of a position. So clearly, Mr. Chairman, what you would look for is expertise in those types of areas that would allow them to make reasonable recommendations. And certainly you would not have your industry groups represented on there.

Mr. Solomon: — Well, Mr. Minister, you start out by saying nobody is precluded, then you start precluding people. We want to know, Mr. Minister, who precisely will be included with respect to the make-up of this board? Who will they be? Do you have some associations that you'd like to see represented? You must have some idea. I mean even in the premature preparation state of your government on every issue, you must have given some thought as to who would be included on this board.

Hon. Mr. Swenson: — As I said before, Mr. Chairman, you would clearly look for areas of expertise — engineering, geology, environment, legal, those types of areas of expertise. No one has been picked. In fact until this particular Bill is through the legislature, Mr. Chairman, I don't think it would be prudent to even suggest that; and that cabinet will consider those particular areas and choose a board and have it in place, as has been committed to industry, headquartered out of Weyburn, in the fall of 1991.

Mr. Solomon: — Well, Mr. Minister, this is another example of your government's approach, your party's approach, to governing. You ran in the last 1982 election and the '86 election on the premise that government doesn't work. And do you know what, Mr. Minister? You got elected and you've proven your thesis correct.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Under your administration, under your party's administration, your government has not worked. It hasn't worked in any aspect that we've talked about today, be it in taxation or management — and you bragged earlier about what a wonderfully managed government you have been.

Well I don't think management will be a term that your government will be long remembered for. In fact, Mr. Minister, the phrase that will be used will be a government of incompetence, waste, mismanagement,

and unprecedented patronage and corruption. Those are the terms that your government are synonymous with.

Some Hon. Members: Hear, hear!

Mr. Solomon: — You have the gall to stand in this House and say that we're going to have a board that's well managed, that the department will manage these affairs of the oil and gas industry. And the political party of the day will dictate to them how they will manage. Well, Mr. Minister, by that very conclusion, I think that the board's got a very, very poor start because your government has been riddled with mismanagement for the last nine years.

Mr. Minister, why can't you share with the Assembly and the public of Saskatchewan today, what you perceive to be the groups of individuals that will be included when you decide to appoint this board? Or is this board that you're setting up not intended to do anything but to be a board where you appoint your political hacks?

Hon. Mr. Swenson: — Mr. Chairman, I've already addressed that point. I said areas such as geology, environment, engineering, legal — a number of areas that obviously would add a great deal of expertise to such a board, that are absolutely fundamental to the good management of the oil and gas industry in this province. And I've already said that to the member.

Mr. Solomon: — Well, Mr. Minister, that answer's not good enough. You're saying these are some people that may be appointed to the board. Mr. Minister, can you tell us precisely what kind of individuals your government would like to see on the board who would best represent the interests of a government's, that would best represent the interests of the owner of the resource, and the best interests of the landowners.

Can you tell us, Mr. Minister, who those individuals might be. And if you don't have an answer for that, can you at least share with the Assembly how large the board will be? What's your perception as to how many board members will be appointed? Will there be five? Will there be 25? Will there be a Consensus Saskatchewan even 100? What will it be?

Hon. Mr. Swenson: — Well, Mr. Chairman, I can only repeat for the member, and the member knows full well, that in areas of surface dispute, the Surface Rights Board has been around for a long, long time and will continue into the future; that the Provincial Mediation Board has made efforts in the oil and gas area to start moving along some disputes in other areas. I mean clearly the areas that we would look for people, in the areas of engineering, geology, environment, legal — you would look around the universities; you would look at some of the consulting firms around that have people with those types of expertise in them.

I'm sure that within the province of Saskatchewan — and, Mr. Chairman, the initial thought is that you would start out with a three member board — one wants to keep the costs as small as possible. That doesn't preclude, Mr. Chairman, that the board in the future could grow to a larger number if there was sufficient work and reason to do that. But clearly the places that you would look

where'd be people that have technical expertise in those areas that I've mentioned, and there are many places within the province that you would go to find those types of people.

Mr. Solomon: — Mr. Minister, I just want to confirm what I heard. You told us just seconds earlier that the board would be a size of three members initially. Is that correct?

Hon. Mr. Swenson: — That is correct.

Mr. Solomon: — Mr. Minister, when do you foresee these three individuals being appointed? By which method of appointment do you favour? Do you favour contracts? Do you favour a term appointment? Do you favour an order in council? Or how do you propose the way the appointment will be made?

Hon. Mr. Swenson: — The Act specifically stipulates that it has to be done by order in council.

Mr. Solomon: — And my first question, Mr. Minister, was with respect to the number. You believe you're saying that there'll be three members appointed, and you will appoint them by order in council. And will that be a typical order in council or will it be . . . that is a generic order in council or will it be the Conservative-style order in council?

Hon. Mr. Swenson: — I would assume, Mr. Chairman, that that would be the way that all government board members are appointed, by an order in council. And they go through cabinet and then they go through again and then they're public. And that's the way it would be done.

Mr. Solomon: — And my other question was with respect to the term of these contracts, of order in councils, will be I would presume, at the discretion of the executive council, because that's how all order in council arrangements are made. Is that correct, Mr. Minister?

Hon. Mr. Swenson: — Mr. Chairman, the Act clearly spells that out in 7(1)(3):

The Lieutenant Governor in Council shall:

(a) appoint the members of the board and determine the term during which each member holds office;

(b) designate one member of the board as chairperson and another as vice-chairperson;

Clearly, Mr. Chairman, you probably wouldn't want someone for a couple of weeks. It might be a year; it might be two years, depending on how you wanted to revolve the members on the board, and what type of technical expertise was felt relevant at that particular time.

Mr. Solomon: — Mr. Minister, what will be the remuneration of the members of the board?

Hon. Mr. Swenson: — Mr. Chairman, that has not been determined yet. Obviously if the board were just sitting intermittently I would suspect that you would have simply the per diem rate.

Otherwise if you are having someone in a more full-time basis you would have to look at what that particular person, for instance, would earn in the industry group that they were related to. But that particular point hasn't been determined yet.

Mr. Chairman: — It being near 5 o'clock, the committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.