

EVENING SITTING
COMMITTEE OF FINANCE

The committee reported progress.

COMMITTEE OF THE WHOLE
Bill No. 64 — An Act respecting Arbitration

Clause 1

The Chair: — I would ask the minister to please introduce the officials that are with him here tonight.

Hon. Mr. Mitchell: — Mr. Chairman, and members, I have with me tonight Brent Prenevost, the Crown solicitor from the Department of Justice for one of his many appearances before the House on these Bills.

Mr. Toth: — Just a couple of short questions regarding this Act, as we've had some discussion on it before and certainly discussed it with the minister. First of all, it talks about arbitrators being independent and impartial, must disclose to the parties circumstances which may cast doubt on his or her independence. Who chooses the arbitrators? Is it the committees or the parties that seek an arbitration process?

Hon. Mr. Mitchell: — Yes. It is the parties to the arbitration that select their arbitrator.

Mr. Toth: — And we also talk about the fact that the Bill clarifies the role the courts will play in arbitrational proceedings. Is this Bill giving parties the ability to call in an arbitrator and supersede any action in the courts, that way getting around the process of having to go to the courts, if the arbitrational process works or is allowed to work? Is that what we're doing, Mr. Minister?

Hon. Mr. Mitchell: — Mr. Chairman, and to the member, the whole idea underpinning the private arbitration process in commercial matters is to avoid the recourse to the courts — much quicker, much cheaper, much simpler. The Bill builds on that idea by clearly defining the role of the courts, the limits to the role of the court, and further supporting the idea of a private arbitration outside the court system for the reasons that I mentioned earlier.

The Chair: — Are the members agreed to proceed through the Bill on a part-by-part basis?

Part 1 agreed to.

Parts 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 83 — An Act respecting Pension Benefits

The Chair: — I would ask the minister to please introduce his officials.

Hon. Mr. Mitchell: — Thank you, Mr. Chairman. I have with me tonight the deputy minister, Ms. Merran Proctor,

Dave Wild, the superintendent of pensions, seated behind me, and Art Milne, the assistant superintendent of pensions sitting beside Mr. Wild.

Clause 1

Mr. Toth: — Thank you, Mr. Chairman. And, Mr. Minister, certainly this is a substantial Act that we have before us. And I also want to thank the minister for giving me an opportunity to sit down with Mr. Wild for a while. I'm not sure I totally understand everything we discussed, but I think . . . I believe Mr. Wild has certainly worked on this Act or the changes that have been discussed here for a period of time.

And maybe for the sake of the House and anyone who may be interested, the minister could just fill us in on the reasons for the changes to the Act and the groups, individuals that would be affected by this Act. And maybe also inform the House when the process started. I think it's been a period of years now that we've been discussing pension benefit changes.

Hon. Mr. Mitchell: — Mr. Chairman, the work within the department on these amendments that are in the Bill began in 1988 and have been ongoing since then. And then of course we had the committee in the early part of this year that was formed and worked very intensively and very quickly produced a report.

It is the fact that pension legislation has moved very quickly through the 1980s. By that I mean that there have been significant advances and improvements to the standards respecting pension plans in legislation across the country and there has been a lot of close co-operation between the industry and the regulatory authorities throughout that period.

We are in most respects accepting changes to the legislative frameworks in other provinces in passing this Act. We are bringing ourself for the most part into line with other jurisdictions.

The member will know, from reading the Bill, and from briefings from Mr. Wild, that some of the significant changes here are the coverage of part-time employees. That of course, is a very important point considering the fact that there is now so much more part-time work than there used to be in various sectors of the economy. So I think that's a very important plan.

The idea of a pension being vested after two years of employment is also a very significant advance for reasons that I know the member is familiar with.

There is also improved provisions for the transfer of pension funds to the retirement vehicle of the pensioner's choice. And that's significant in many work places including the Government of Saskatchewan of course, where the money accumulation plans have heretofore been directed towards annuities. This will open that up and allow the retiring employee many more options for retirement pension vehicles. I think that that's an important one and it's certainly one that has been much discussed across Canada. There have been many

representations to the previous government and to us with respect to introducing some flexibility into that.

And those are some of the major items in the Bill. Some of these have cost implications but those have been handled in the Bill as the member will have understood and for the most part they are simply minimum standards that pension plans have to meet. How much better plans are than the minimum standards depends on the employer and the work place and the attitude that they take towards the pension plan that is in effect at the work place.

The Act also establishes more clearly the duties and responsibility of plan administrators and has some provisions in it for the governing of pension plans, for the running of pension plans by boards, by trustees.

There is also important provisions respecting the valuation and division of pension benefits on marriage breakdown. And I remember in the member's second reading speech, that item was specifically mentioned and I believe that that matter was covered in detail in the meeting with Mr. Wild.

But I can tell you that its importance is known to me because my wife has practised a great deal of family law and in many, many cases the question of evaluating and dividing a pension plan as a family asset is a matter of considerable controversy. And so I could identify with these proposals from that perspective. And these are coming into the pension benefit standards Acts of most jurisdictions and will be very helpful to the courts and to the legal profession in resolving these separation questions.

Mr. Toth: — Thank you, Mr. Minister. Mr. Minister, you mention that this affects all pensions. You're talking of all public pension plans in the province, private pension plans . . . Are we talking of . . . when we talk about all pension plans that are available?

(1915)

Hon. Mr. Mitchell: — That Act does not apply to the public sector as such. However, there is a review under way with respect to the public sector pension plans. And the adoption by this legislature of these provisions will have a direct impact on that review and the recommendations coming from that particular review. So I think we can take it, as we work on Bill 83 tonight, that we are impacting directly on the provisions that will affect public sector pensions in the province.

Mr. Toth: — So what you're saying is there's another process that has to take place to address public pensions. I know there are people that work in the public sector that certainly have raised the question of pension plans, and the ability to have direct or more control on their plans when they retire.

And I remember another part of our conversation. And certainly with the changes to even the . . . in the public plans from the formula to the annuity type of plans back in '81. I think there are a number of even elected representatives who would like to have be included or have be part of having an ability to have some control on

their plan so that maybe consideration could be given in that area.

Another thing, Mr. Minister. You talked about part-time employees. I think there's a portion where I read where it talked about some 350 hours of work in a year. When we talk about part-time employees is there even for part-time employees . . . does it establish a period of time, and I just don't remember all the conversation that we have had on this, but just for the sake there might be some part-time employees out there right now just wondering how they can qualify for a pension plan.

Hon. Mr. Mitchell: — The legislation of course does not guarantee a pension to part-time employees, but obviously no one is compelling employers to provide pension plans by legislation. But if an employee working part time is entitled to become a member of a plan the employee may apply to become a member after completing a part-time employment over a period of 24 continuous months. That is:

. . . 24 months of continuous . . . employment with the employer; or

(b) after completing a minimum period that does exceed 24 months of less than full-time continuous employment with the employer and, . . . in each of two consecutive calendar years (either) . . .

(i) earnings not less than 35% of the Year's Maximum Pensionable Earnings with respect to that employment; or

(ii) completing 700 hours of employment with the employer.

I know that's a little complex but it is a complex idea. But if the employee has satisfied one of those two criteria then the employee is entitled to become a member of the plan.

The first part of my answer to you of course related to full-time employment over a period of two years, but the second part related to part-time employees, which was your question.

Mr. Toth: — Thank you, Mr. Minister. I understand as well that this, certainly the Act before us and the changes that have been brought forward in the Act, will simplify and probably bring The Pension Benefits Act more in line with the national standards and along the lines of uniform national standards.

And I think, if I understand correctly, it's going to make it easier especially when people as they retire don't necessarily decide to retire in the place they've worked all their life. They may look at — I don't know why — they take a look at B.C. (British Columbia) or maybe even down in California for awhile. But I guess it's appropriate that the people do have the ability to have some control so it gives them that. So it gives them that, and I think that's appropriate that the Act does work and builds out a uniform type of Act that will work in.

Because I think in our country, despite the fact that we

have 10 separate provinces, I think we must and should continue to work towards bringing all our regulations closer together so it's easier to work, move, and operate, and transfer from one province to the next.

Hon. Mr. Mitchell: — Well that's certainly correct, and I would just add to what the member said by saying that pension plan administration in Canada, with all of its provinces, is also much simpler if the legislation is uniform.

Mr. Toth: — Another area, and I know the Act doesn't specifically talk about it, but we talked about certainly part-time employees. And we've had a fair bit of discussion and we'll probably get into it tomorrow as well, Mr. Minister.

But I think an area that has really been overlooked specifically by your government at this time is the Saskatchewan Pension Plan. And for a lot of people who really haven't had the ability to become involved in a pension plan of any kind . . . And I think a lot of small businesses that gave in that way some of the part-time employees in small businesses — and small businesses were able to finally put aside or to establish a pension plan for their employees. And I know a lot of . . . especially women across this province finally had that opportunity.

In light of the fact of the way pension plans have been addressed regarding the marital problems that we see and the fact of the difficulties that couples have had when it has come to a problem in a marital relationship, deciding, well how do you divide a pension plan, and what I would again ask the minister is to certainly take it up with your colleagues.

I know that you're reviewing the matter, but I think it would be very appropriate in the long term that we look at . . . and whether it's something that could fall into such a Act. I don't know if it is, if it's possible, but I think we should take a very serious look, for the long term and generations down the road, about making some form of pension plan available such as maintaining the Saskatchewan Pension Plan, even if it is changed somewhat to what it originally started out. But making it the type of plan that . . . creating a plan that people can become involved with so they can plan for their future.

Hon. Mr. Mitchell: — Well the member and I have discussed this previously, privately and I just leave it tonight on the basis that we'll study your remarks and just give the matter some consideration.

Mr. Toth: — Mr. Minister, another thing, and here's a question that's come up in a number of departments and areas. Under the administration part of the Act, Part II, we have clause 5, and it's laying out the regulations for the superintendent, or any person authorized by the superintendent, basically talking about the entrance of:

. . . may at any reasonable time enter without a warrant into any premises or place where a plan is administered, any property is kept, anything is done in (conjunction) with a plan, or any records are or should be kept pursuant to this Act . . .

And then it goes through what the superintendent may do. The question we have and we've raised, I think with the Department of the Environment, and I believe there are four other Acts . . . In fact the Minister of Energy has the same authority.

We're asking why that type of authority would be given to a superintendent. Is it necessary in light of the ability that already exists for individuals? If they feel they need to check up or follow up or whether it's on a pension plan or whatever it is, I think there is the ability there. And we just feel that you are . . . we're going a little too far when we start putting in an Act or in legislation, giving people that type of authority just to act on the basis of their own suspicions and be able to enter any premises at any time to follow up.

Hon. Mr. Mitchell: — Mr. Chairman, I want to make a couple of points here. The first is that these provisions are probably less restrictive than the ones that have been in existence under this predecessor to this legislation. The previous power of the superintendent with respect to these matters was short and expressed in general words but is capable of much wider powers than the specific ones that have been detailed in section 5. We've gone to some lengths in section 5 to limit precisely the kinds of investigation that can be carried out and the type of information that can be required to be produced and the types of documents that can be demanded.

And I might also mention in connection with this first point that this legislation is consistent with powers of the superintendents in other jurisdictions, probably more restrictive than, for example, the legislation in British Columbia. That is to say, the superintendent here has narrower and fewer powers. That's the first point I wanted to make.

The second is why we do it, and I want to say first of all that there are in excess of \$8 billion held by plans on behalf of Saskatchewan members and Saskatchewan pensioners — \$8 billion, a lot of money. And for the individual member or the pensioner, this is probably their most significant asset and is their source of income in retirement years and is their whole security. The member may recall the recent scandal in the operation of the Robert Maxwell companies in Great Britain. And in the collapse of those companies, the information that came to light about the way in which Maxwell had handled the pension funds illustrates the need for the superintendent of pensions to be able to keep on top of the situations or to demand information and to access to records in order to protect the investment and the future and security of plan members.

And in the case of Maxwell, several hundreds of millions of dollars had been stolen from the plans and the pensioners didn't know about it and nobody knew about it and there is a lesson in the Maxwell case. I think something like 14,000 pensioners were affected by those defalcations or thefts or whatever you choose to call it.

So we are very conscious of the responsibility of the superintendent and in shaky situations where something comes to light which rings a warning bell with the

superintendent, it would be appropriate and I'm sure every member of this House would agree, that the superintendent ought to act, ought to investigate and ought to ensure that the future income and security of pensioners are protected.

(1930)

So we want to be sure that in those cases the superintendent has the power to satisfy himself or herself that the investment is safe, that the plan is safe, that things are being done properly. So that's what these provisions are all about. I know and I appreciate some of the questioning that's gone on in this House with respect to The Environment Bill and other speeches of members opposite, the sensitivity of this subject. And we have been at some pains to try and limit it to powers that we think the superintendent should have in the event that there is a suspected situation where pensioners' money is at risk and where some action is necessary in order to protect them.

Mr. Toth: — Well I would take it, Mr. Minister, that the superintendent of pensions basically would be, I guess if you could use the term a watch-dog, it would be their responsibility to keep an eye on the pensions.

And I would also assume that any pension fund that is established the superintendent would be getting . . . there would be annual reports presented to the superintendent. Are those reports also made available to members of the pension plan?

Hon. Mr. Mitchell: — Yes they are, and while I'm on my feet, I just might mention to the member that it has been our practice in Saskatchewan, through the previous government and the one previous to that and we have continued in that, to assure compliance through desk audits.

And it has been more than a decade since the superintendent has found it necessary to actually go into the premises of an administrator for audit purposes. That's not to say that field audits won't take place, they will take place in the future, but they haven't been necessary for at least a decade. So as we're discussing this tonight we're not really dealing with something that occurs often in the province.

Mr. D'Autremont: — Thank you, Mr. Chairman. Mr. Minister, we went through the search and seizure and without a warrant in The Environment Bill and it's again in this Bill, and I have some concerns about it. You mentioned the Maxwell case where money had disappeared. Well, Mr. Minister, I don't think if the superintendent had had the opportunity to walk in when Mr. Maxwell disappeared or at some point later, that the money would have been found. It was already gone.

So if there is a problem developing within a benefit program, there's no reason in my mind why the superintendent can't get a warrant to go and search. Perhaps a better item to do would be to have regular monitoring of the pension programs with the agreement and compliance of those organizations that are running the plan, rather than simply having the power to march in

the door and beat it down and walk in and take whatever you want. It just seems that Big Brother is alive and well in Saskatchewan in 1992.

Hon. Mr. Mitchell: — I thank the member for the question, Mr. Chairman. And I think it quite important that we look at the contents of section 5 carefully. Let me just briefly mention the powers that appear there.

Subsection (1) deals with investigations and that allows the superintendent to enter premises without a warrant. And that is for the purpose of administering the Act or the regulation, the regulations. That is to enter the premises of the administrator of the plan — not a member, not a private citizen, not an employer, but an administrator — for the purpose of carrying out an audit or carrying out an inspection and may require the production of records and accounts and vouchers and that sort of thing.

Secondly, to require the administrator to give all reasonable assistance with the audit; third, to make inquiries of the administrator relating to the conduct of the audit and related powers.

Secondly, in subsection (2) the superintendent, if he takes any records, shall carry out the copying of those records with reasonable dispatch, and promptly return them to the administrator.

Subsection (3) says that the superintendent shall not enter into any room or place actually being used as a dwelling without the consent of the occupant — so that protects the citizen — except with a warrant issued by a justice of the peace or a judge of the provincial court.

Fourth, where the superintendent . . . Subsection (4) rather, where the superintendent, as a result of an audit or an examination or for any other reason, suspects that a violation of the Act has occurred, then the superintendent has to advise the person — the administrator — of the violation and also advise the administrator that the administrator is not obliged to make any written or oral statement, sort of like a warning in a criminal investigation, that may be used against them in any subsequent proceeding.

And fifth, where the administrator refuses to produce records required under subsection 1, or refuses to allow them to . . . the records to be removed, then the superintendent has to go to a justice of the peace or a judge of the provincial court for a warrant authorizing the superintendent to enter and search the premises and to seize and take possession of documents.

And subsection 6 lays down quite clearly what the obligations of the justice of the peace or the judge is, if he's satisfied by the oath of the superintendent that there are reasonable grounds for believing that a violation of the Act has occurred, etc., etc., to lay down some criteria that the judges do apply in issuing those warrants.

So we have tried to respond to the objections that we heard you make in the previous Bill to try and give you something that would protect the citizen, limit it to administrators of the plan, and place the onus upon the superintendent to do it properly and do it in accordance

with law.

Sorry to be so long-winded about it. But we really have tried to meet the concerns that we heard you express earlier in this session.

Mr. D'Autremont: — Well, Mr. Minister, I can agree with everything that you have said there, everything that's in this section of the Bill, excepting for three words, and that is: "without a warrant". I still don't understand what the supreme urgency is that you can't possibly go to a judge and say, your Honour, we believe there's a problem here. Will you give us a warrant to enter and to search their premises and their information?

Surely if you have some suspicions that there's a problem there, you can go to a judge and get that warrant. I simply don't understand the urgency to enter the premises without a warrant. If, in the case of The Fire Prevention Act, if there's a fire in the building, you need the right to enter, fine. In the case of the environment, while I didn't like it, I can understand in certain circumstances the need to enter. But for a pension benefit Act, Mr. Minister, I simply do not understand the need for the urgency to enter without a warrant.

Hon. Mr. Mitchell: — We tried to cover that also, Mr. Chairman, and to the member. The structure of this section is exactly as follows: the superintendent goes to the office of the administrator, goes in, announces who he is and says I've come to look at the books. If the administrator says no, I won't let you do it, then all the superintendent can do is turn around and go back out and go to the court and try to get a warrant.

The superintendent has no right to impose himself upon the administrator, and nor is the administrator committing any kind of an offence by saying, no I won't let you look. So it's not the kind of arbitrary situation that I understood you were raising in connection with the previous Bill. We tried to make this very much a matter of a less arbitrary process than you were drawing to our attention on the previous occasion.

Mr. Toth: — Thank you, Mr. Minister. It would almost appear to me from the answer you just gave us, the fact that the superintendent can walk in and ask to see the books, and if the administrator says no, he still has to go out and get a warrant. Then it would almost appear that "without a warrant" really doesn't mean anything and probably could have been left out of here and just said, reasonable time enter into any premises or place and ask for that information. So it might be just as well to have left the three words out if that's exactly how the superintendent is able to operate.

One other thing to take note of and we go to section 7 and section 7 at (2). Section 7 talks about superintendent making copies for record and in section 7(2) it talks about the record being certified by the superintendent or any person authorized by the superintendent to be . . . a copy made pursuant to the section . . . talks about the copy being admissible in evidence without proof of the office or the signature of the person appearing to have certified the document. I'm wondering how a piece of . . . a copy of a document or a copy of information could be evidence

in the court, or legal evidence without at least having the signature of the individual who has seized that document to make it available to the court.

Hon. Mr. Mitchell: — Mr. Chairman, this kind of provision where a public officer certifies as to the correctness of the document is common in The Evidence Saskatchewan Act, in certain provisions of The Land Titles Act, and in many other statutes where . . . so that you don't have to call the public official onto the stand to prove that a copy is a copy.

Now the other side — and I think this very important to the member's point — the other side has the right to challenge the authenticity of the copy and to obtain a court order, which would be given as a matter of course, to require the original to be produced.

But here's the problem. I drew to the member's attention earlier the fact that where the superintendent takes documents, he copies them and he returns them as soon as possible. That's because the administrator of pension plans has to have documents in order to administer the plan, so we want those documents returned as quickly as possible. The superintendent will, having seen the original and seeing the copy, is then able to certify that the copy is a true copy and the original can then go back to the administrator.

So it provides a smooth and simple way of handling these copies of documents and using them in a meaningful way in any subsequent court proceedings. So I think those two points cover the objection of the hon. member.

Mr. Toth: — One more question before we allow the Bill to go clause by clause. Coming back to section number 5 and the comments just made a minute ago by yourself, Mr. Minister, where you . . . I indicated as well, the superintendent can go into any premises at any time and ask for information but still has to ask for a warrant. Would the minister allow for an amendment to take the "without a warrant" out of the Bill?

Hon. Mr. Mitchell: — Yes. I don't think we have an objection to that, Mr. Chairman.

Mr. Toth: — I think the minister has given us his assurances that we can allow it. Why don't we just . . . We've got a couple of other amendments that we can introduce if you want to pass part no. I. And we'll get part no. II, and we've got a couple of other amendments there we can discuss and come back with the proposed amendment for clause 5.

(1945)

The Chair: — I just want to test the members on this. We have 76 clauses in 9 parts. I understand that there are now questions with respect to clause 5, and that one, members have indicated they want to hold for now. And there are either amendments or questions with respect to clauses 12, 19, 27, and 45. Are the members agreed that we proceed through this on a part-by-part basis with the exception of the aforementioned clauses . . . (inaudible interjection) . . . Leave all of part II?

Part I agreed to.

Clause 11 agreed to.

Clause 12

Mr. Toth: — Yes, Mr. Chairman, in clause no. 12 we're asking for an amendment to clause 12 of the printed Bill:

Amend clause 12 of the printed Bill by deleting subclause (1) thereof and substituting the following therefor:

12(1) Where the employer is the administrator of a plan, the employer may establish a pension advisory Committee.

For clarification, I should just read the reasons that we brought this forward. It came, the request came, I believe the minister did receive a copy too, from Doug Simon, chairman of the Labour Committee. And they were mentioning that in section 12, the pension advisory committee:

we believe that this is a matter which should be left to collective bargaining whenever there is a collective bargaining agreement; it is a matter of industrial relations and it is deemed to be inequitable to give one party an advantage by means of legislative provisions; furthermore, there is a cost element in this requirement which should not be imposed during difficult economic periods.

And therefore we've asked the Law Clerk to bring forward an amendment that would address this concern.

Hon. Mr. Mitchell: — Speaking to the amendment, Mr. Chairman, I regret to say to the hon. member that we are not prepared to accept it. The question here is whether or not a pension advisory committee should be established. And the duties of a pension advisory committee are described in subsection (3) of section 12 and they are not deciding anything.

I point out to the House that these committees are to "promote awareness and understanding of the plan among the members and potential members," which is certainly a laudable kind of objective, promote awareness and understanding.

Secondly, to "advise the administrator with respect to matters of concern to the members," which is to say that the committee will pass on any concerns that members and former members have with respect to the plan and make sure the administrator is aware of those.

Third, to "review periodically the financial, actuarial and administrative aspects of the plan." And fourth, "carry out any other duties that are specified by the plan or the employer."

Now in many provinces these advisory committees are . . . I should say in a number of provinces these advisory committees are mandatory in all cases. We have not done that. We have made these advisory committees voluntary, voluntary on the part of the employer if the

plan has fewer than 50 members. If the plan has 50 or more members and a majority of the members so request, then we have provided that the employer shall establish this advisory committee.

Now this applies only, Mr. Chairman, in situations where the employer is the administrator of the plan. And it is our sense of this provision that it is a good provision, that the advisory committees have a limited but important role to play, and that we should preserve that idea in our Act.

Now we have limited it to large employers only and I think in the Saskatchewan context we can say that an employer with 50 or more members is a large employer. But it would seem to be a sensible kind of provision. And so, as I say with regret, we are not able to accept the member's proposed amendment.

Amendment negated.

Clause 12 agreed to.

Part III agreed to.

Part IV, clauses 16 through 18, agreed to.

Clause 19

Hon. Mr. Mitchell: — There's an amendment to clause 19. And the amendment is to subsection (5) of section 19. The amendment would read as follows, Mr. Chairman:

"(5) Where an amendment that confers on an employer any ownership or entitlement to the benefit of any surplus assets of a plan is made to a plan, the amendment is not effective unless it has been approved in the prescribed manner by the persons entitled to benefits pursuant to the plan".

I so move.

Amendment agreed to.

Clause 19 as amended agreed to.

Clauses 20 to 26 inclusive agreed to.

Clause 27

Mr. Toth: — Mr. Chairman, the concern raised here was the fact about making sure or having people being vested in a plan, having been part of a plan for two continuous years. And what we're suggesting here is that in sections 27(2) and (3) of clause 27, we are saying:

Amend subclauses 27(2) and (3) of the printed Bill by adding immediately after the words "where a member" where they occur in the general words preceding clause (a) as being enacted therein the following words:

"who has been a member of a plan established after the coming into force of this section for at least two continuous years of membership".

Hon. Mr. Mitchell: — Mr. Chairman, I took some time

with officials with respect to this because I had not seen this particular amendment before now. Our concern with the proposal is that it would be a very significant cost item for existing plans. And we have tried to be responsive to the cost implications of moving from the old vesting rules to your vesting rules.

What we have done to limit the financial impact is that we draw the line at January 1, 1994 in terms of the service that has been accrued. And with respect to vesting benefits, we have distinguished between service prior to January 1, 1994 and service after that date. So that up to January 1, the vesting provisions are — January 1, 1994 — that the pension vests with the member on termination if the member's age plus service total 45. And then pension service after January 1, 1994 vests after two years of service.

So if a member is terminated in 1997 at the age of 36, say, with seven years of service, the pension accrued prior to January 1, 1994 would not be vested, but the pension that accrued after January 1, 1994 would be vested. And that was a transition provision, a bridging provision that is designed to try and limit the cost impacts of moving to the new vesting provisions.

Amendment negated.

Clause 27 agreed to.

Clauses 28 to 44 inclusive agreed to.

(2000)

Clause 45

Mr. Toth: — Mr. Chairman, the feeling in the Chamber here is that this clause is really a clause that is unenforceable and they just don't feel that it's necessary or appropriate to have clause 45 in the Bill at all. And they're just suggesting that we vote against it or not include this clause. And maybe the minister could just elaborate on it. But there's a strong feeling that it is an unenforceable clause so why have it in the Bill.

Hon. Mr. Mitchell: — Well I could answer it simply on the basis that other jurisdictions have adopted this non-discriminatory clause and let it go at that. But I want to press it a bit further.

We are simply not prepared to not have this in the Act. We think that it is just not permissible that the rates of contributions or the amount of contributions or the amount of a pension or the entitlement of a person to become a member of a plan should have anything to do with their sex. Men and women ought to have equal access to pensions and should be treated equally under them, and we think that the law should so provide.

Clause 45 agreed to.

Parts VI to IX inclusive agreed to.

Part II, clauses 3 and 4, agreed to.

Clause 5

Mr. Toth: — Yes, Mr. Chairman. We would ask that we:

Amend clause 5 of the printed bill by striking out the words "without a warrant" where they occur in subclause (1) thereof

Amendment agreed to.

Clause 5 as amended agreed to.

Clauses 6 to 10 inclusive agreed to.

The committee agreed to report the Bill as amended.

Mr. Toth: — Mr. Chairman, I'd just like to take a moment to thank the minister and his officials for being so forthright and forthcoming with their responses to the Bill. And we appreciate their time.

Hon. Mr. Mitchell: — Thank you, Mr. Chairman. I'd like to add my own thanks to the officials and particularly to the superintendent and assistant superintendent who have worked very, very hard over a very short period of time in order to produce this Bill, following the recommendations of the committee, and for their help in our consideration of the Bill in committee tonight.

Bill No. 81 — An Act respecting the repeal of The Criminal Injuries Compensation Act

Clauses 1 to 4 inclusive agreed to.

The committee agreed to report the Bill.

Bill 82 — An Act to amend The Victims of Crime Act

Clause 1

The Chair: — I would ask the minister to please introduce the officials that are here with him.

Hon. Mr. Mitchell: — With me, Mr. Chairman, is Susan Amrud of the Department of Justice, a Crown solicitor; and Jan Turner, a research officer in the policy, planning, and evaluation branch of the department.

Clause 1 agreed to.

The Chair: — Are the members agreed to proceed through this on a page-by-page basis.

Pages 1 to 8 inclusive agreed to.

The committee agreed to report the Bill.

Mr. Toth: — Even though the minister's assistants have already left, I just want to thank them for having taken the time to wait around for this Bill to be brought forward. And I'm just sorry we didn't have the time to get into some very detailed questions, but actually it was a pretty good Bill.

Hon. Mr. Mitchell: — I adopt the member's remarks as my own, Mr. Chairman.

The committee reported progress.

THIRD READINGS

Bill No. 64 — An Act respecting Arbitration

Hon. Mr. Mitchell: — Mr. Speaker, I move that Bill No. 64 be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 83 — An Act respecting Pension Benefits

Hon. Mr. Mitchell: — I move that the amendments be now read the first and second time.

Motion agreed to.

Hon. Mr. Mitchell: — Mr. Speaker, by leave of the Assembly, I move that this Bill be now read the third time and passed under its title.

Motion agreed to and, by leave of the Assembly, the Bill read a third time and passed under its title.

Bill No. 81 — An Act respecting the repeal of The Criminal Injuries Compensation Act

Hon. Mr. Mitchell: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 82 — An Act to amend The Victims of Crime Act

Hon. Mr. Mitchell: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

(2015)

COMMITTEE OF FINANCE

Consolidated Fund Expenditure Environment and Public Safety Vote 9

The Chair: — Order. I understand the minister will be joined later by her officials. And when she is, she can introduce them at that time.

Hon. Ms. Carson: — Yes, Mr. Chairman, the officials are a little bit late. They'll be here in a few minutes.

Item 1

Mr. D'Autremont: — Thank you, Mr. Chairman. Madam Minister, I believe we gave you a set of global questions quite a while ago now, the same, similar questions that we have given to all of the ministers and asked for their responses. And I believe you have turned that over to us. We would like to thank you for that. The staff has gone through it — they're still going through it — and I'm just

wondering if we could get your commitment to supply any answers that we find may be missing at an equivalent level to those answers supplied by the other ministers.

We received some very good detailed responses from the Rural Affairs minister and many of the other ministers. I'm just wondering if we can have a commitment from you this evening that if we find any questions that have not been answered, if you would make a commitment to respond in a manner equivalent to your other colleagues.

Hon. Ms. Carson: — Mr. Chair, yes certainly we most willingly will make that commitment to supply the answers that you have found lacking in the information we've given you.

Mr. D'Autremont: — Thank you, Madam Minister. One of the issues that has come up with the environment Bill, particularly with Bill 3, and it seems to be creating some concerns across the province with a number of people, and that is the fuel storage tanks and the elimination of underground fuel storage tanks, or special environmental requirements for farms that have more than 3,500 litres of storage on site.

I'm receiving a number of phone calls from people with concerns about that because in the case of farmers, the added cost of handling it in a proper environmental manner, of building perhaps dikes around it, etc. to store larger amounts of fuel on their farms, or particularly in cases where farmers have had underground storage tanks . . .

Now we all know that we don't want gasoline or diesel leaking into the environment. Neither does the farmer because every drop of gas that happens to leak out of his tank is money out of his pocket. So they're very careful with it. But while we do realize that there are at times leaks that do occur, one of the concerns that has been expressed to me, Madam Minister, is the — and we talked about this in Bill 3 — the need to have somebody on site to inspect as the tank is being dug out of the ground as it's removed. I don't know just how we could go about that but if some manner could be found to make it less costly when this tank is removed . . . I realize that you would like to have . . . the department would like to have soil samples taken and if there is not a person on site that could . . . that's certified to be there by your department, then you may feel that there's a problem in identifying whether or not proper measures were taken when that soil was removed from around the tank, when the tank is removed.

But have you given any consideration perhaps to having the contractor who removed the tank or the owner of the land site filling out an affidavit and swearing that soil samples were taken, that they were presented to your department, that they are the accurate ones taken at various levels as the tank was removed as could be designated by your department. Samples from on top, samples from the side, samples from underneath at various locations so that you could get a good representative sample, rather than having to have either a member of your department or a technician certified to be there to collect the soil samples and to review the digging out of that fuel tank when it needs to be removed, Madam

Minister.

Hon. Ms. Carson: — Mr. Chairman, I thank the member opposite for bringing that to our attention. Obviously we don't want anyone to have to be paying unnecessary expenses in the certification process. And we're dealing with that now. We're looking at the situation. If there is an alternative process that we could bring in that would ensure the adequate level of supervision then we will bring it in.

We make a commitment to you that we . . . neither the government or obviously the public or you want to impose any unnecessary expenditures on farmers or anyone else who has underground tanks. And if it's not necessary for the inspector to be at the site for the entire duration of the removal of the tank, then we will take another process to try to make sure that this problem is rectified.

I think it's important to make sure though that . . . We're dealing with contaminated sites and we're finding now across the country there are many sites that have lost their value because people have left underground tanks sitting in the soil and the soil around it has become saturated. And that has had a depreciation value on the property.

So I think it's a two-edged sword here. If the property is to maintain its value then we have to make sure that if there is contaminated soil it cannot be just covered up and left there. And this whole process that we're developing now speaks to that end of the problem as well as to the end of making sure that any tanks that are put back in are certified properly.

Yesterday we announced that people who had underground storage tanks had until October 31 of this year to register those tanks with the department. And then they have until March 31, 1994 to have the tanks certified. So if we find that that process is too short, we can extend it. But we do stress that we have to start somewhere and we have to set some time lines, and respecting the fact that there is a problem with cost here and we will try as much as possible to alleviate those concerns with making the public or the owners bear any unnecessary costs.

Mr. D'Autremont: — Thank you, Madam Minister. I believe perhaps your officials are outside the door, if you would wish to contact them and bring them in.

The Chair: — Would the minister like to introduce her official?

Hon. Ms. Carson: — I have with me Larry Lechner, director of air and land protection services.

Mr. D'Autremont: — Thank you, Mr. Chairman. Mr. Chairman, Madam Minister, we understand the concern for contaminated soil and that it needs to be disposed of properly, but it's up until the point that the soil is determined to be contaminated where the cost seems to be in place.

I'm just wondering, what's the process now? You've taken the sample out of the ground. How long does it take

to find out that the soil is actually contaminated? What do you do with that soil after it's been determined to be contaminated? And what do you do with the fuel storage tank that is removed from the ground?

Hon. Ms. Carson: — Mr. Chairman, the tanks that are found to be deficient are taken up and transported to a steel mill like IPSCO if they're no longer usable. The soil that is contaminated is taken and hauled to an approved landfill site and spread there.

Mr. D'Autremont: — And, Madam Minister, are all fuel tanks taken directly to IPSCO or is there some spot in the intervening time, from the time they come out of the ground to the time they end up at IPSCO, that they are stored at?

Hon. Ms. Carson: — There are a number of companies in the province who are handling these old storage tanks. They usually cut them up and store them until they have collected enough steel and they sell them to a steel mill. They're not held as a tank. They're usually cut up and packed away, and the company that is contracted to do this takes care of that.

(2030)

Mr. D'Autremont: — So, Madam Minister, there are a number of sites then around the province where these tanks would be deposited until such times as they ended up at IPSCO, because that was one of the concerns that had been expressed to me by a number of the people whose tanks are being removed. They were unclear as to what to do with this tank after it had been removed from the ground. They didn't know whether they just left it sitting there or what they had to do with it.

So I think perhaps, Madam Minister, what needs to be done is some information clarified and given out to the public as to what the process really is. If you remove your tank, what you do with it afterwards because I know that was one of the concerns that was brought up to me as people didn't know what was to happen to their tank after they had removed it from the ground.

In the case of some contaminated soil, Madam Minister, is it possible to recycle that soil? I know from experience in the oil field that when soils are contaminated with an oil spill, that it's possible to wash the soil, recover the oil from it, and the oil is then clean and ready to be reused again in the proper manner soil is, to grow plants, etc. Is it possible to recycle the soil that has been contaminated from leaking fuel tanks, and is that even done?

Hon. Ms. Carson: — To the first question . . . to the last question first. Yes, it is possible to recycle the soil depending on the extent of the contamination. It can be just spread out and aerated and the contamination will evaporate, and it can be mixed back in after a certain length of time. So yes, the soil can be recycled.

In regard to the problem that you've identified: what do people do with these tanks if they're no longer usable; that was a very good question and we appreciate your information on that. We will make available to the public, if they phone and ask us, but we maybe have to set up a

better process to give them the names of the companies, the contractors that are in the business of picking up these used storage tanks. It may be something that we have to streamline a little bit to get the message out. We have the list of the contractors. It can be gotten from us by phoning, but perhaps we should make it available even through the rural service centres or something like that.

Mr. D'Autremont: — Thank you, Madam Minister. Perhaps one of the things you could do is . . . you're going to get all these tanks registered by October this year. Once you have that registration in place, perhaps then you could notify all those people with the underground tanks that if there's a problem with their tank that this is the manner to go through to dispose of it. But I have a question too.

When not all of these sites are any longer necessarily owned by an individual or an identifiable company . . . I'm thinking of some of the very small areas around Saskatchewan that used to have a rural town but no longer have so. There was a site just down the highway, the No. 1 Highway, that my colleagues reported they were digging a tank out of the ground. Now who becomes responsible for that, when you can no longer find an owner for that underground storage tank? Is it the RM (rural municipality)? Is it the government? Who becomes responsible for looking after that and the costs associated with that removal?

Hon. Ms. Carson: — It is always the owner of the property that's responsible for the tanks and whatever contamination is there. If it's a abandoned tank, it is the responsibility of the owner of the property.

Mr. D'Autremont: — Well, Madam Minister, in some of these situations there no longer is an identifiable owner or an owner that you can find. What happens in that kind of a case?

Hon. Ms. Carson: — Mr. Chairman, I have more officials with me and I would like to introduce Les Cooke, to my left, deputy minister, and Donna Kellsey, director of financial management branch, behind me. There may be one more official coming later.

I'm sorry. If the member opposite would repeat that question.

Mr. D'Autremont: — Madam Minister, in some cases, though, it's impossible to find the owner. I'm thinking of a small town in our . . . where there used to be a town and there no longer is a town. I'm sure there's a name on the title of the old village site but nobody's paid taxes on that land for years now. And the RM has not taken possession of that land for tax purposes because it has no value. Now in that case where there is an underground storage tank there, who becomes . . . who's responsible for that tank at that point in time? There's no longer an owner that's identifiable. The RM does not have possession of it. Who is responsible?

Hon. Ms. Carson: — If there is contamination on the spot that is endangering the public in that it's leaking into a water system and it has to be cleaned up, then the department will undertake to take and clean up that site.

The process that they go through from there is, they endeavour to find through the proper channels, the legal channels, who has title to the property and try to recover the cost that way. If there is no way of finding the proper owner or of recovering the cost, then it's absorbed by the department.

Mr. D'Autremont: — In the case of an RM that has maybe taken the land back after quite a number of years as a tax lien against it, would the RM then be responsible?

Hon. Ms. Carson: — As titled owner of the property, they would be responsible.

Mr. D'Autremont: — Well I guess that tells RMs not to repossess any old service stations.

Madam Minister, when a tank is removed from the ground and your officials are not on site, but you have a certified person who has taken some training, who is, I gather, employed by the construction company, perhaps, that is removing the tank, would it possible to . . . or I should say, is there a limit to the number of these certified technicians that are around the province? Is that limited, or can you have an unlimited number of these people that are certified to take the proper soil samples and to remove the tank, to inspect it while the tank is being removed?

Hon. Ms. Carson: — Maybe a point of clarification here. The person who is doing the installation of the tank is the person that's doing the certification, who is the person qualified as the certifier. He possesses the necessary qualifications to certify that tank. So it's the installer. And there can be any number of people who install underground tanks in Saskatchewan. It's a business.

Mr. D'Autremont: — Madam Minister, the concerns that have been expressed to me is that there seems to be, in this particular location, in that area of the province, one person who is certified to install the tanks and that person has to be there when that tank is removed. There are other contractors in his area who can do the work to remove the tank, who have the backhoes necessary to do the job, but they have to get this other fellow from another community to come to their community to inspect it as the tank is being removed. And this seems to be an added burden on the business.

In some cases, the business may indeed own a backhoe themselves with which they could remove the tank, but they have to have the other fellow come and watch the tank being removed and then certify it as it's replaced. And this seems to be an added burden to the people who are involved in this because they have to pay . . . and the figures I'm getting are anywheres from 30 to \$36 an hour, to have that man standing there watching while the dirt is being dug out and the tank is removed. And this seems to be the part that's causing the concerns and the problems for people.

If a greater number of people could be certified and bonded to do these soil samples and to remove the tanks, perhaps that would alleviate some of the problems that seems to be developing with this.

Hon. Ms. Carson: — The problem you have described, I

think, is simply one of lack of perhaps communication as the program starts off. Anyone can be certified at no cost. The department offers a course for anyone. If someone wants to be able to come into the department, take the course so they can remove the tank, they can receive their certificate by taking the course from the department at no cost. And then they go out and do that themselves.

Mr. D'Autremont: — Well, Madam Minister, that is perhaps what the problem here is, is because the program is new, there's very few people certified, and people don't understand how it's to work. It seems to be the problem is the cost that I'm hearing about anyway.

So, Madam Minister, perhaps as the program goes on, if you can advertise it that the certification is free and anybody can do it, providing they meet the qualifications I suppose — the technical know-how to do the job — that will alleviate the problem.

How long does this course take? Is it an eight-hour course? Is it a week? Or what is involved in it?

Hon. Ms. Carson: — It's about a one-day course. The department has certified over 200 people to this point in time. If there is an area that we have missed and we haven't provided the course, if you would give us the area that you're talking about, perhaps we could go and make sure that people out there who have an interest in taking the course have the course made available to them.

Mr. D'Autremont: — Well the area I'm receiving the complaints from mainly, Madam Minister, is the Nipawin area, the north-east area. So perhaps that's an area where you could take a look at.

I'd like to go onto storage tanks still, but this time above ground. I have a letter of concern from a farmer who is concerned about the storage of greater than 4,000 litres of fuel above ground. I'm just wondering, what procedures do you have to go through to be able to store fuel above ground legally?

Hon. Ms. Carson: — For storage tanks above ground, the hazardous substance regulations that are in effect are the ones that are the . . . need to be in compliance with. As I said, by October of this year people who have those storage tanks above ground have to be registered with the department, and by the first . . . no well, March 31, 1994 then those tanks have to be in compliance with the regulations.

And the regulations deal with two issues. One issue is with the containment issue and the other is with alarm systems, so that there is a fire alarm system in there. And the other is the building so that whatever contamination might be possible can be contained within that area.

Mr. D'Autremont: — Okay, Madam Minister, when you talk of a system it says on the piece of paper I have here any tank or multiple of tanks within a system where total system capacity is 4,000 litres or larger.

Now, when you mean a system, do you mean . . . like on farms, tanks are not often connected up to a central pump. You have tanks lined up in a row, but they all have

separate hoses on them and you pull up to the one you want to use and you fill out of it.

Now because they're all lined up in a row, is that a system? Or do they have to be all connected into a central point where you would use one nozzle to extract whatever fuel you wanted?

Hon. Ms. Carson: — They do not have to be interconnected. It's just the number of tanks.

(2045)

Mr. D'Autremont: — Okay, Madam Minister, how far apart can tanks be to become not a system? Is it within two feet of each other, within twenty yards, or what? When are a set of tanks no longer a system?

Hon. Ms. Carson: — We don't have any regulations. I don't think anybody really decided to carry it to that extent. Common sense will dictate what is the appropriate distance one should be from the other.

Mr. D'Autremont: — Well, Madam Minister, I know farmers, and when you tell them that they have to meet certain requirements in a system, that they have to be registered, that they have to have containment, that they have to have alarms, if it's a system, they're going to spread their tanks around the yard and say it's not a system. These are individual tanks. This is where I keep my diesel. This is where the gasoline is and so . . . to avoid having to meet these regulations because that's a bunch of paperwork for them. It's not that they're trying to break the law. They just don't want the hassle of having to deal with all of the regulations.

So, Madam Minister, I think it would be important if you had a definition of what a system is. I know a number of farmers who have a large amount of fuel. And a lot of it is not even situated at their home sites. It's on the section of land 10 miles away. Or it's down the road three miles over at the other bins and that type of thing.

So what is a system and what is not a system?

Hon. Ms. Carson: — You have perhaps identified something that hadn't been looked at closely enough and we perhaps should expand or look at the definition of what a system is. Maybe it's not clear enough.

I guess the other issue that is important that farmers, for their own safety, should want to make sure that wherever they're storing their fuel, it should be in a regulated . . . an area that it's got proper containment and safety features.

This isn't to frustrate farmers; it's to hope to reduce accidents on the farm and to preserve the environment at the same time. So perhaps the problem you've identified is something that we should look at. I don't think we had anticipated the complexity that you talk about.

Mr. D'Autremont: — Well, Madam Minister, when you talk about containment and alarm systems . . . I farm a very small piece of land. I'm not a large farmer. I have five quarters. And I'm sure that I have well above your 4,000 litres. But for me to put in a containment system; for me to

put in an alarm system; a fire prevention . . . it's an extravagant amount of money.

And to avoid having to do that, I'm sure a good many farmers will simply move that tank because they're all generally on portable stands that can be moved. Move it 50 yards away or move it to the other side of the yard. Because farmers make sure that those fuel tanks are away from their water supply to prevent contamination. They ensure that they are away from their buildings in case of fires.

But they cannot afford to go to a system like this, where you would be having, I'm sure, a considerable cost. Because I know that fire alarm, fire detection systems for that kind of facility do not come cheap.

Now I realize that this will not affect all farmers. But it will affect all those farmers that are carrying out some commercial activity such as crop spraying or custom combining or the applications of anhydrous and other chemicals.

So you're going to hit a large number of farmers throughout the system because more and more farmers are indeed going to some sort of a custom operation within their system. They may not own a combine, but they do custom applications of chemicals and the neighbour down the road, who they work for in the spring, comes back and combines for them in the fall.

So in some cases there's no exchange of money; in some cases there is. So those ones that do have that exchange of money are running a commercial system. In a lot of cases, they're even registered and they go out and around their neighbourhoods and work. And a fair number of them go south across the border when it comes to custom combining.

So you're going to affect a large number of people here and while they are no more desirous of pollution than anyone else there is a cost factor here.

Now when you talk about containment for somebody who is selling fuel on a commercial basis, that's one thing. He's running a large amount of fuel through his system. He is generating his income through that fuel and he needs it for his own protection. Because if you dump a 10,000 gallon tank some place that's going to cost him some money. If it's in a system that's contained he can recover a good portion of that so that is in effect insurance for himself to recover his costs.

But for the farmer, if he has to put up a cement slab with cement walls around it to contain this fuel tank, it's going to be an exorbitant price and the farmers are simply not going to be able to afford it, Madam Minister.

Hon. Ms. Carson: — Mr. Chairman, these regulations we're talking about are not meant to be prohibitive to farmers. They're trying to be the basic steps necessary in order to prevent contamination and to protect the farmer and the environment.

They're very simple. They don't have to be elaborate systems but because we realize the pressure, or the cost

may have some pressure on the farm operation, we're considering extending the time that farmers would need to come in compliance by another three years or making it five years before they have to come into compliance with the regulations. So there may be an exemption.

We're looking at it to see whether we can extend a couple more years or three more years to the time frame to allow farmers some time to adjust and to make sure that we don't impose on them any unnecessary cost.

Mr. D'Autremont: — Well, Madam Minister, I know of one farmer who is not a commercial operation, but who has over 30,000 litres of fuel storage on his farm site. And that 30,000 litres is spread over 11 different locations around his farm.

So when you talk about containment in this . . . if this was a commercial operation where they were doing something for hire, what is the containment that would be necessary for them to make these kind of storage sites safe, environmentally sound?

Hon. Ms. Carson: — If he has tanks, individual tanks that are less than 4,000 litres spread around his farm then he's exempt. If he's got 11 quarters and he's got a small tank, less than 4,000 litres on each quarter, then he's beneath the threshold limit for regulations.

Mr. D'Autremont: — Okay, Madam Minister, I wonder if you could give me an explanation though of what you mean by containment, first?

Hon. Ms. Carson: — It's a berm around the tanks.

Mr. D'Autremont: — This could be a dirt berm, or would it have to be something more substantial and something impervious?

Hon. Ms. Carson: — A clay-soil berm.

Mr. D'Autremont: — Okay, Madam Minister, we've determined that 11 tanks spread over 11 quarters would not constitute a system. What if 11 tanks were spread over one quarter of land equidistant from each other?

Hon. Ms. Carson: — It would still be exempt.

Mr. D'Autremont: — Well, Madam Minister, can you give me some sort of determination as to how close together they would have to be to constitute a system?

Hon. Ms. Carson: — We haven't drawn the regulations this fine. I think it's a matter of common sense. If you have 15 tanks sitting within walking distance of one another, where perhaps there is danger of widespread contamination or of whatever, of leakage, I mean then you would see that as a system.

I think we have to take a look at it. We haven't really tried to define it to the fine terms that you anticipate it should be. If you have some suggestions, if you want it defined more clearly, if you want us . . . If you don't feel these regulations are quite strict enough, you tell us and we'll try to accommodate your wishes if you feel that they should be more restrictive.

Mr. D'Autremont: — Madam Minister, perhaps what your officials need to do is sit down and determine, make a determination on what would be a realistic system. What would realistically be a system? And I would like to make the suggestion, Madam Minister, that the limit, rather than being 4,000 litres be raised to at least 4,546. That would be a minimum.

That number translates into 1,000-gallon tank. So if it could be over that, I think that would cover most fuel tanks held by the average farmer. There will certainly be some farmers with some larger fuel tanks than that but that would cover the average farmer, Madam Minister. If your officials could work up a determination as to what would be a proper determination of a system . . . how many tanks within a certain distance? One of the members of the House suggests six tanks per acre would be a proper determination.

Madam Minister, I would like to go on to some other matters now. On the answers that you did supply us, Madam Minister, on the question 1(f) which was dealing with reclassifications of positions within the department, I note that there are two positions that are classified as vacant and yet have received a new classification and a new salary level. I'm just wondering why these positions were raised in their level and in their salary when there's nobody in there to do any work.

Hon. Ms. Carson: — In two of the cases, the responsibilities were enhanced so they were reclassified prior to advertising for the position. They reviewed the job description, the classification was enhanced because more duties, responsibilities were added; hence the reclassification.

Mr. D'Autremont: — Thank you, Madam Minister. Are those positions filled at the present time, and if so, by whom?

(2100)

Hon. Ms. Carson: — We aren't quite sure which two positions you're talking about. Do you have names of the positions or just . . . Numbers. Can you identify the numbers?

Mr. D'Autremont: — Madam Minister, position no. 141769 and position no. 356028.

Hon. Ms. Carson: — Position number 356028 was reclassified to director of policy and legislation. And the position has been filled by David Beckwermert, through open competition.

And the position 141769 was a clerical position, and it was upgraded to an inspector's position. And it is not filled yet.

Mr. D'Autremont: — Thank you, Madam Minister. I'd like to go back to the issue of the fuel tanks just for a second. Perhaps were you . . . if your officials were to consult with SARM (Saskatchewan Association of Rural Municipalities) on the issue, I think they could probably give you some good direction on what would be a proper

system — to use the term system. They're quite familiar with the needs of the rural communities. And I think that would be the proper place to find out the information that would be needed.

Madam Minister, the department subscribes to a large number of magazines, journals, news-letters, etc. And I'm just wondering, when it talks about some of the magazines that you subscribe to from the U.S. (United States), the dollar figures that are used, are these figures the full cost or are they the face value that you see on the magazine?

Hon. Ms. Carson: — First of all I want to thank the member opposite for the suggestion we should consult SARM. That's a very good idea, and we will be doing that — make that commitment. If the dollar figure is \$90 U.S. (United States), that's \$90 U.S.

Mr. D'Autremont: — That's the fee you actually paid to receive the subscription then, was \$90 U.S. Okay, Madam Minister, thank you.

In your answer to question No. 26 regarding what travel agency is used by the department, the answer was, we have been assigned to National travel agency as the Travel Shoppe has gone out of business. Madam Minister, who did this assigning and why was National travel agency chosen?

Hon. Ms. Carson: — I understand under the last administration travel agencies were assigned. In this circumstance they were just picked as somebody who provides good service. I don't think there was any way of deciding who it was. They were just given a name out of the phone book.

Mr. D'Autremont: — And who gave this name, Madam Minister? The quote says, we have been assigned. So somebody must have made that decision that this is the people you're going to use. Who was it?

Hon. Ms. Carson: — I gather that the word, assign, came from past practice and it was something that the former administration did. And what they did was phone our office and said, who to use? And someone in my office said, use such and such a person . . . or travel agency. And that's what we've been doing. There is no reason other than that was the one that was recommended by someone who obviously feels that they provide excellent service.

Mr. D'Autremont: — Well, Madam Minister, it seems we're dealing here with a case of the mythical they — they decided. So surely somebody though has the responsibility within your office to make those kind of decisions, or within your department; that this is the way it's going to be done. Somebody ultimately says yes or no. Who was the person who did that?

Hon. Ms. Carson: — Well I guess I would say that it matters not to me who the staff want to use. They phoned our office, as they had done in the past under the former administration. They phoned the minister's office and said, who should we use? A name was given to them by probably the secretarial services in my office. They can

use anybody they want. It matters not to me who the department chooses to make travel arrangements.

Mr. D'Autremont: — Well, Madam Minister, it doesn't matter to me either which travel agency is used, as long as the government is getting the best return for their dollar on it. And I would find it surprising though that one of your department people phones up your office, and your secretary tells him to use this particular travel agency. I would have thought that somebody at a management level would make a decision like that. Because if this is the travel agency they're going to be using from now on, surely — I don't know how much money you've spent on travel, I haven't had the opportunity to look through the files yet to find that out — but if it's a significant amount of money it's certainly worthwhile to a travel agency to get that business.

And I would suggest perhaps, Madam Minister, the thing to do in that particular case is to tender it out. Because travel agencies do make a profit when you buy tickets from them. So they are interested in getting your business. So I would think that they could give some sort of relief in the price if you were to tender that system out.

Hon. Ms. Carson: — That's not quite true. The difference is in the quality of service that they will provide, but effectively all travel agencies charge the same commission.

Mr. D'Autremont: — Well, Madam Minister, I encourage you though to tender it out and to find out who is actually making the decisions in your office.

On a news item in the *Leader-Post* of June 12, '92, it talks of students being hired for environmental jobs: "... 70 post-secondary students under the Environment Youth Corps ..."

Madam Minister, what are these students going to be doing? How were they chosen? Where are they from? And who made the decision as to which students would be chosen?

Hon. Ms. Carson: — They were hired through the Public Service Commission as students' applications came in. And we would be pleased to provide you with a list of the students and where they worked. The program just wound up today. It was a very good program, and the students were very eager and pleased they had an opportunity to participate in it.

Mr. D'Autremont: — Well thank you, Madam Minister, I would appreciate that information.

Madam Minister, when I look down the list of your votes and the items of expense in the budget books here, the estimates for '92-93 — I see you have an increase in vote number 1 of 2.7 man years. I'm just wondering, what were those extra positions for? How did they come about, and what are they for?

Hon. Ms. Carson: — They are non-permanent positions to assist in the administration of the environmental protection fund.

Mr. D'Autremont: — Madam Minister, on your vote no. 7, grants to local authorities and other third parties, who would be receiving those grants, Madam Minister? I'm particularly interested in whether or not the environmental study that is being done on uranium mining in the North would be receiving any of this funding.

Hon. Ms. Carson: — To the member opposite, all provincial costs associated with the Uranium Board of Inquiry are under subvote 9, item 5, \$750,000. That's a total cost that is incurred by the province for all aspects of that board of inquiry.

Mr. D'Autremont: — Madam Minister, and in this subvote where you're paying out \$750,000 to carry out this study, the people who are carrying out the study, do they hire their own employees as they see fit, or what kind of controls do you have on this money and how it's spent?

Hon. Ms. Carson: — There's \$750,000 that we have allocated to the Uranium Board of Inquiry. As you will go back in time, the former administration established the Uranium Board of Inquiry. At the time it was set up, there was no money allocated to it in last year's budget, the '91-92 budget year.

The budget that the former administration established had no money allocated to that board of inquiry even though it was established by that administration. We appealed to the federal government to pick up our share of the costs last year if we would pick up the costs this year. So \$750,000 is our share of that board of inquiry, the two-year board, and the administration and the budget of that board of inquiry is through FEARO (Federal Environmental Assessment Review Office), the federal environmental assessment organization, and they handle all of the details as far as administrative cost and budgeting.

Mr. D'Autremont: — Well thank you, Madam Minister. I found it kind of strange or surprising though, when after the election, one sitting member of the New Democratic Party was defeated and shortly thereafter shows up working for that uranium board of inquiry — one of the participants who is supplying ... who will be making requests to that board. And that was the member Peter Prebble, who is working now for one of the groups that is receiving funding under this program to make submissions to this uranium inquiry board.

I just found it a little strange, Madam Minister, that all of a sudden there's one NDP (New Democratic Party) member who was defeated and is actually getting government money — indirectly, perhaps — but still getting government money as an employee of one of the groups who will be making submissions to the uranium inquiry board.

I think that is one of the things that makes all of us as politicians look bad, Madam Minister, when defeated politicians are given jobs on the government payroll.

Madam Minister, I would like to go to another matter now dealing with Water Appeal Board. Is this board in place now, Madam Minister? And is it operating? I know that

there was a problem earlier on in the spring where the board was not in place and there was some judgements that needed to be looked at.

(2115)

Hon. Ms. Carson: — To the first question regarding Peter Prebble's involvement. There's intervenor funding provided through the board of inquiry for certain groups. The Saskatchewan Environmental Society is one of the groups that has been provided with intervenor funding. That was under the terms of reference that was set up by the former administration. And Mr. Prebble represents the Saskatchewan Environmental Network. It has nothing to do with this government. We do not allocate the funds. We do not decide who should get the money and who should do the work. It is totally and completely independent and this government has no role whatsoever as far as deciding those participants.

In regard to the Water Appeal Board, the members of that appeal board have been nominated. The board is in operation and they have been hearing appeals.

Mr. D'Autremont: — Thank you, Madam Minister. It certainly strengthens the hand of the environmental society that'll be making those presentations to this inquiry when you're supplying the money and they turn around and hire an ex-MLA (Member of the Legislative Assembly) from your party. I think it would probably enhance their capacity to lobby the government.

Madam Minister, I'm glad to hear that the Water Appeal Board is up and running and operating, because I know that there was some concerns there by some of the people who had appeals before the board and were looking for some settlements.

At this time I would like to thank the minister for her responses and for her responses to the global questions, and to thank her officials for coming in here tonight.

Hon. Ms. Carson: — I would like to thank the member opposite. But I would like to engage in a debate on that last remark but I will resist the temptation and perhaps we can debate it at another time. But I do appreciate the help and the questions from the member opposite and I would like to thank my officials as well for coming tonight.

Item 1 agreed to.

Items 2 to 8 inclusive agreed to.

Vote 9 agreed to.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Environment and Public Safety
Ordinary Expenditure — Vote 9**

Items 1 to 7 inclusive agreed to.

Vote 9 agreed to.

**Supplementary Estimates 1991
Consolidated Fund Budgetary Expenditure**

**Environment and Public Safety
Ordinary Expenditure — Vote 9**

Items 1 to 4 inclusive agreed to.

Vote 9 agreed to.

Hon. Ms. Carson: — I would like to thank the members for the opposition for their help this evening.

Mr. D'Autremont: — Thank you, Mr. Chairman. I would like to thank the minister and her officials again for their co-operation and their work this evening.

**Consolidated Fund Expenditure
Economic Development
Vote 45**

The Chair: — Order. I would ask the minister to please introduce the officials.

Hon. Mr. Lingenfelter: — Mr. Chairman, it's my pleasure to be back again in estimates. We spent some time — oh, a week ago — on these estimates and our anticipation is that we will want to get on with them. I have with me tonight Mr. Bill Allcock, the associate deputy minister of Economic Development, to my right, and Mr. Peter Phillips, chief economist in the department, to my left.

Item 1

Mr. Boyd: — Thank you, Mr. Chairman. Mr. Minister, I'd like to express some thank you for the estimates . . . or I mean the information that was provided to the global questions that we started with, to your staff. We appreciate them taking the time to provide that. We'll deal with those in a little bit later as we move on this evening. There was a few questions that were, in our judgement, not answered in complete fashion and we'd like to see if we could pursue them a little bit.

We're going to try and move this along fairly quickly, so with the minister's co-operation, I'm sure we can.

With respect first of all to AECL (Atomic Energy of Canada Ltd.) and the agreement, I'm wondering, as I understand the agreement, if the provincial government, the duly elected provincial government, backed out of the agreement, there was a penalty clause, I understand, in the agreements. And I'm wondering if the minister could elaborate a little bit on that, whether that penalty was indeed paid and what the penalty in dollars was?

Hon. Mr. Lingenfelter: — Mr. Chairman, the members opposite will be aware that there was a penalty clause in the original agreement — this being the memorandum of understanding between AECL and SaskPower — that would have meant \$2 million being paid by the provincial government if the deal didn't go ahead. Now I think, as evidence that the negotiations are still going on, the fact is the payment has not been made nor been called for by the federal government. And there's good reason for that because we've indicated to them, very directly, that we are interested in fact in an agreement whereby research staff would come from AECL's Ontario operation to Saskatoon. And these negotiations are

ongoing. I've spoken to both Bill McKnight and Jake Epp recently, as recently as last week.

I think it's fair to say, although there is no agreement at this point, there is open discussions going on about the potential of employees of AECL engineers and others coming to Saskatchewan to do research into the use of radiation as would be used in irradiating food; as it might apply to medical research; research as it might apply to the development of a CANDU 3 (Canadian deuterium uranium) reactor up to the point of actually making a commitment to a CANDU 3 reactor.

That is, the province has stated publicly and privately to Mr. Epp and the federal government that we do not have the need for a CANDU 3 reactor which would provide 450 megawatts of power in the near future, in fact not before the year 2003.

And we've set up an institute to study the needs of the province between the years 2003 and 2020. Now that institute will look at all of the options. It will look at hydro; it will look at coal, thermal energy; it will look at wind; it will look at solar; it will look at biomass and other alternatives, including conservation; and it will also look at the potential of nuclear.

Now this is how we have approached AECL, telling them that we don't need the CANDU 3 reactor right now. But in the mix and the bundle that we would look at between the year 2003 and 2020, nuclear will be looked at along with all of the other energy options.

But in the mean time we have clearly indicated to AECL that we would look at and be very much in favour in fact of engineers from that corporation coming from Saskatchewan to do research in Saskatoon.

Mr. Boyd: — Mr. Minister, is there any deadline date on the penalty clause of that agreement that you're aware of?

Hon. Mr. Lingenfelter: — Well there was. As you know the agreement was stated in such a way that if there wasn't a conclusion by a certain date, then the penalty clause would be invoked. But I think the federal government realizes that obviously negotiations are going on and there is a relatively good mood between the federal minister and the provincial Minister of Energy and Mines and the Minister of Economic Development. And we're still looking at options whereby we might come to some resolve of this and see jobs coming to Saskatoon in the area of research through AECL.

Mr. Boyd: — Mr. Minister, it's been your party's position over time, official party's position over some time, that as new jobs opened up in the North to replace uranium mining jobs, that you had phase down the development of uranium mining. And I'm wondering is that still the official position of your government.

(2130)

Hon. Mr. Lingenfelter: — This policy of the party — I want to make it clear — this party policy is that no mines will be shut down until employment is found for people in northern Saskatchewan. And this has been a policy of the

party for some time. And it's expected that, at least for the foreseeable future, although our conventions are held annually, I believe this year in November — I don't know whether that will be reviewed or not — but this is the policy at the present time.

Mr. Boyd: — Is that also the policy of your government?

Hon. Mr. Lingenfelter: — The policy of the government at the present time is to keep the existing mines in production. And obviously the party has influence on the government, as with any political party. So it's fair to say that we intend to keep the mines open and because they create a lot of jobs and the job rate in northern Saskatchewan is very, very high after a number of years where we feel that more should have been done in northern Saskatchewan.

There are actual towns and villages in northern Saskatchewan where the unemployment rate is over 50 per cent. So it's very unlikely that the policy of keeping these mines open until we have jobs for our people of northern Saskatchewan, that anything other than that, that there would be any indication of moving away from that.

Mr. Boyd: — Thank you, Mr. Minister. I'm wondering a little bit about your feelings, your thoughts, on the implications of breaking of contracts.

Now we can argue and debate about whether you believe the contracts, for example, in the GRIP (gross revenue insurance program) contracts with farm families, were broke. And you would probably suggest they haven't been broke and we'll suggest that they were broke. And we'll just leave it out there that there's some question of whether or not there was a contract broke in that case.

And with respect to the upgrader at Lloydminster, I'm sure we can engage in that same debate of whether or not there was an agreement, not a contract necessarily, but a sort of commitment, obligation, whatever you want to call it, that the province pick up their share of the cost overrun.

And we can, as I said, we can debate that the same as we can debate the contract issue. But again, I would submit that that is out there. That people would, in some circles, I would suggest to you, believe that perhaps the government didn't live up to its obligation in that area.

And in another area, with the contracts with public servants last fall, their contracts were essentially changed or broke, whatever you want to . . . And again, we can debate whether that was indeed the case. But I would suggest in a third circumstance, that certainly is out there; that there's a feeling within a certain group of people out there in society that I think they would suggest in those three incidents that the government either broke, broke intentionally, or broke inadvertently, or didn't live up to their commitments in certain areas.

And I'm wondering whether or not you, as the Minister of Economic Development and Trade, have given that any thought to the possible implications, ramifications of that type of thing. And whether, in your judgement, it has

impacted at all on companies perhaps being interested in relocating in Saskatchewan or expanding in Saskatchewan. I'm wondering your thoughts on that.

Hon. Mr. Lingenfelter: — Just to indicate to the member opposite, that the issue of the perception of government is very, very important. And I think that you'll know that we are working very hard to establish a close relationship with business and working people, with farmers. And it's fair to say that you don't always succeed in every area.

And I guess we disagree on the amount of success that we have had, obviously. But when I look back to the days of the 1982 election and the newly elected government of that day and the dismantling of land bank, and I remember within the first few months there were 500 farmers on the steps of the legislature demonstrating against the government because they felt that their agreement and contract with that Conservative government had been broken. And obviously the government went ahead with that, and that was their prerogative, and they passed legislation to make that happen.

And beef stabilization, the member from Morse will know that there are still outstanding court cases against the government as a result of changes to the beef stabilization plan. And I know that we all wish that everything always went smooth in government, but obviously it doesn't — not for your government, and I'm sure it won't go smooth for ours all the time.

Although I think it's fair to say in some of the so-called perceived breaking of contracts, I think we have large public support for the legislation. I want to say the legislation, which is very much different than breaking contracts as it applied to the upper echelons of the Crown corporations — for example, we had people running Sask Power who were earning over \$400,000 — and I think the public very much supported the position that there was no reason why you would have to pay an individual that much to run a Crown corporation.

When it comes to Promavia, another example that your caucus has used as an example of us breaking a contract, that was not breaking a contract. Money had been put to the company and there was a promise that more money would come into Promavia — but after the private money came in and the private money didn't come in. Therefore the taxpayers, we believe, shouldn't have to put more money into the project. We don't feel that is a broken contract or agreement.

With Husky Oil we think the taxpayers are taking a huge risk in that project and for us to put in \$33 million more because there's cost overruns, easily and quickly, we felt was irresponsible because the taxpayers are not in much of a position as compared to Husky Oil and others to pick up that kind of an overrun.

Now it's fair to say that had you been government you may have wanted to put in another chunk of money into Promavia and to see if you could entice the private money to come, or you may have left the head of Crown corporations, SaskPower, SaskEnergy, and others at those high levels of \$400,000, and you may have put in \$33

million into the overrun in Husky Oil. But I think all of those signals you were sending to the public of loan guarantees and spending, spending, spending at a time that everyone knew that we were broke was damaging very severely the confidence that business people had in the province. That's my argument.

Now your argument is is that we're sending the wrong signals by bargaining toughly, and what I see as being conscious business people in looking after the public interest in terms of spending the taxpayers' dollar very frugally and this is . . . and we do have a difference of opinion here.

But my opinion is is that the taxpayers should be treated with respect when it comes to spending every cent that they put into the treasury of hard-earned money.

So I don't think it is causing us a problem in terms of investment. That is why Roger Phillips is saying not . . . I won't put it in glowing terms, but he's expressing satisfaction with changes that our government has made and then has announced an expansion of his steel plant, of the IPSCO steel plant here in Regina. I think that's an expression of confidence in the economy of Saskatchewan and also in the role that our Premier has played in making this a good place to do business.

If you go back to last Friday, the press conference that was held with the Minister of Energy and Mines and Mr. Ted Renner, the president of Saskoil, and myself in the head office of Saskoil, in the board room with hook-ups to Calgary and Lloydminster and Weyburn and Saskatoon and Swift Current, and where Mr. Renner was saying, this is a government that we like to do business with as an oil company, I think that sends a very positive signal to the business people of Saskatchewan.

When Hitachi, a couple of weeks ago, announced that not only weren't they going to be shutting their plant down in Saskatoon — that had been the original concept, that after Shand 1 was built there was good potential that plant would shut down — they not only announced that they weren't going to shut it down but were going to expand it. This is the only industrial plant that Hitachi has outside of Japan, not only being kept open in Saskatoon but expanded, clearly indicates to me that business people right around the world, and in Saskatchewan, are saying that this in fact is a good place to do business.

And I know the Norquay Alfalfa plant. They came to us early in our mandate and asked us for some help and assistance. We insisted clearly that the credit union and the local people put their money in first and there was a long discussion about that.

And the member from Pelly who spoke to me about this on behalf of his constituents, will make a . . . would tell you that we were very tough to deal with; that we just didn't put the money in. We insisted that the local credit union and the local people have their money in the deal first and the plant is now built.

And so I say to you, it's not perfect. Obviously we could do much more and we're trying to do much more. But in terms of the signals that are being sent in the last month by

Hitachi, and IPSCO, the Norquay Alfalfa plant, Saskoil, I think these business people are saying, Saskatchewan with an NDP government that is moderate in its approach to business, that Saskatchewan is a good place to live and build your companies.

Mr. Boyd: — Thank you, Mr. Minister. Well I'm not quite sure that a lot of people in the business sector would agree with you on that, on your assessment of what kind of signal you're sending. In the past you used as examples land bank and other situations. Mr. Minister, with all due respect, those situations are very, very different than what we see today. And the significant difference is one simple thing. At that time, those people had the right to a court action to find out whether indeed the government was acting improperly or not. Today, in your actions of your government, your Minister of Agriculture and in other areas, they don't have that similar right to court action.

And so I would suggest that that is very clearly a signal to the business sector of society that perhaps if you people get into a situation that you find uncomfortable, you're willing to put in legislation — able, willing, absolutely capable of putting legislation into place — that extinguishes the rights of anyone to challenge you in court.

And while people can only speculate about how that damages the opportunity for investment in Saskatchewan, I think it very definitely . . . I believe it is a serious impairment to people looking at the province as a good place to invest with when they're faced with that kind of climate, governmental climate.

So, Mr. Minister, it seems that while we agree with you, companies are expanding in Saskatchewan, we only can submit to you that perhaps your actions have been a bit heavy-handed, to say the least. And I think it's unfortunate, very unfortunate, particularly with respect to the GRIP contract situation, that a government got themselves into the kind of jam that they got themselves into. If they'd have done it properly, provided adequate notice and that sort of thing, they'd have never found themselves in the jackpot you find yourselves in today.

And, Mr. Minister, I'm wondering whether it's having an effect. We've seen in your budget statement and other public statements that you and others have made in your government, that 700 new businesses, 700 corporations are looking at expanding into Saskatchewan, and yet we don't see much evidence of that. I don't recall there being any announcements with governmental involvement that you've been able to make, other than ones that were already there, like the Norquay plant up there. That was a community bond offering that was already put together, essentially. The IPSCO thing was essentially a situation where a tax measure was put in place and then your government . . . the government changed hands. Then you stopped it. And then you reversed your decision in the budget. So I don't see a lot of activity that points to your contention that business isn't being a little bit cautious, to say the least, about your government's intentions and things of that nature.

(2145)

Now, Mr. Minister, I'd like to go on and deal with the upgrader in Lloydminster. I wonder if you would provide for us details of the agreement, both the basic agreement and the cost overrun agreement. We were wanting pretty specific information on that total agreement.

As well, I wonder if your department has prepared any detailed analysis of those agreements — both the basic agreement and the cost overrun agreement. And I'm wondering if you can also provide us with any analysis that your department has conducted with respect to the length of time that the taxpayers of Saskatchewan will be without any return on their investment as a result of your cost overrun agreement. It's my understanding, and I stand to be corrected, but it's my understanding that the Government of Saskatchewan and the taxpayers of Saskatchewan won't get 1 cent of return until all other . . . all other governments, and all other players in the upgrader, will be paid out on the cost overrun portion.

And I'm wondering if you could provide us with an analysis from your department — table it, please — on all of those types of things that we talked about, an analysis of that length of time that we're looking at.

Hon. Mr. Lingenfelter: — Mr. Chairman, I just want to make it clear that I will answer this to the best of my ability, although it doesn't fall under the purview of Economic Development. It's part of the Crown Investments Corporation. No, I intend to get an answer for you. But I just say that the Department of Economic Development had nothing to do with negotiating the deal while you were in government. Here was an area that was handled by the Crown Investments Corporation.

Now the member opposite indicates that . . . I mean, I think in almost a . . . well in a strange way that projects that we do through the community bonds can't be attributed to the work of our government because it was a program established by their government . . . (inaudible interjection) . . . no, but that's the implication.

I mean the same thing I guess could be said about CIC (Crown Investments Corporation of Saskatchewan), that you used to do the fertilizer plant and the Weyerhaeuser deal, and Millar Western. Obviously that wasn't your work, because CIC was in place when you took over government. You see the folly of that kind of an argument. It just doesn't make sense.

But I would say to the member opposite, that what we are . . . one change that we have made in Economic Development is this: that because of the fact that we're \$14 billion in debt, the opportunity to, even if we wanted to, of signing very large contracts of taxpayers' money . . . (inaudible interjection) . . . yes, like upgraders, like upgraders, simply isn't possible because even if we wanted to we don't have that kind of money at our disposal.

So we're taking quite a different approach. And we're using small tax changes directed at attracting business, like IPSCO and the expansion and the small tax change that you can directly attribute that expansion to. Or the changes to legislation, the Saskoil amendments that will lead to 350 new jobs and 50 new horizontal wells being

drilled in the province of Saskatchewan as a result of that amendment to The Saskoil Act.

And I think in many ways this makes for a much stronger province, where the taxpayers aren't asked to backstop every deal. And I'm just curious as to why a Conservative government would believe that it's the role of the taxpayers of the province to head up all the risk that's taken in the province to create employment. That seems like a very backward looking kind of philosophy for a Conservative member to take — that taxpayers should take the risk and somebody else should make the profits.

We're certainly not intending to go that way. When it comes to the Husky Oil overrun in terms of the construction, there was a demand put on the taxpayers of Saskatchewan for an extra \$33 million over and above what had been committed. We said to them very clearly that we didn't believe that we would and should have to pay, that the taxpayers should have to pay the \$33 million. And it was decided in the end that the federal government will put in that money and the Saskatchewan taxpayers wouldn't. And they also said that in order to retrieve that money from Saskatchewan that when profits start accruing to the corporation that that \$33 million would be deducted.

It's our analysis that at the present price of oil that the Husky Oil upgrader, the Bi-Provincial upgrader, will not make money in the foreseeable future and therefore the \$33 million will not be paid in the foreseeable future.

Mr. Boyd: — Your department hasn't prepared any analysis of the time frame then?

Hon. Mr. Lingenfelter: — The department certainly hasn't because it's not within the purview of our department. Crown Investments Corporation, which is the Crown corporation that you put the project in . . . the member from Estevan and the then premier did not put it in Economic Development. This was a deal done in a Crown corporation, Crown Investments Corporation. And I'm giving you the best knowledge I can from the department's point of view which is basically a repeat of the news releases and documents that are already public. But I know when we get to Crown Investments Corporation, either here in the Assembly or more likely in Crown Corporations Committee, that that information probably should be asked for and would be forthcoming.

Mr. Boyd: — Mr. Minister, I wonder if you could update us on the Crown Life move to Regina here. Is everything proceeding as planned in that one?

Hon. Mr. Lingenfelter: — Here again this is a deal that your government originated in Crown Investments Corporation. But it's my understanding that it's proceeding well. The building that will eventually house the employees is, I believe, under construction. People are coming to Regina either to look for residences or to move their families to Regina in the near future. I think the project is well underway.

Mr. Boyd: — Well, I think these all have significant overlap into your department of ED&T (Economic Diversification and Trade) and that's why the questions

are being asked.

I'm wondering, does the same apply for FCC (Farm Credit Corporation)? Is everything, to the best of your knowledge, proceeding as planned?

Hon. Mr. Lingenfelter: — The FCC project is proceeding and I believe the people will be coming here this fall. I think this is an interesting project, where you have a Crown corporation — FCC — moving to an area where it does most of its business. That seems to make perfectly logical sense that the federal government would in fact move some of their employees into an area where much of the money in FCC is loaned out.

And it was also done in a way where it didn't cost the Saskatchewan taxpayers a lot of money. And it shouldn't because the people who pay for FCC are mostly the farmers who pay interest on their loans. So that is logically centred in Regina.

Unlike the AECL deal, whereby the provincial government of the day put in \$25 million — a commitment of taxpayers' money — to get 170 jobs. It seemed to us when we looked at the deal that using Saskatchewan taxpayers' money to attract federal civil servants — while we don't disagree with it — it was a much different arrangement than was made with federal civil servants in FCC.

It might interest the member that one of the decisions that we made early on was to see whether or not, when jobs are created in Ontario in AECL, it wasn't clear that the taxpayers at the provincial level paid for any of those jobs, or when AECL did research work in Manitoba, that the Manitoba government put money into AECL.

And what we're questioning is whether or not your agreement, where you were putting \$25 million of taxpayers' money from Saskatchewan into this project, made a lot of sense when that wasn't the formula that was used in any other parts of Canada. Now it may be in the end that because the research that is done benefits Saskatchewan more directly than other provinces that might make some sense, but we wanted to look closely at that section of the deal to make sure the taxpayers here again weren't being taken to the cleaners on trying to get jobs into Saskatchewan that should be legitimately here as a result of the federal government decision.

Mr. Boyd: — Well, Mr. Minister, hopefully we can try and curtail your enthusiasm for partisan rhetoric here a little bit and we'll move along a lot smoother I think than wanting to get into that kind of stuff. You suggested for a moment that the AECL agreement might be good and might not be, and whether you should or shouldn't invest in it, and all this kind of flimflam, but yet you don't want to talk about what . . . these things we're talking about directly. Why don't we just confine ourselves to the questions tonight and we'll move along a whole lot quicker.

Mr. Minister, I'm wondering if you could provide us with a list of all projects and investment dollars that the community bond corporation has been responsible for, and how many community bond projects are pending

approval.

Hon. Mr. Lingenfelter: — I'll get that summary sheet for you. I don't have it right at my fingertips, but I'll get it to you like before the committee ends tonight. We'll just pull that out for you.

Mr. Boyd: — Mr. Minister, there was a few orders in council that your department dealt with back in the fall and early spring, and I'm wondering if you could provide us with an analysis of each one of those orders in councils and what they were for.

Hon. Mr. Lingenfelter: — For the member opposite, I have the community bond monthly statistics that take us up to July 31, '92. I could read these out or I can just send them to you.

An Hon. Member: — Send them.

Hon. Mr. Lingenfelter: — Okay. And on the issue of the order in council, could you just clarify. I mean there's any number of orders in councils that we have pass through the department in this time period since the election. Is there certain ones that you're interested in?

Mr. Boyd: — No, Mr. Minister, there isn't any certain ones that we're interested in; we're interested in them all. I wonder if you could provide us with copies of each and every one of the orders in council that your department is responsible for and an analysis of what those orders in councils were for.

Hon. Mr. Lingenfelter: — I wonder if the member would look at question 4 in the package that I gave you. I believe that they were all included there. These would be the appointments that were made by order in council. I think this is what you're referring to. And they should be . . .

An Hon. Member: — No, spending.

Hon. Mr. Lingenfelter: — Spending order in councils. I know there are a number of employment order in councils, and I believe those are the ones that you have. And they'll be just a few that would have financial implications. I believe there were a couple of studies that were commissioned. I believe one by Peat Marwick just recently, and one by Mr. Jack Stabler and Midwest Research. I'll get these for you. And there may be a few others. There aren't many, but I'll get them for you with a bit of an explanation of what they were for.

Mr. Boyd: — Mr. Minister, I think, to the best of my knowledge, there are three that we had in mind: one on April 1 of '92, one on November 26 of '91, and another one on November 26 of '91. The first one is for 343,500, the second one is for 1.548 million, and the third one is for 2.198 million. And I'd like to have a detailed breakdown of what those monies involved.

Hon. Mr. Lingenfelter: — I'll get those for you. To the member from Kindersley, I'll get those for you and then we'll discuss them once I pass them over to you. I just have to go and get that information and we'll have it back in a minute.

Mr. Boyd: — Okay. I wonder if we could deal a little bit just briefly with the Promavia situation. The Associate Minister of Finance, I guess, moth-balled the plan, whatever you want to call it. I'm wondering if you could, as Economic Development minister in the province, provide us with some information on the project, whether there is any plans to try and revive the project or anything of that nature.

(2200)

Hon. Mr. Lingenfelter: — The project was . . . the file was closed, so to speak, because we had — I think it's fair — extended it several times. We had extended several times the deadline for the company to raise the private capital, and I think as the minister at the time indicated that it was put into the so-called inactive file, which means basically that if they came forward with the private capital, we would certainly have a look at it.

But as far as keeping it open and having people working on it on an ongoing basis, it didn't seem to make a lot of sense. But on the other hand if the Promavia folks were to come forward with the private money to make the deal work and put it on the table, we would certainly be interested in having a look at it.

Mr. Boyd: — Mr. Minister, is your department aware of the potential that the Promavia deal certainly is slipping away from our grasp, and we see newspaper reports that other governments, Quebec, I think it is, is possibly interested in it, and I'm wondering is there any likelihood that the project will be revived, or do you consider it not only inactive but completely gone.

Hon. Mr. Lingenfelter: — I wouldn't put it any stronger than inactive. It's inactive, and if the folks who are involved, the Delhamendes, would come forward and raise the money where ever they might choose through the private sector, we would certainly put it back into the active column.

I think it's often the case in business that you really have to look at each one individually, and some business you will do, some deals you will do: IPSCO, Norquay, Hitachi, Saskoil. Some you won't do. It simply is unreasonable that you would expect . . . and I'm sure you yourself as a farmer and as a small-business person know full well that on a yearly basis, you have the opportunity to make many deals.

And many of them you simply walk away from because you believe that they weren't right or the quarter section of land that was for sale was too much. And because you walked away from it, doesn't mean you made a bad deal. It could be the best deal you made in the . . . sometimes the deals that you leave on the table are the best deals that you ever made.

Now that will all be judged after four years, whether the deals we've made with IPSCO and Hitachi and these are the right grouping of deals or whether we should have went after Promavia and some of the other more exotic deals that your government was chasing. But I mean these are all debatable and I guess that's what we're doing here tonight.

But Promavia is an interesting concept, and we looked at it for some time and would have been . . . and had the taxpayers' money ready to go into the deal if the private sector money could have been raised. But when the private sector folks didn't have the money available, then we set that file into inactive and that's where it stays at the present time.

I guess if you're asking, are we hopeful that the private sector money would be available and this plant would go forward, we would be very interested in that.

Mr. Boyd: — Mr. Minister, I can't recall where I saw it, whether it was in one of your news releases or whether it was in the budget address or the throne from the speech, but . . . Speech from the Throne, Speech from the Throne, sorry.

Mr. Minister, I'm wondering if your department has any plans to open any new trade offices throughout North America, or perhaps the world. And if you do, I wonder if you could provide us with a list of those.

Hon. Mr. Lingenfelter: — We're presently reviewing and looking at options for trade. And obviously we have an office in New York and we're having ongoing discussions with our office in New York. And there are suggestions around that you might look at satellite people as opposed to offices, but people who might do business on your behalf in other parts of the United States.

It's not seen that if you were to have a satellite in, let's say, Houston and Los Angeles that you would necessarily open a store-front, where you'd rent expensive office space and have secretarial staff and computers and all of that. But there may be the need for us to have an agent in Houston or an agent in Chicago or an agent in Los Angeles. And we're looking at that as a possibility.

We haven't come to the determination yet whether that's the right way to go or not. But it's clear to us that trade offices . . . And there was an interesting article in the *Toronto Globe and Mail*, I believe it was about two months ago, about the need of all provinces . . . and in that report they referred to the Saskatchewan closures of offices by your government and by our government as sort of leading the way of provinces, really taking a close look at the expenditures of large amounts of money, which were basically places to put people who for one reason or another had helped out a political party and then were placed in these trade offices around the world.

And we made the decision early on that when it came to Minneapolis and Hong Kong, that these offices were far more expensive than what they were bringing in for the people of Saskatchewan.

The other thing is that we believe that the day of shipping former politicians or former political staff people to these places to do trade offices really wasn't working very well. And we won't be re-establishing that kind of a concept. We may, however, look at agents in some of these various parts of the world where we do very direct trade. But I don't think it will mean, at this point, that we will be looking at opening up a trade office *per se*.

Mr. Boyd: — I wonder if your department has an analysis of each one of the trade offices that were throughout the . . . to indeed substantiate your claim that there was nothing essentially going on. Do the people of Saskatchewan know that to be a fact? And I suggest if it is a fact, well the people of Saskatchewan would be interested in knowing that.

I'm wondering if the minister could provide us with any list of contacts, any list of sales that were as a result of the trade offices that we did have.

Hon. Mr. Lingenfelter: — I could get for the member, because it's a public document, when we closed the Minneapolis and Hong Kong office and made the decision to leave New York open, you'll recall that we had a press conference and a statement was released on internal studies done by the department as to the amount of exports and trade that were generated through each of these offices. And I can get you that information, because it was a public document, and it clearly indicated to us that Hong Kong was very, very expensive and was not generating enough money.

But that wouldn't mean that an agent in that area that just worked the shops and the streets, so to speak, might not make sense. And that's what we're analysing over there.

The same was true of Minneapolis, although that office was very, very close. I mean it was not making money but it was in a much better position than was Hong Kong. So there's some indication that Minneapolis or Chicago there may be the reason why you would want an agent in that area.

When it came to New York the numbers clearly indicated that the New York office was not only breaking even but generating a good deal of trade into the north-eastern United States, and therefore the decision was made to keep it open. But I will get you that bit of an analysis that was done. I believe it was in December, 1991 when we released that.

Mr. Boyd: — Also I'd like to know what the length of time the office in New York has been open relative to the office in Minneapolis as well as relative to the office in Hong Kong.

Hon. Mr. Lingenfelter: — I'll get that for you. But you'll remember the Hong Kong office was recently . . . was more recent vintage, and Mr. Taylor was the trade representative over there, and Minneapolis much the same with Bob Andrew.

And the other thing that I'll add in the package is the article, if I can find it, from the *Toronto Globe and Mail* that talked in some detail about trade offices and went through some of the other provinces and the very, very expensive allotment that was given to so-called trade offices. And they did a bit of an analysis of who the people were in each of these trade offices across the country. And the determination was that at the end of the day, most of these people had little or no experience in trade, but were in fact political friends of the government.

I'm not being overly critical of your government because you weren't the only ones doing it. But these trade offices were really becoming — right across Canada — a place to put people who had very little knowledge of trade, but were more in line with the political thinking of the government. And so the concept is very much . . . it is our opinion that we can do a much better job of trade by having . . . If we're moving in the direction of having people in these areas, of having representatives or agents as opposed to a full-fledged office with staff and equipment and putting a political person in place, much better to have someone from that area who understands trade.

Mr. Boyd: — Mr. Minister, I'm wondering, in the last opportunity that we had to discuss the estimates of ED&T, you gave us the commitment that you would provide us with certain pieces of information, like the 21 new projects that you have had direct involvement in and the 890 jobs created from them. I'm wondering if you'd provide us with that information now, please.

Hon. Mr. Lingenfelter: — The member asked, I believe it was, for the projects in the fiscal year. And I have those projects here. I can read them out to you or I can send them across. But they include: Prairie Cables of Melville, 10 jobs; Western Bottlers in Moose Jaw, 5; the Spar expansion in Swift Current — do you remember earlier this year? — 60 to 80 jobs; Rendamax at White City, 40 to 50 jobs; Norquay Alfalfa, 15 to 25; Rotary Air Force in Kindersley, 14 to 25; Blowhard in Saskatoon, 8; Hudson Bay Mining at Creighton, we're involved in that project, and there were about 325 jobs saved there. Those weren't new jobs. But as a result of . . . Remember we said jobs created and jobs saved. We had the two items.

Mr. Boyd: — Mr. Minister, I'm not just too sure that was indeed what you'd said. If we go back to August 17, *Hansard*, you said that:

The member will want to know that (there were) 21 new projects that have been completed, (and) of those, 890 (new) jobs . . . From the Business Resource (Sector) (Pardon Me) From the Business Resource Centre, about 770 jobs created, 371 saved.

We'll look through this information and see if it indeed comes up with the numbers that you suggest.

I'm also wondering if the minister has an analysis of when these projects were started. Were they started prior to your administration or after your administration?

Hon. Mr. Lingenfelter: — It would be both in there. And I put to the member, if there's more information you need about these projects, I can certainly get them for you. But it is fair to say that because of the overlap in the period that we're talking about, some of them would obviously be as a result of decisions made while you were in government and some of them would be as a decision made by our government. But it would be a mixture.

The member had asked about the opening of various offices that have been closed. The London office, which your government closed, was opened in 1947. The New

York office, which remains open, was opened in 1985. Hong Kong, which we closed, was opened in 1986. Zürich was opened in 1989, although we have kept a presence in Zürich. And Minneapolis was opened in 1990.

Mr. Boyd: — Mr. Minister, I want to deal now with the situation with respect to Piper Aircraft Corporation. I wonder if you would provide us with an update on the relocation of that aircraft manufacturer.

(2215)

Hon. Mr. Lingenfelter: — As the member will know, the Government of Saskatchewan has made an arrangement with private sector investors through SEDCO (Saskatchewan Economic Development Corporation), Mr. Chairman, and while that doesn't come under the purview of the Department of Economic Development, I will take this opportunity to give a brief report.

The private sector group led by Paul Hill of Regina is actively pursuing acquiring and moving the interests of Piper Aircraft from Vero Beach, Florida to Saskatchewan. And this would include the assembly line for 14 main aircraft models. It would include the moulds and tooling as well as the assembly line equipment, and much of the research that would be included in the corporation.

As you know, the company at the present time stands at chapter 11 bankruptcy in the United States and the courts have been assigned to protect the creditors, secured and unsecured. And normally that means that the assets would be sold in such a way that the amount of money that was received for the assets would protect the creditors who obviously have money involved and owing in that corporation.

The one other thing that could happen here is that Piper Aircraft could actually come out of chapter 11 itself in the United States and stay in its existing plant. So at the present time, the private sector along with some financial help through SEDCO is looking at making an offer that would acquire the assets of Piper at Vero Beach. And I know that Mr. Hill is working very diligently, gives us reports from time to time. But it's still, I believe it's fair to say, optimistic that he has a good chance of acquiring the assets.

Mr. Boyd: — Well that's some news, Mr. Minister. We're all hopeful that the relocation of Piper may come together and start indeed building aircraft in Saskatchewan.

Is there any analysis that your department has done on the move? I wonder if you could also provide us with some cost analysis of the move to Saskatchewan.

I think it's relevant. You say that it's the responsibility of SEDCO and we may . . . That's true, I guess that's indeed the case. But it certainly has economic development and trade implications and that's why we think it's relative to the discussion to ask those questions.

Hon. Mr. Lingenfelter: — This deal, Mr. Chairman, is a loan that is being given by SEDCO and it is a loan that is being done to acquire the assets and move them to

Saskatchewan. Obviously the private sector group who is doing the work will have done a great deal of work and analysis in terms of what the cost will be to move the equipment and factory, not the physical factory, but to move the tooling and that from Vero Beach to Saskatchewan.

I obviously don't have those details and obviously wouldn't make them public at this time because it would be . . . even if I did have them obviously the private sector shareholders would not be terribly interested in us making public details of a deal that's presently under negotiation.

Mr. Boyd: — Thank you, Mr. Minister. I want to deal now with the questions that were submitted to you, the global questions, and we had a number of things that we want to touch on quickly as we move through this to complete that package of information.

I'm wondering if the minister, in the interests of time here, would prefer — I'll leave it up to your judgement — but if you would prefer, we could move through this very quickly if you would give us simply the commitment to provide us with the answers to the questions to the same extent that some of your other colleagues have. Some of your other colleagues, for example the Minister of Justice, the Minister of Community Services as examples, provided very detailed answers to all of the questions, virtually all of the questions, and I would wonder if you would provide us with a commitment to do the same.

Hon. Mr. Lingenfelter: — We'll do the very best we can, and if we've been . . . I went through it quickly before I gave that information to you the other day. If there's deficiencies, and I hope there isn't, I would very much make the commitment to get you more information in any area that we could possibly do that.

Mr. Boyd: — To the same extent that the other ministers have?

Hon. Mr. Lingenfelter: — Yes, we'll certainly try to meet that need of giving you detailed reports.

On the issue of the order in councils that you referred to, there were three of them — one for \$2.198 million. That was part of the special warrant, you remember at the time. In fact all three of them, the 1.5 million as well as 343,000, they were part of the special warrant that was needed during that interim period when there was no budget passed and they were . . . dealt with the spending appropriation of the department for those periods.

Mr. Boyd: — Is there an analysis of the spending of those amounts of money within the special warrant?

Hon. Mr. Lingenfelter: — Let me just give you a brief outline and I . . . (inaudible interjection) . . . Yes, it basically is the \$2.1 million. It was ordinary expenditures for administration of human resources, policy research, and just the basic breakdown that you'll see in the *Estimates* tonight. It would be that appropriation for a given period of time for those various areas of administration and various functions of the department.

Mr. Boyd: — Okay, Mr. Minister, with respect to the question no. 4 in the global questions, it seems the firm of Cooper, Quine & Fraser has received over 1.5 million through tourism initiatives. Were these projects put up for tender? Were these projects advertised? If not, why not?

Hon. Mr. Lingenfelter: — Yes, they were tendered. And when we came to government, we set up a different arrangement than having an agent of record, so-called, for the department. What we did is we set up a committee that was made up of the industry — we had industry representation on the committee as well as government representation — and we advertised the project. We did interviews to look at proposals, and it was one of the first times that I'm aware of in government where the industry itself actually had representation on the interview and selection board. And if you remember back at that time, I believe it was the *Leader-Post* followed it very closely, and I think had relatively positive things to say about the government in terms of the process that they went through in order to arrive at hiring an agency.

So it was an open tender and there was involvement from the industry. And I think we have arrived at a pretty good solution as to how advertising is allocated in the province of Saskatchewan through this process.

Mr. Boyd: — Mr. Minister, your department conducted a direct mail campaign in 1992 that cost the taxpayers of Saskatchewan \$260,000. I'm wondering what that direct mail campaign involved that cost your department \$260,000.

Hon. Mr. Lingenfelter: — Yes, I'm going to pull out the exact direct mail components that we did. But we did a fairly major direct mail into the United States dealing with tourism in Saskatchewan. And I also want to give to you the results because the results of our ad campaign and direct mail into the United States really increased the number of inquiries fairly significantly. And I'll get those for you. They're just pulling them out, and when I get them, I'll send them across.

Mr. Boyd: — Yes, we would appreciate that, Mr. Minister, if you could provide us with the complete details of that package of the direct mail campaign, who conducted that campaign, perhaps examples of the literature, things of all of that nature.

Could you please provide us with a comparison, of comparison figures of tourism dollars this year that were spent relative to 1991?

Hon. Mr. Lingenfelter: — Is this the advertising mostly that you're talking about there? I just want to give you a few numbers. I'm just looking up the exact amount of advertising because the number I have here is sort of a global communication for the whole department and I just want them to break it down into what was actually done in advertising and tourism in two years.

But I did want to give you a bit of an update on the U.S. inquiries which was where a lot of the direct mail went. But in 1991 we had 56,000 inquiries, and in 1992, 78,000 for an increase of just about 40 per cent.

And we didn't do a lot of TV advertising in the United States. It just didn't seem possible for us to cover a big enough area and we believe that a lot of this increased inquiries came as a result of the direct mail that we did.

But we also did some advertising in some of the tourism magazines in the United States. But we think that it's been relatively successful although we won't know whether those inquiries actually materialized to people coming to the province. But we're hopeful that at the end of year — in spite of the cool weather that we've had which has kept some people at home — that our tourist numbers will be at least maintained or increased.

Mr. Boyd: — I wonder if you'd provide us with an estimated total of the tourism dollars expected to be generated in Saskatchewan in 1992?

(2230)

Hon. Mr. Lingenfelter: — The member will know that the amount of money generated through tourism in the province of Saskatchewan is significant; the millions of dollars that are spent in tourism in Saskatchewan generate literally thousands of jobs. And directly and indirectly, we would employ something a little over 20,000 people in the province of Saskatchewan directly and indirectly through tourism.

And it's our goal in the department to try to increase that by 10 per cent. We could increase tourism, which means bringing people obviously from outside Saskatchewan, but also means keeping people at home, particularly in the summer-time and in the winter-time. If you could increase tourism overall in the province by 10 per cent, the present numbers would indicate that you could create an extra 1,500 or 2,000 jobs.

So when you look at this and compare it to other projects in the province — Piper, which at full tilt would create 500 new jobs, and compare a 10 per cent increase in tourism to 2,000 jobs — it is very, very meaningful and significant.

The numbers that we use, although they're probably within a million or so, but in 1990, tourism spent approximately \$780 million in the province of Saskatchewan. There are about 4,700 businesses related to tourism. And so it is very, very big business in the province of Saskatchewan. We would hope over the next few years that we would be able to increase those numbers.

Mr. Boyd: — Could you give us the 1992 figure of the tourism dollars and also the '91 tourism dollars that were spent in Saskatchewan, and then we can compare to see whether you've met your goal of 10 per cent increase.

Hon. Mr. Lingenfelter: — We certainly won't know the this year's numbers at this point. We would still be working with previous numbers. But what I can tell you is that in generating a very large increase in the percentage of inquiries both within the province and without, the advertising on tourism has actually dropped by \$800,000. In 1991-92 it was 2.9 million and in '92-93 we budgeted 2.1 million. So that's a decrease of about

\$800,000 in advertising, and yet the inquiries at every level in Saskatchewan, outside of Saskatchewan, in the United States, and in other provinces is up very considerably.

So we're hopeful that in doing more with less, that that will actually translate into more dollars being spent. But obviously we'll have to wait till the end of the year because the fall season, in terms of tourism, is a big event in Saskatchewan and so those numbers won't be completed actually until later this year.

Mr. Boyd: — Does your estimate of the tourism dollars for '92, does it show indeed an increase? I'm sure your . . . I don't know, but I suspect your department does updates on it as you move throughout the summer, and I'm wondering whether it is indeed showing that increase that you were hopeful of.

Hon. Mr. Lingenfelter: — We're just not able to quite tell you that, although the major events, if you take the Moose Jaw air show, the Regina air show this year, Big Valley, attendance at the RCMP (Royal Canadian Mounted Police) depot, that the numbers are very good. But I don't want to say here that we're up drastically or anything like that because we simply don't know.

I think it's fair to say though that the main indicators are relatively positive. If you look at the big, major events like the Regina exhibition and the Agribition and those functions, the numbers are staying very good and in many cases they're actually increasing.

Mr. Boyd: — Well we'll look forward with interest to those figures when they become available. I wonder if you'd give us that commitment that we'd get that information. I don't know when you consider the tourism season closes off, but when it does, I wonder if you'd provide us with that information.

With respect to question no. 13 of the global estimate questions, I see that your department has spent around \$92,000 in the last 10 weeks on travel. I'm wondering if you could provide us with a breakdown of those travel dollars.

Hon. Mr. Lingenfelter: — I wonder if the member could clarify for me, the question that you're referring to is question 13?

Mr. Boyd: — Yes.

Hon. Mr. Lingenfelter: — And the question is which week? Like I'm not sure where you're breaking this out. We have sort of a global number, and I had thought that we had given you the total number there.

Mr. Boyd: — My information is that you suggested that the American Express card that your department has is only used for travel. And the figure that we were provided with was \$92,000 that that card had rung up over the last 10 weeks. And if it was indeed only for travel, I'm wondering if you can give us a breakdown of those travel expenditures.

Hon. Mr. Lingenfelter: — I'll certainly get that for you. I

haven't got that right here because that's going to take a minute to put together, but I'll get that for you.

Mr. Boyd: — You've also, Mr. Minister, not listed the cost of any legal cases against your department. I wonder if you can confirm that your department or agencies that your department is responsible for are not involved in any actions by former employees.

Hon. Mr. Lingenfelter: — There are a number of confidential legal actions, some that will go back to questions you asked previously about certain individuals that we were referring to, and some of these are confidential.

I don't know whether we . . . Obviously our legal opinion from Justice is that these ongoing cases, which are the only ones that you'd be referring to here in the question, are confidential. And I'm not sure that we want to get into that because I just think that most of this stuff is . . . most of these cases are confidential at this time.

Mr. Boyd: — Confidential for what reasons, Mr. Minister? We've found in our global questions to other departments that the other departments have provided information on every action that their department was involved in. And I'm wondering why your department can't provide that information. Confidential for what reasons?

Hon. Mr. Lingenfelter: — Let me have a look at it. The opinion that we have here is from our legal experts. Let me take another look at that and we'll see what we can get for you. If there's any way . . . Like I really have an interest in giving you all of the information on this that I can. And let me have another look at this and I'll see what I can do.

Mr. Boyd: — Well we'd appreciate more than just you having another look. We'd want some kind of commitment from you that you'd provide us with that information.

Hon. Mr. Lingenfelter: — I mean if there's some legal restrictions on what we can give you, that would be a restricting factor. But I will give you all the information that we can legally give you at this point in time. Obviously there may be some that are in a position, if they're before the courts and that, that obviously we'd have a difficult time giving. But I'll give you everything that we possibly can.

Mr. Boyd: — If they're before the court they'd essentially be public information. I wouldn't think it should be a problem.

Mr. Minister, you found it necessary to eliminate the Buy Saskatchewan Agency. I'm wondering if you can provide us with any analysis of the reasons why you took that action. I think the public of Saskatchewan would be interested in knowing how that department was doing, and the reasons why, and an analysis of why that department was cancelled.

Hon. Mr. Lingenfelter: — Well first of all, I want to say that the Buy Saskatchewan products program has been around for a long time, and buy Saskatchewan, buy Alberta, buy Manitoba are important parts of government

policy. In fact, the Buy Saskatchewan program, it's fair to say, I had my officials take a look at where this program actually came from — and it can be traced back to 1955 when Tommy Douglas was the premier of Saskatchewan and has been modified a number of times, most recently in your government called Buy Saskatchewan in an attempt to run an efficient department. It was needed to roll a number of agencies into the department in a more general way.

And in fact the Buy Saskatchewan functions now are carried out within the department with a great deal of vigour and enthusiasm through diversification division of the Saskatchewan Economic Development. And it's fair to say that here again we're trying to do as much as ever with Buy Saskatchewan but to do it using existing staff in the department. And do it in a much more efficient and in a way that saves the taxpayers of Saskatchewan money. It certainly doesn't mean that we're not committed to buying Saskatchewan. We are and we do in every way we can.

Mr. Boyd: — Just one final question, Mr. Minister. It's my impression of the work of your department and your work on behalf of the taxpayers of Saskatchewan, that as a Minister of Economic Diversification and Trade that the people . . . I think the assessment basically is is that your department hasn't and yourself haven't been doing very well.

There's concern with your direction. There's concern with your lack of plan. There's concern with obviously your success of your various initiatives that you've put forward or indeed the lack of initiatives.

Mr. Minister, right from the very outset you said and your government said that within a very short time of taking office, they would be putting together an economic plan direction that you would be coming forward with. And yet we've seen nothing.

In question period of July 6, '92, the Premier of the province was asked this very simple question:

Will you commit to this Assembly today that you will be tabling an economic development plan for this province before this session ends?

And in answering, the Premier of the province provided this information:

. . . it (is) our intention to table an economic development plan before this legislature adjourns or prorogues. The answer is yes.

Mr. Minister, we've been in session here for some time now. I think it's fair to say that we won't be sitting all that much longer, and yet the province of Saskatchewan has not seen the unveiling of your economic development plan.

(2245)

And as a result of that I think it is providing significant amount of doubt that there ever was an economic plan put together or ever was any indication of an economic

plan, and I think you're just kind of, sort of floundering on the rocks hoping that eventually you'll come up with some kind of an idea, a direction of where you're going.

Mr. Minister, but yet we see very little evidence that you have any plan — very, very little evidence. There's been a few companies that have expanded, a few companies have moved to Saskatchewan, but yet no overall development strategy. And you promised that; your government promised that; the Premier promised that. He promised it before this session ends, and this session is going to end fairly soon it appears. And, Mr. Minister, I'm wondering if you would commit to this Assembly when, when in light of your promise, when this economic development plan will be unveiled.

You've got probably — if you're going to live up to the commitment that your Premier made to this Assembly — very little time left. And I think it is incumbent upon you to provide the direction that your government is going to take with respect to economic development.

Mr. Minister, the last and final question that I have is, when will you be unveiling that long-awaited economic development strategy that you have promised?

Hon. Mr. Lingenfelter: — I want to say to the member opposite that we have made a commitment to releasing a white paper on the economy, and it is an important part of our government plan and strategy. Obviously releasing papers is important, and having a strategy and a game plan that people can look at and analyse and make plans around is important.

But I think it's fair to say as well that we have seen a lot of rhetoric around government plans and announcements in the past. In 1982 we had the open for business conference, and we spent a lot of money bringing people from around the world here, bragging about how people were going to rush here and fill the economy. There was a lot of news releases and hype, and then nothing happened.

And then we had the privatization plans and a lot of hype in 1985 about how this was going to turn the economy around. And then that one was laying on the rocks without a great deal going on. And then there was Fair Share, and there was a huge announcement that this was going to be the saviour of Saskatchewan. And then we had the announcement of a factory in every town. We remember that.

So I think it's fair to say that the department — and I think wisely — is taking a different approach; that it's a much quieter approach — as you see, \$800,000 in less advertising in one area but overall the advertising down considerably. So I think you will see a much quieter approach to economic development but more meaningful, i.e. Hitachi and IPSCO, Norquay. As you see many community bonds coming into place, the unemployment rate in Saskatchewan the lowest in Canada.

I believe that with this kind of approach that may not be as flashy as the member from Estevan had with his huge conferences, and his \$30 million a year advertising

campaigns, but I think it's fair to say that when the smoke clears away and you check the numbers on housing starts, jobs being created, when you look at the number of houses in small-town Saskatchewan, Estevan, Moose Jaw, North Battleford, you'll find that in fact most of the indicators, most of the indicators are very strong in Saskatchewan and much stronger than other provinces in western Canada.

Ms. Haverstock: — Thank you, Mr. Chairman. I welcome the minister and his officials this evening. I'm very pleased I have this opportunity to ask you some questions, sir.

The Department of Economic Diversification and Trade has as one of its objectives, and I quote, the "identification, encouragement and assistance for projects" that offer the potential to bringing employment to Saskatchewan.

What factors or criteria does the department's diversification and investment branch use to decide which projects are or are not viable?

Hon. Mr. Lingenfelter: — Well, the analysis that goes into projects ... Obviously there is a due diligence process. Obviously we want to make sure that the projects are viable. Because I think we've seen a number of projects where that wasn't the case; where the government had involvement and taxpayers' money was involved and when the project went bankrupt, what we find is there was very little analysis of whether the project was viable in the first place.

The other thing that seems to be lacking in many projects and business plans in Saskatchewan is a marketing concept. You can have the best ideas in the world of a new mousetrap or a new toboggan or a new telephone, but if you don't have a market for them — you can build all of the best telephones in the world or all the best noodle factories in the world, but if you don't have a market, if you don't have a place to sell it, then the company isn't going to be viable. So marketing analysis is very, very important.

The potential of job creation and the number of jobs that a project will create is important. Location, suitability is important, as well as the technology that might be involved or created that would have spin-off effects on other aspects of the economy are important as well.

And in those areas where we see weaknesses in the plan, the department is in a ... and I think a powerful position to not only advise of weaknesses but also to give positive alternatives that might make the business plan stronger and make the company successful.

Ms. Haverstock: — Thank you, Mr. Minister. I'm to take it then, if I've accurately heard you, that the criteria used by the department's diversification and investment branch to decide whether or not the project is going to be viable is based upon job creation, the suitability of that particular project — which I don't quite understand how you judge that without some measurement tool — technology, location, and marketing analysis. Is that correct? Thank you.

If I may, I may take it upon myself to have some communication with your department of how I think that perhaps there can be a better way of analysing the viability of projects.

My second question is with regard to the labour-sponsored venture capital program. According to the latest annual report, this program raised the sum of \$8.392 million in 1991-92, and this was at a cost to the department of \$1.678 million. Does the expense of raising these monies include money foregone by the provincial government via tax expenditures? And if not, what is the overall total expense of raising these funds?

Now I know that it's a late hour, sir, and in fact if that's something that is going to be difficult for you to produce this evening, I'm more than willing to give that to you as a written question and you can provide me with a written response.

Hon. Mr. Lingenfelter: — That number is going to take me just a little bit of time to get out, but I'll make every effort to get it for the member.

The one other thing I might add in terms of the department's ability to deal with proposed businesses as people coming forward, I'd like to use an example of a company that might, in Saskatoon, want to do a project. The business resource centre in Saskatoon — if they were the first contact, and our contact person there, Raj Manek — I mean you would walk through the door and he would, or his staff would, sit down and go through the criteria. Although I'm giving you very much a thumb-nail sketch; it would be much more involved than that.

They also have in the office videos and books and manuals that would tell you very quickly, if you were from Biggar, Saskatchewan, for example, and you wanted to open a car wash, they could very quickly tell you a great deal about the potential of that succeeding, what you would have to invest, the kind of employment it would create; and he would give you advice, or the resource centre would give you advice, on whether or not this had a good potential of succeeding or a poor potential and how all that would fit together.

And I think it's fair to say that one of the problems that I've identified, if I could be, I guess, critical of ourselves this early on is that much of what we have in our resource centres is unknown to the business community. And this is something I would be very interested in knowing your opinion of how to handle it. We've made attempts to obviously advertise and you have your store front and you hope everyone knows about it.

But I just have this feeling that in many areas of the province that this is something that the taxpayers have paid for through their taxes. Obviously they pay for the resource centres but they go, I would expect, virtually unnoticed by many, many business people who could actually use them.

What we're striving with is a concept where we would have more of an outreach and a community involvement by our resource centres — not only in the city of

Saskatoon but in the rural areas where we're involved — but to be more active in the business community as opposed to sitting in an office with your files and documents and manuals of how to do business and that's not to say that that's all they do. They're out on the streets a great deal, and Mr. Manek is one of the hardest-working people I know of in government. But it just seems to me that there should be more that we can do to promote those expertise that we have in our resource centres.

I really don't believe it's a lack of knowledge and expertise, but it seems to me it's a lack of ability to reach out and actually help the business people who should be coming to us for that kind of assistance.

Ms. Haverstock: — Thank you, Mr. Minister. If I may just add something before I go into my third question, and that is that I think that you've actually put yourself on the right mark on this one. If indeed one of the things the province would consider doing is having, what I've talked about on numerous occasions, a Saskatchewan economic diversification or economic development group, that is at arm's length from government, but would work in a co-ordinated fashion with something like the business resource centre, that in fact I think would be a very valuable tool along with having a business-labour council. Now I know that the government is considering . . . and I can't quite recall the term, although it's going to be called PACE (Premier's Action Committee on Economic Development), I believe.

I don't know if that's going to resemble the Saskatchewan economic development authority, I do hope indeed it does, although the fact that it's called the Premier's group in and of itself ends up reflecting some political involvement, which I think is not what we need in terms of producing some economic development and diversification both within and outside the province.

Now I guess I have at this juncture a question to ask. It looks as though in your discussions with your officials you may be coming up with some numbers. Is that correct — to my second question?

If I may then, what I will do is perhaps allow you to respond to my second question, if you have that information. If not I'm more than willing to have you give that in writing . . . (inaudible interjection) . . . all right. If that's the case then, sir, what I would appreciate is for you to contemplate this third question which is contingent upon your response to the second. And if you would have your officials take this down please.

How does your department justify spending 1.678 millions of dollars to raise money through the labour-sponsored venture capital program when it represents a cost that is equal to over 15 per cent of the total capital raised? The reason I state this is because it's obviously uncompetitive with the administrative costs of private mutual funds whose expenses tend to be far nearer the 3 per cent of the total money raised. So if you would take that under consideration please and give me some rationale, because I can't make sense of it. Okay?

The fourth question which is related to my previous two questions that you can also respond to in writing is this:

are these monies already invested in some ventures or do they remain tied up in other investments such as federal treasury bills?

(2300)

I would appreciate if you would put all of those responses in a . . . Thank you.

I am pleased with your decision to place the community bond program within the Department of Economic Development and Trade. And I'm concerned about its future. I have raised some concerns previously. I think that, over time, the taxpayers' risk should be reduced. I hope that that is in fact being looked at.

I'm really interested in what the cost is of maintaining this program on an annual basis, and how can those costs be kept at a minimum, unlike other government investment capital programs.

Hon. Mr. Lingenfelter: — The community bond program — and if I missed the last part of your question just re-ask it again — but the community bond program, in my mind, is an excellent form of community economic development. And I say that because it is an opportunity for people in the coffee shop, for example in Shaunavon, to do more than complain about the fact that there's no economic development in their town, that the federal government isn't doing enough, or that the provincial government isn't doing enough, or why doesn't somebody come here and do something for us.

It's a perfect opportunity for them to use the vehicle, to change the tone and the tenor of the debate to say: look, we can now, if we believe in our community, take money out of our own accounts, go out and find a project, and we can actually save our community because the government is providing a vehicle, first of all, for that kind of economic development to take place; and secondly, will guarantee our bonds, 100 per cent of our bond return. It won't guarantee interest but 100 per cent of our bonds.

And it seems to me that there has been a mood change of those people who like to see economic development in their communities to now where you have literally hundreds of people sitting around in various communities around the province, instead of just complaining about no one doing anything, actually going out, forming community bond corporations and discussing the survival of their community as what they can do in terms of risking some of their own money, at least taking a loss on their interest and investing in their community.

And many of the communities are doing exactly that — sacrificing interest on their money in the credit union or in the bank or in some sort of another economic instrument, invested somewhere else in Toronto or New York, and saying we're going to take and invest that money in our local town and try to create economic development.

And I think the list of projects that have come on stream, although they're not all without problem, we've had some problems in the community bond, most of them

seem to be very successful because of that community input.

Now is there risk involved to the taxpayers? Obviously there is. And Trinitel, which has been one of the projects that has not been successful to date would indicate that they can have problems.

But to the member, I think obviously there was a problem with this one from day one, because I believe — some may argue with this point — but I think there was political involvement with that project. And it was pushed from somewhere other than the local community and proper information wasn't given to the bondholders.

But we've made a commitment both in the community bond program and in SEDCO and in every area where we do economic development that we are going to do whatever we can to make the decisions based on economic viability and the best interests of the community as opposed to somebody's political agenda.

And whether a government will succeed at that or not I don't know. But it seems to me that if economic development is driven by a political agenda in most cases it fails on both counts, economically and politically and therefore I for one am very much opposed to doing economic development based on some constituency needs versus the community needs.

I really believe that the strengthening that has happened to the community bond with the legislation amendments that we introduced in past in this session, that is to strengthen the due diligence in advance to the community bond being approved, to look at the marketing aspect in a much stronger way to make sure that there is a market for the product that is produced and to allow co-ops to come into the projects, will actually make the program much better and add a significant amount of security to a number of these projects.

Ms. Haverstock: — Thank you, Mr. Minister. I'll actually restate my questions and this too is something that if you don't have the numbers at hand you can respond in writing. At the same time I want to preface this with at least some comment about the fact that Mr. Goodale did introduce this in 1986, called the Saskatchewan capital investment bond. And since he's never given credit for it, I give him credit now.

My questions were this: what is the cost of maintaining the community bond program on an annual basis? And secondly, how can those costs be kept at a minimum unlike other government investment capital programs? And it's unnecessary for you to respond tonight.

Many people with whom I've spoken have stated that they're deeply concerned about the economic environment in the province and I'm wondering if your department did any studies to calculate — and this would be along with other departments — what effects additional taxes, reforms to the occupational health and safety laws, what may be forthcoming with minimum wage, workers' compensation and pension benefits, and the impact that that may have on the Saskatchewan economy.

And I have a second question which accompanies this, Mr. Minister. Did the department attempt to assess whether these changes may in fact have a serious impact on private and government efforts to diversify our economy?

Hon. Mr. Lingenfelter: — Much of the studies that would have been in this area would have been done in the Department of Finance. Obviously Finance, as the main administrator of government economy in terms of the finance of the province when tax changes are made, would have done a good deal of study and analysis. Obviously our department would have fed into that. But most of the actual research as to tax implications would have been done by the Department of Finance.

I think it's fair to say though that in the years leading up to the 1991 election, the thing that we heard over and over again, and I'm sure the member will agree with this, from the business community, is the biggest single item that was killing business confidence in Saskatchewan was the rapidly increasing deficit in the province of Saskatchewan.

And whether it was talking to Paul Hill or Roger Phillips or people in the oil industry, what they clearly said to us, that one of the first priorities of your government has to be to come to grips with is the massive escalating deficit in the province of Saskatchewan. So one of the first things that we did as a government was to try to establish a tax regime that was, one, fair to the people who had to pay the tax. So it was broad-based across a huge area of the economy, as broadly as could be expected. That it didn't hurt anyone inordinately to the point where they couldn't survive, but that it went some way to setting a base so that the tax level was set in a way that would start to come to grips with the deficit.

At the same time we tried to do selective tax changes that would allow for some new economic development, i.e., the tax change that allowed for the IPSCO expansion. And that we will . . . when we're looking at tax incentives, rather than have blanket tax incentives that may hit and miss and cost the taxpayers a great deal of money, I think you'll see not only the Government of Saskatchewan, but governments in general, look at ways and means that will be very, very selective in their tax approach, and will do it with a great deal of study and analysis, because things like the GST (goods and services tax) that we believe was a tax that was . . . has created huge problems and dislocation for business in Canada, was not done with that kind of selective approach and meaningful research.

So, I think it's fair to say, that at the end of the day, we'll be judged on whether the economy is working or not. But I think it's fair to say that in terms of new development, without putting at risk taxpayers' money, and I stress that as being a major point, that the previous government was spending a billion dollars a year more than it was taking in. That's one way of getting economic development.

But to get economic development without borrowing that extra money from New York to make it happen, and then tell your kids to pay for it some day, to do it through selective tax approaches to the economy and through

changes to legislation that doesn't cost the taxpayers, I believe, will be the way that this province will come out of the massive deficit without costing taxpayers money, and without the dislocation of jobs and wealth creation. In fact, I believe that it will lead to wealth creation.

Ms. Haverstock: — Thank you, Mr. Minister. I have just a few comments to make in response to your answer. One of the things that I raised consistently with the Department of Finance was questioning whether or not they had done cost/benefit analyses as well as impact analyses. Unfortunately it appeared as though that had not been done. And I think one of the things that is crucial is to ensure that there is going to be an understanding of the interdependency of departments.

It's become clear, for example, with some of the Bills that have come before this House, that in fact the impact of occupational health and safety, some changes to environmental Bills, etc., that these things in co-ordination with one another have had an extraordinary impact on some businesses within the province.

In fact it appeared that the left hand did not know what the right is doing. Now that's understandable when we're talking about the complexity of government. And if there's one thing that the business community would very much like — and they do desire, and they talk about this as well — is that there would be much greater co-ordination of all the different departments which leads me into my next question which is derived from the Gass Commission.

The Gass Commission recommended that the government rationalize its economic development efforts. And they suggested that fewer agencies need to be working in this field and that a greater level of co-ordination must be brought about. I ask you please to tell us what the government has done to date to reduce the number of agencies involved and to further co-ordination and at what date can we expect to see rationalization completed.

Hon. Mr. Lingenfelter: — I think the member raises a very interesting point and that is the multiplicity of areas where you can approach government to have access to a program and funding for business and economic development. This too was one of our complaints that we had while we were in opposition, that we set out to deal with.

The new president of SEDCO is taking a lead role along with the deputy minister of Economic Development. Susan Strelloff, who is the new president, along with Mr. Hart, are working with the president of CIC (Crown Investments Corporation of Saskatchewan), Mr. Ching, to come forward with a concept and a plan that I hope will be put into a legislative form during the next session, that will allow for a . . . I guess it will never become a single entry point for business, but something that will be much reduced from what it is now, or was at least in 1991 where there were departments, I think fair to say, a number of areas of government actually competing with one another for the same project. That simply won't do. We have eliminated that process. But what hasn't been

completed, but we're working as quickly as possible, is to put together a program of business economic development, something that would look at combining parts of CIC, SEDCO, parts possibly of other areas where economic development takes place, could include the banking institution, private banking institutions, along with pension plans.

(2315)

This is a concept that many people have talked about. Some jurisdictions have actually done a bit of work on. But it would be a much more hands-off in terms of politicians rather than have it as a government agency.

So I think it's an exciting place to be at right now. And I know nothing ever happens as quickly in government as we would like to see it. And I mean I share some of those frustrations with people who would like to have seen something happen already this year.

But I'll tell you that when you get into these things — I'm sure you know, having been around this business for some time — that setting up some sort of a new institution, or changing an institution of government which is firmly and solidly in place, is like turning a steamship around. It takes time.

The other thing I want to make a comment on is that rather than doing something hastily and launch it and then have to relaunch it, in government that's virtually impossible. So whether it's the white paper on economic development, whether it's the Premier's Action Committee on the Economy, or whether it's a new banking institution, merchant bank or whatever it will end up being, we want to make absolutely sure that if it takes a few extra months, that the launch of it is the right launch and that it's successful for business people.

Ms. Haverstock: — Thank you, Mr. Minister. Just a comment before I go on to my next question. I very much appreciate you raising the potential for banking which in fact was written about, as you are probably well aware, by Doug Richardson in comment in the *Star-Phoenix* where there were people actually representing all political parties talking about what they thought should lead to some positive economic development in the province. And he was the only one to raise this.

And I agree that something should not be approached hastily. At the same time, I think that it's imperative in planning to have a time frame to be able to put in place something that may in fact start showing people that something shouldn't be done in a four-year political term. It may take longer. That there should be short-term, mid-term, and long-term goals and built-in ways of assessing whether or not you're meeting your objectives.

And I would like to see that in fact that kind of thoughtfulness and plan go into the Department of Economic Diversification and Trade when it in fact is trying to make greater strides in co-ordination with other departments.

Our colleague from Kindersley had raised some questions regarding the trade offices. And I have some

questions. He did ask enough that I shan't go into this in too much detail.

But after reviewing your departmental estimates, it's quite obvious that the government has undertaken a number of trade missions to date to promote Saskatchewan trade. So far this year missions were undertaken to Asia, to Latin America, and to the eastern United States. And my question is this: how does the department decide who should accompany them on these trips? How does it decide what expenses it will bear and what objectives the missions are designed to achieve?

Hon. Mr. Lingenfelter: — I'll get my staff to look into the trade missions, but I do want to respond to your notion of time lines and the importance of time lines as a means of measuring productivity or meeting your goals. And I guess it's fair to say that I very much agree with you on that. I think if you don't have management by objective . . . I know you can't do that as a perfect science in government because you continually are nudged one side or the other. But I think if you don't have management by objective you never get anywhere.

And I would like to say that we could spend some time — and I wish we did have time to spend tonight and we can if you like — where I could lay out for you the time lines that we have in SEDCO overlaid by our plans in Economic Development in the white paper and the Premier's Action Committee on the Economy. Because we do have time lines for the consultation process, for the revamp of the paper for the public release and leading to a legislative process that will bring this together.

And I would be more than willing to meet with you and I know the deputy or the president of SEDCO would be willing to meet with you to show the concept and the time lines that we have on this project. I want to make sure that in the process that we go through that the proper consultation takes place with this white paper.

And I was at a meeting in Shaunavon last Friday night where we met with about 35 business people from, oh they were from Climax and Frontier and Eastend and Shaunavon, I believe there was someone from Ponteix and the RMs in the area. And they're very excited about the potential of regional authorities where . . . and we met in Yorkton on a similar basis where they want to get together to do . . . not competition for projects, but they want to sit down and say, look what are you doing in Frontier and how does it fit in with what we're doing in Shaunavon.

They're very interested in seeing our white paper on economic development and as much as possible I want to take the time to go out and share this with them in advance. And I told them very clearly that we can't let you write the paper because you'd end up with nothing, but we would very much try to incorporate ideas that you have in terms of this theory of regional economic development.

I say again, in all seriousness, I would be interested in sitting down where I could show you the proposed draft of the white paper and the time lines that we have set on it that lead to some sort of a culmination in legislation with

the new idea of some sort of a bank that would be different than SEDCO. It may be SEDCO revamped. It may be SEDCO done away with and a new institution formed. We're just not quite at that point yet. But there is a plan and it does fit together and I believe it will work.

Ms. Haverstock: — Well I'm pleased to hear that and I would be delighted to get together with you. I'm sure that the majority of our colleagues in the House would prefer that we get together at another time rather than your sharing that information with me tonight.

I'll repeat my questions to you, and again, Mr. Minister, I'm more than willing to have these responded to in writing. So what I will do in fact is to group together the questions regarding trade outside of the province and you can respond in written form.

I will repeat my initial questions then. How does your department decide who should accompany your personnel on trips to promote Saskatchewan trade? How does it decide what expenses will be incurred? In other words, how it can bear expenses. What objectives the missions are designed to achieve? Next, there has been criticism lodged provincially about sponsored trade missions, and that too many people are making repeat trips when in fact the perception is that there are some individuals, who should indeed be involved, who are being excluded. So my question regarding this is what is the government doing to ensure that in fact specific people from companies are going to be involved?

Next, what programs have you decided to encourage participants to complete the crucial follow-up work needed to make certain that your trade missions, in fact, are as effective as they can be? And what we want of course is continued trade links. This can't happen without follow-up. It's one thing to make the contact, but then what? How much, if any, I'd like to know are you actually spending on this?

And lastly, regarding . . . Well, actually there are sort of two here. Before closing the trade offices in London, Zürich, Hong Kong and Minneapolis — I know that this may be very much a repeat question from the member from Kindersley, and if so, please feel free to tell me that it was answered in this way — did your department do any assessments to calculate what impact the closures would have on Saskatchewan's opportunities for trade in Europe and Asia? If these offices were proving to be ineffective, did you in fact investigate ways to attempt to make them more effective before you decided to close them?

There was no question in anyone's mind that the individuals who were in these positions were perceived by many to be patronage appointments. But simply because of that, that and that alone is not enough reason to close them entirely. So I'm wondering what criteria was used to determine whether or not there would be any value in maintaining these but taking a much more professional approach.

Lastly, there are many, many exciting opportunities that are forthcoming, particularly in Malaysia and other Pacific Rim markets like Taiwan. In fact people are saying that these two areas of the Pacific Rim are very much

reflective of what was happening with Japan in the '60s.

I'm wondering, Mr. Minister, if you considered how you're going to approach trade in these countries and making it perhaps an even more valuable replacement for the one that was closed in Hong Kong? All of those things related to trade offices or trade outside the province; I'd be very, very pleased if you'd respond in writing. Would you like to make a comment now or should I go on to NAFTA (North American Free Trade Agreement) . . . (inaudible interjection) . . . Okay.

Without an overall strategy for diversifying our economy in Saskatchewan, it's really unclear how trade is going to fit into such a strategy. And I know that you have expressed serious concerns and you have reservations about NAFTA; in fact the free trade agreement that we currently have with United States, and the potential agreements that are forthcoming with GATT (General Agreement on Tariffs and Trade).

Without an overall strategy, and we keep talking about strategy here, I'm wondering how you can be confident that your trade policies are really going to be in the best interests of Saskatchewan people who rely on trade of \$7 billion for economic activity. And I would be more than interested in trying to understand how your department is conceptualizing and putting into place some plan for how you can deal with that.

I know that the Premier spoke at some length about concerns, not just with interprovincial trade barriers which I shall talk about in a moment, but of course the implications for what was going to happen with NAFTA, and not just the country but of course our province.

The final question on this kind of area of trade in particular does deal with our greater interprovincial trade. And my question is, what efforts is the department making to encourage greater interprovincial trade? To what extent will those efforts reduce impediments that Saskatchewan companies face in developing markets for our own products?

Now what I will do, Mr. Minister, is to be seated at this point and allow you to have the opportunity to respond in whatever way you wish. And please feel free . . . I know that it's getting close to 11:30. I have a particular area that I wish to address regarding small business. And I'm more than willing, given that I'm sure you have an early morning meeting and I have a 7:30 meeting on Constitutional Affairs, if you wish to respond to all of the questions I've just read in writing, it's fine with me.

Hon. Mr. Lingenfelter: — Well I won't take very long at this because I will provide for you . . . We made copious notes and will provide for you a detailed answer. But just in passing, I want to say, in terms of trade missions, I think it . . . especially in the Pacific Rim, there is business-to-business contacts that are absolutely essential. But in dealing and in talking to a great number of people, there's also a need for government-to-government contact and government-to-business contact, especially with, oh, some of the Japanese and Thailand and Cambodian governments who have a great involvement in their

economy, that it's very important that trade missions include contacting and touching base with the government officials as well as business people.

So these trade missions are often — if they're done properly — very, very effective in terms of making deals and making contact. You talked about some of the importance of trade, and it's true that Saskatchewan is the biggest per capita trader of any jurisdiction in the world, even ahead of Japan or even ahead of Germany. And there are few people who know that, but virtually everything we produce here, we have to export or trade. We're a province that exports almost everything that we produce and imports almost everything that we use. Tractors and combines, even though they're a major consumer event in our province, we don't build any of them in Saskatchewan. And yet over 90 per cent of the grains that we produce, we export.

There isn't another jurisdiction in the world that's more dependent on trade than the province of Saskatchewan. And that's why trade missions, as you know, become a very, very important part, but more than that, how they're done — and you're absolutely right. Follow-up, taking the right people with you, becomes absolutely crucial.

(2330)

When it comes to the NAFTA deal, you know that our approach has been that we're opposed to the deal going forward at the present time because of the already complicated Canada-U.S. Free Trade Agreement that is agreed to but not working in many cases very effectively. We're now overlaying that with an even more complicated trade agreement that no one is sure how it underpins or strengthens the U.S.-Canada Free Trade Agreement.

What we do know is that trade with Mexico is important. At the present time, we export to Mexico about \$500 million worth of goods, and we import from Mexico about \$2.5 billion. And there's a trade imbalance that we would very much like to correct by exporting more pork, beans, peas, into the Mexican party, into Mexico City, a huge consumer market for food products. We should be doing more of that. When it comes to U.S.-Canada, we export into the United States something over \$100 billion and import from them about 94 billion. So our trade is in a better scale than it is with Mexico. So we need trade with Mexico but it depends on what kind of a trade deal it is, and at this point, we still have not seen and had the benefit of consulting with our industry with the final text of the agreement — even though the Canadian government says we're in favour of it.

What we'd like to know is how on earth can you agree to a trade deal that we haven't even seen — a government, let alone the business people and farmers that it will affect — so therefore, our opposition to the deal going forward at the present time.

In terms of interprovincial trade, you'll know that our discussions with Manitoba and Alberta about the expansion of SGI (Saskatchewan Government Insurance) into these provinces, the attempt to take SaskEnergy to deliver gas into eastern Manitoba, that we're committed

to integration of the economies in western Canada with proviso on protecting some of our Crown corporations.

I've met with Mr. Axworthy here in Regina a couple of times — once in my office, once downtown at a more public meeting — to talk about Prairie integration. I've met with and discussed with the ministers of Economic Development at the provincial level. And I've also met with Mr. Bill McKnight and Charlie Meyer and Jake Epp about western projects that we should be doing jointly.

So I think there's a lot we can do in western Canada in terms of joint efforts that would save money and actually create bigger economies that would make it possible to do more business. I want to prepare for you a more complete answer, but this is sort of a thumb-nail sketch of my view of economic development and the trade deal.

Ms. Haverstock: — Thank you, Mr. Minister. There are two questions that are related so I will cite them together. Although they seem somewhat different, they're related.

Recent applications were made by livestock organizations in both Oregon and in the north-western United States, that threatened to place U.S. countervail duties against the export of Saskatchewan red meats. I'd like to know what your government is going to do to help avert the ill effects of this and what it will have ... it will have an extraordinary, I think, impact on Saskatchewan producers.

Similarly countervail proceedings have also begun against Canadian steelmakers accused of dumping steel products on the American market and given the ill effects that this will have on recently expanded operations to which you have referred earlier at IPSCO, when the ruling comes down probably a year from now, I'd like to know what your government is doing in co-operation with industry and other levels of government to stave off what I see as a serious potential crisis.

Hon. Mr. Lingenfelter: — Obviously we're very concerned about countervail duties that are being looked at by the U.S. producers. I think it's fair to say that election time is a very difficult time for Canadians because we have a much different system in the United States where people running for election will use the countervail and the pretence of an attack on their industry in local areas especially along the border with Canada to try to vault themselves back into Congress or into the Senate.

And so the next few months are very, very vulnerable times for our industry and one cannot presume that these attacks are only political and will go away after the U.S. election in November. But it's fair to say and interesting to note that there are people in the United States, Dorgan and Melcher and you can list out the names of people who have made a political career of attacking Canadian exports in the United States.

And interesting enough every four years ... and it's not limited to Republican or Democrat. They just get re-elected by demanding that Canadian pork not be allowed in or durum wheat or forest products out of B.C. And every four years you see the same kind of an approach. That's not to say that there isn't a bigger issue

here, and there is. The steel, for example, the proposal that we are dumping steel into the United States is ludicrous. We've had an integrated market in steel between Canada and the United States for many, many years. And it's fair to say that we've had an integrated market with IPSCO exporting into the United States.

It's unfair for the Americans to say that our exports into the United States as a percentage of their usage has gone up — quite the opposite. It hasn't increased over the past number of years. And we feel our steel industry is very proper in putting forward a position of making an appeal that will retaliate against the U.S. steel companies. I mean if we were integrated steel and they make an application against us, we're almost obligated to do a similar approach on duties back to them.

It's fair to say that the new expansion of the 24-inch pipe mill at IPSCO will not be affected by the proposed countervail, but what will be affected is the hot-rolled steel which the application of the duty does affect. So if you're asking about the new plant, the 24-inch pipe mill will not be affected, but some of the existing hot-rolled steel will be very, very much affected. Some of the duties they're talking about are as much as 50 per cent. And for us, I think, Mr. Phillips will tell you that's a problem.

Ms. Haverstock: — Thank you, Mr. Minister. I am going to make a suggestion and you can tell me whether or not you agree. I'm watching one of your ministers almost commit hara-kiri behind you because of the late hour. And out of my consideration for him, knowing what his schedule's been like the last while, what I'm prepared to do is to read into the record, and for your officials, the remainder of my questions. And I'd be more than prepared to have you respond in writing to all of them. All right? If I may?

The following questions relate to small business. I think that not only have you made reference to the fact that the majority of the people in the province want to see the development of more small business rather than megaprojects, but many others have as well. And I'm wondering if you're considering in government the creation of a small-business equity fund to help those businesses with fewer than 30 employees gain the capital they require to expand. If so, I want to know how large this fund will be, and if you could provide me with details, please, of your plan.

Secondly, the success of such a plan and others like it appears to depend on the government taking a hands-off approach. If you are indeed aiming to develop such a fund, will you assure the people of our province that you will hire an independent management firm to oversee the development of such a project? And will you also assure us that this firm will be chosen through an open competition so that the best minds are brought in to help with this project?

Raising the capital needed to make such a fund work is going to require tax breaks because Saskatchewan residents who have money to invest are savers by nature. And rather . . . it's quite obvious that they're more that way than they are of equity investors. So I'd like to know if the government is willing to offer tax incentives needed to

free up this money so that potential investors, many of whom are near retirement, are encouraged to take on the risk of equity investments.

I ask as well with whom your department has consulted in its considerations about developing small-business equity funds and when did these consultations take place? Are others scheduled, and if so, with whom? While I commend the government for its attempt to improve the small-business climate by reducing the business tax, however modestly, I'm really concerned that you have not done enough to address the needs of small business in our province.

And one of the problems threatening the expansion of small business in Saskatchewan is the need for more management expertise. You made reference earlier to the business resource centre. Many small businesses could expand if they had access to better marketing knowledge. These small businesses need to know where the opportunities are. They need to know what people are willing to pay for their products, how long they're willing to continue to make purchases, for example. And I'd like to know if your department has any plans to offer a program of marketing and management advice where experts can actively work with small firms and help them to solve some of these problems.

And this would be very much like the government sponsored program, the AIM program for farmers. I'd like to know the measures that your department is undertaking to solve some of the production problems that are impeding small-business expansion; what strategies does your department have in place to help small business obtain technical advice and gain access to the capital needed to acquire improved technologies.

The recent Greenspace initiative brought forward by the western provinces, including Saskatchewan, involves a significant expenditure — in fact I think in excess of some \$200 million. It's my understanding that the project will place Saskatchewan at the edge of remote-sensing technology and will provide many opportunities for Saskatchewan businesses.

The construction phases of the project are designed to provide work for many small subcontractors. And my questions, sir, are: how will these small Saskatchewan firms be eligible to compete for these contracts when they're already finding it very difficult to find capital to improve their level of technology?

I have three more questions. The last in this series deals with research and development projects in Saskatchewan. I'm wanting to know what efforts your department has and is making to encourage more spending on research and development projects in Saskatchewan? And lastly, I have two questions. One regarding labour capital and the last one in immigrant investment.

Labour groups in the provinces, such as British Columbia, have successfully used their pension funds to help raise capital for economic development. I'd like to know what efforts your department is making to take advantage of labour capital? And what formal process is the

department using to ensure that the innovative ideas of labour are heard and encompassed within an overall strategy for economic development?

And lastly, Mr. Minister, two related questions. Recent reports indicate that Saskatchewan is not having a great deal of success with business immigrants. Many of the immigrants who chose to settle in this province have not fulfilled their obligations to invest, and as a result they have not created the employment that we thought would come from their investments. What is the department doing to attract more business immigrant investors and to improve the accountability process to ensure that obligations are met?

And lastly, I'd like you to tell me please what percentage of business immigrants have failed to meet their obligations? To your knowledge what has caused these unsuccessful arrangements? And how much potential investment is at risk as a result?

And I do thank you very, very much for your responses this evening. I look forward to your written responses, and I thank you officials very much as well.

Mr. Boyd: — Yes, on behalf of the opposition, I'd certainly like to also extend thanks to the officials for their help this evening, and to the minister for his answers to the questions that were put to him.

Hon. Mr. Lingenfelter: — Mr. Chairman, I would just like to say in closing that there were a number of issues by the member from Kindersley as well as the Leader of the Liberal Party that were put, and we'll make a commitment to get those as quickly as we can.

I want to say as well that the time we spent on these estimates, I think, was useful from our perspective. I hope it was for the members opposite as well because some of the ideas that have come forward we'll put to the committee that's reviewing the white paper, PACE, as well as the new structure we're looking at in terms of lending institutions.

I really want to be clear that the offer that we made to the members to look at our planning, we would be more than willing to sit down, either the deputy or the president of SEDCO, and do that for you.

(2345)

Item 1 agreed to.

Items 2 to 8 inclusive agreed to.

Item 9 — Statutory.

Items 10 to 14 inclusive agreed to.

Vote 45 agreed to.

**Consolidated Fund Loans, Advances and Investments
Economic Development
Vote 167**

Item 1 — Statutory.

Item 2 agreed to.

Vote 167 agreed to.

**Consolidated Fund Expenditure
Saskatchewan Economic Development Corporation
Vote 148**

Item 1 — Statutory.

Vote 148 — Statutory.

**Consolidated Fund Expenditure
Saskatchewan Power Corporation
Vote 152**

Item 1 — Statutory.

Vote 152 — Statutory.

**Consolidated Funds Loans, Advances and Investments
SaskEnergy
Vote 150**

Item 1 — Statutory.

Vote 150 — Statutory.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Economic Diversification and Trade
Ordinary Expenditure — Vote 45**

Items 1 to 9 inclusive agreed to.

Vote 45 agreed to.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Economic Diversification and Investment Fund
Economic Diversification and Trade
Vote 66**

Items 3 to 7 inclusive agreed to.

**Supplementary Estimates 1991
Consolidated Fund Budgetary Expenditure
Economic Diversification and Trade
Ordinary Expenditure — Vote 45**

Items 1 to 3 inclusive agreed to.

Vote 45 agreed to.

**Supplementary Estimates 1991
Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Vote 66**

Item 1 agreed to.

Vote 66 agreed to.

The committee reported progress.

The Assembly adjourned at 11:55 p.m.