

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**The Speaker:** — Before we have the routine introduction of guests, it is my distinct pleasure today to welcome and introduce seven very distinguished guests to the members of the Legislative Assembly. Seated in the Speaker's gallery we have none other than the 1993 world junior women's curling silver medalists.

As I introduce our guests today I would ask them to stand and remain standing until they have all been introduced. Ms. Amber Holland, skip; Ms. Cindy Street, third; Ms. Tracy Beach, second; Ms. Angela Street, lead; Ms. Maria McKenzie, fifth; Mr. Merv Fonger, coach; Mr. Gary Gregor, team psychologist. I ask all members to join with me in welcoming to our Chamber the 1993 world junior women's curling silver medalists.

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

**The Speaker:** — The members of the Legislative Assembly will have an opportunity to welcome and congratulate our guests after question period and immediately before orders of the day. We will now continue with introduction of guests.

**Hon. Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my honour and privilege to introduce to you, sir, and to all the members of the Legislative Assembly, in the Speaker's gallery, two officials of the Namibian government who are visiting with us for a brief time in Saskatchewan and in Canada.

They are Mr. Immanuel Dumeni and Mr. Gerson Tjihenuna, both of whom are seated with officials from our cabinet secretariat. Mr. Dumeni is the under-secretary in the cabinet office of the Namibian Prime Minister. Mr. Tjihenuna is the deputy permanent secretary to the Prime Minister. A third official, Mr. Hermanus Kasper, the deputy permanent secretary to the Namibian Ministry of Finance, will be arriving later this week.

Mr. Speaker, members of this House, these gentlemen are here as part of a mentoring program initiated by the Institute of Public Administration of Canada, IPAC, and the Canadian International Development Agency, CIDA. This program enables officials from developing and third-world countries to visit Canada and to learn about how governments work. IPAC and CIDA, in conjunction with the South African trust education fund, are sponsoring their visit to Canada.

As members will know, Namibia achieved independence and became a democracy in 1990. The country is keenly interested in learning about the structure, the processes, and the machinery of

democratic governments. We hope the time that they spend here with us will prove to be useful in nurturing the development of democracy in Namibia.

Mr. Speaker, I would ask that the two gentlemen stand, Mr. Dumeni and Mr. Tjihenuna, and be recognized by the Assembly today, if you will please, gentlemen, and welcome.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to join with the Premier on behalf of Her Majesty's Loyal Opposition, to also welcome our guests from Namibia today. It's always nice to see another country join our world of organizations and countries, and we hope that in your visit here today that you will learn some things that will set your new country in good stead, and the people in Namibia and the great resources that you have at your disposal will be put to use to help your people grow and prosper in the future. And welcome to the Saskatchewan legislature.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's my pleasure and privilege to introduce to you and to members of the Assembly a group of SIAST (Saskatchewan Institute of Applied Science and Technology) students, eight to be exact, who are students in English as a second language, taking the course with SIAST. They're here with us today to observe question period, and with them, their teacher Ruth Quiring. And I'm pleased to welcome them here today and look forward to meeting them after question period.

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

**Hon. Mr. Koskie:** — Thank you very much, Mr. Speaker. Mr. Speaker, I am pleased to introduce to you and through you some special guests from Inner Mongolia who are seated in the west gallery.

First I would like to introduce Mr. Tian Jinqu, Mr. Zhao Weiping from Hohhot Transportation School and Ms. Guo Renquan and Mr. Ge Yumin from Hohhot Electric Power School. Both are located in Inner Mongolia.

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

**Hon. Mr. Koskie:** — Mr. Speaker, these schools and SIAST International campus are involved in a linkage project with Highways and Transportation and SaskPower. It's designed to create a substantial long-term relationship and exchange of ideas that strengthens each party's ability to meet the educational needs in transportation, mining, and power industry.

Last year Inner Mongolia sent a large group of teachers and professionals to Saskatchewan to study our programs and techniques in many technical areas.

And we're happy to report, Mr. Speaker, that currently one of our department's senior engineers, Mr. Ray Gerbrandt, is spending six weeks at the Huhhot Transportation School, teaching a class on a variety of highway programs that have proven successful in Saskatchewan. Mr. Gerbrandt's trip is sponsored by Inner Mongolia and Saskatchewan is pleased to offer his expertise.

Also seated, Mr. Speaker, with our guests from Inner Mongolia are the staff of my department and SIAST. And I would ask the Assembly to join with me to give them a warm welcome.

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

**Mr. Martens:** — Thank you, Mr. Speaker. And to our guests I would just like to say this. I want to welcome you and say that it's a privilege for me to welcome you, particularly since you come from Huhhot in Inner Mongolia. My nephew is a doctor of veterinary medicine and teaches at the university in Huhhot. He teaches English and range land management and he's been there for two years. He's coming home in June and then he's going back there in fall again.

And I too want to welcome you here, and I know that he has a real concern for the range land management focus there. And I want you to enjoy yourself here and we want to welcome you here too.

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

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I would like to introduce to you and through you to other members of the Legislative Assembly, some guests that are not so quite so far away, a little bit closer to Regina, and that is a group of 69 high school students, grade 8 students from Martensville, Mr. Speaker. As you may have known from previous times when Martensville has been here, it's the largest centre in my constituency, and it's where I have my office. And it's also where an old — oops, I'd better rephrase that — past colleague of mine that I used to teach together with, Loretta Bell, Deborah Rodger, and Dale Wiebe as teachers that are here with the group. And I look forward to meeting you again, having a discussion later on, and drinks together around 3 o'clock.

I'd ask all members to please help me welcome these students from Martensville.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me pleasure today to introduce to you, sir, and to other members of the Assembly, 25 grades 7 and 8 students from Rouleau School, Rouleau, Saskatchewan. They're seated in your gallery, sir, and they're accompanied by their teacher Karen Fedor today, and bus driver Diane Sanborn. They are here for a tour of the Legislative Building and to watch question period.

I hope that they enjoy themselves and learn lots about

our system that we practice here in Saskatchewan as far as British parliamentary democracy. I'll be meeting with them for pictures afterwards and would like all members to welcome the students from Rouleau, Saskatchewan.

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

## ORAL QUESTIONS

### Co-op Upgrader Review

**Mr. Swenson:** — Thank you, Mr. Speaker. My question is to the Premier today, Mr. Speaker. Mr. Premier, your government's handling of the Co-op upgrader agreement is setting a very dangerous and disturbing precedent in the province of Saskatchewan.

Mr. Premier, the use of threats, intimidation, and untimely legislation to rewrite legally binding agreements is completely unacceptable. It sends exactly the wrong message to any business considering setting up shop in the province of Saskatchewan.

Mr. Premier, despite the fact that FCL (Federated Co-operatives Ltd.) is under no legal obligation to change anything in the agreement, they have agreed to meet you halfway and negotiate a settlement so long as these negotiations are done in good faith and not under threat of legislation or expropriation, Mr. Premier.

Mr. Premier, why don't you take FCL at their offer? Will you remove the threat of legislation and enter into real negotiations with FCL on this matter and make it resolved?

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

**Hon. Mr. Romanow:** — Mr. Speaker, every member in this House should know exactly what we're living with with respect to this project. We're living with a megaproject with \$600 million-plus of taxpayers' liability, a megaproject which is right on the edge. Justice Estey has said it has run financially aground. Justice Estey has concluded that it cannot sustain itself financially. Those are not my words. The hon. member from Moosomin may not like them. Those are the findings of the justice.

Situation is that after four years of operating, NewGrade in its own annual audited reports has accumulated in that four-year period a deficit of \$300 million. There hasn't been a surplus in each one of those four years.

We have sought now for 18 months to negotiate an adequate solution. We were not successful in getting Federated Co-ops to sit down to do so with us. Justice Estey was appointed to recommend the solution. We support the principles of Mr. Justice Estey's report. We would like to negotiate based on Justice Estey's report. That is our position. We want FCL to say that that's their position. And above all we want you, sir, as

being a member of the government that struck this deal, to tell us whether you support Justice Estey as the basis of settlement.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Well, Mr. Premier, you revert back to very familiar behaviour for people that were around this province in the 1970s. You create a crisis, and then you use the heaviest-handed measures at your disposal to try and make yourself look like a hero, Mr. Premier, to people around this province that don't have the opportunity to be as informed as the members of this legislature. You did it in the 1970s; you expropriated potash companies, and we all know how that experience turned out, Mr. Premier.

Justice Estey, Mr. Premier, said that the upgrader is an operating success. Mr. Premier, FCL have not said they would not negotiate. But they have asked time, Mr. Premier, so that their round of membership meetings . . . 240,000 I remind you, Mr. Premier, who reside in the province of Saskatchewan, 240,000 members who have paid their 5 and \$10 memberships to belong to the co-op movement. Mr. Premier, they have said let's negotiate in good faith. Let us keep our membership informed, and we can come up with a suitable agreement.

Mr. Premier, what is the big hurry? Why must you use the heavy hand of your legislative agenda to take away the rights of 240,000 Co-op members? Why are you doing that, sir?

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

**Hon. Mr. Romanow:** — Mr. Speaker, like last question period, I want to draw to the attention of the House how the hon. member's question is predicated on a false fact from which then the question is conducted and closed. He starts it on the assumption that somehow we created the crisis.

The reality of the situation is that this crisis was created as a result of the deal which was negotiated by you, sir, when you sat on the treasury benches back in 1985-1986. The Donald Gass Commission said that. The Estey report has found the same. And these are the circumstances. We didn't create it. That was the situation which you caused and created.

And the hon. member opposite says, what's the hurry? I say to the hon. member and to FCL, what could be the benefit of waiting? Four years of annual reports, \$300 million annual operating debt, not a profit in each one of those years, exposure of over \$600 million of taxpayers' money, a basic finding by a former Supreme Court justice of Canada that says the project has run financially aground, and you stand up in this House, sir, and say credibly that there is grounds for waiting?

Waiting for what? Waiting for Godot? Waiting for a flash of lightning? Waiting until prayer works? Or acting in the interests of the taxpayers of

Saskatchewan? That's what Justice Estey said. He said, take this line that I am recommending in the interests of the taxpayers of all of Saskatchewan. And I say to you and to the former premier, why don't you join us? Where do you stand on Estey?

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, the Premier keeps saying that the Estey report should be used as the basis for restructuring the upgrader agreement. Unfortunately, Mr. Premier, you don't seem to like to read the whole report, only the parts that you think agree with you.

On page 14, Mr. Estey says, and I quote: any financial restructuring must do justice to FCL and to its member cooperatives and “. . . without exposure of FCL to a systemic risk which would place a financial stress on the far-flung and valuable Co-operative . . .” movement.

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

**Mr. Swenson:** — Mr. Premier, imposing an agreement that is not acceptable to FCL flies directly in the face of what Justice Estey recommended.

Mr. Premier, what's needed is to achieve a suitable negotiation as a basis of a settlement — not legislation, not expropriation; negotiation, Mr. Premier. Why don't you follow Mr. Justice Estey's recommendation and take the time to negotiate an agreement that does not do irreparable harm to the co-op movement and its 240,000 members in this province, sir?

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

**Hon. Mr. Romanow:** — Mr. Speaker, let me be absolutely clear about this. We believe and we want, even at this late date, a negotiated settlement that, in the words of Mr. Justice Estey, is fair not only to the FCL, but is fair to the taxpayers of the province of Saskatchewan. I repeat that again.

We have been for 18 months seeking to negotiate such an arrangement. But I also remind the Leader of the Opposition that in that same report where he quoted Mr. Justice Estey, Justice Estey set out the methodology for coming up with that fair settlement. The methodology is set out there.

I have said to you, sir, and I repeat again, on behalf of the Government of Saskatchewan, I'm prepared to accept the principles of Mr. Justice Estey's proposed solution, which solution he says is fair and just to FCL and to the Government of Saskatchewan and the Government of Canada and the taxpayers of this country and this province.

Are you, sir, prepared to stand up with me and endorse the recommendations? I want to know that.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Premier, Justice Estey says that the upgrader is an operating success. I agree with him. Justice Estey says the province is not equipped financially or managerially to own and operate the upgrader. I agree with him, Mr. Premier. You people don't have the capability to operate it or finance it.

Mr. Premier, you and your ministers refuse to acknowledge the fact that there are about \$35 million a year in royalties, because the upgrader is in place, accruing to the people of the province of Saskatchewan. When you add on the spin-off benefits and the taxes, Mr. Premier, there are almost \$50 million annually accruing to your government. Your minister responsible for CIC (Crown Investments Corporation of Saskatchewan) refuses to acknowledge that.

Mr. Premier, why don't you, instead of just picking and choosing the parts of the Estey report that you want, why don't you acknowledge those things which Justice Estey says, those things which the Co-op puts on the table, and negotiate, sir, on the basis of those things an agreement that will be long-standing and fair to the 240,000 Co-op members in this province?

What is the hurry to use the legislative process when you fail to acknowledge the other sides of the argument?

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

**Hon. Mr. Romanow:** — Mr. Speaker, let me again be clear to the hon. member. We acknowledge the Estey report in its totality — something that the hon. member refuses to do. You have given several quotations of the Estey report, presumably in support of your argument, but you have failed to endorse the most fundamental aspect of the Estey report, which is the mechanism of settling this in a fair and just way.

Now will you match me and go that one step further and identify and accept the Estey proposal with respect to settlement? You've refused to do that.

Now the second aspect of this matter is the question of \$35 million in royalties. I want to tell this to the hon. member of Morse, which to me . . . or is it Thunder Creek? I'm sorry. Thunder Creek. I want to say to the hon. member from Thunder Creek that of all the people, he being a former minister of Energy, his lack of knowledge in this area is either wilful or it's appalling.

Thirty-five million dollars is not the figure that we got in royalties on heavy oil, that you got. It was less than that.

But let's take 35 million. That 35 million was still being paid to the provincial treasury before the upgrader hit the scene because it was being provided to alternate markets — alternate markets. And you know that. It was alternate markets. It's true that the upgrader is here, but the royalty return did not alter at all; in fact it increased.

But in any event — as I take my place, Mr. Speaker — in any event, the most important thing to know is this. Mr. Justice Estey looked at all of those arguments that you advanced on the royalties and still recommended the settlement that we're endorsing. Why won't you endorse those settlements, is what I'm asking.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Well one thing's for sure, the Premier never has been the minister of Energy or he wouldn't make such a silly statement as he just made in the House today.

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

**Mr. Swenson:** — The simple fact is, sir, that the 53,000 barrels a day going through this upgrader and the 50,000 barrels a day going through the Lloyd upgrader would be in the ground if they weren't being upgraded today in the province of Saskatchewan.

The simple fact is, Mr. Premier, instead of . . .

**The Speaker:** — Order, order. Order. I think before the ministers can answer their questions we've got to hear the question.

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Premier, that is a fact that anyone in the oil patch will confirm and if you would take the time to listen to the business community in this province, they would tell you that.

Now, Mr. Premier, I'll ask you this. Your minister responsible for CIC has claimed that the Co-op, FCL, are not prepared to deal with the outstanding issues, four main issues: pricing, the keep-whole clause, staffing, and the splitter on the diesel fuel production. Your minister claims that they will not talk about it. In fact, Mr. Premier, it is your friend Don Ching that said that those issues weren't to be on the table until the bigger negotiations had taken place. And in fact your minister received a letter this morning saying the Co-op is prepared to deal on those issues at any time.

And according to the Estey report, and I refer you to page 22, that that can be dealt with in three different ways: through separate negotiation, arbitration, or through wrapping all of these issues into the overall financing package. That's the letter your minister got this morning, Mr. Premier.

Why, Mr. Premier, aren't you willing, on the basis of that, to sit down and negotiate? The Co-op says those things are on the table, not as your minister says, that they won't negotiate, but they are on the table. What is the big hurry? Why do you have to use this legislature to legislate what you don't seem to want to do at the negotiating table? Why is that, sir?

**Hon. Mr. Romanow:** — Mr. Speaker, the hon. member talks about the letter which was received today by the minister of Crown Investments Corporation. But I want to tell the hon. member that

not only was my minister, but I myself, we were around all weekend, ready, willing to undertake to receive any phone call from FCL to negotiate this — or officials. We did not hear a word from them, not at all. In fact, they take the position that they're not going to negotiate.

They say they're ready to arbitrate. I tell you, sir, again when you were minister of Energy, most of those arbitrated matters stem back to the period when the former premier, who keeps on making these questions from a seated position rather than having the courage to stand up and ask about this deal in a public, open fashion . . . These are arbitrations which are outstanding as a result of your administration, which they have blocked, which FCL has blocked.

They say now they're prepared to deal with the arbitrations. Well good for them. I'm ready to deal with those arbitrations too. But why the delay? You tell me why we should not accept the Estey report. Stand up and tell us where you stand on the Estey report, because that is the core of it. Three months of fact finding; three months of mediation resulted in this recommendation. It's the only solution which is around out there acceptable to Ottawa, Saskatchewan, and to FCL.

Tell us where you stand on this, because that's the key. And if the FCL people say they buy it in principle, we'll send our people right now to negotiate, to prevent the introduction of legislation. But so long as they refuse to deal with us, we are going to take the position that the taxpayers' interest has got to be protected — something which you sadly for nine and a half years did not adopt.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Premier, you know full well why those issues weren't dealt with at an earlier time. Because your friend, Don Ching, said that they were not to be dealt with until the bigger question of the financing had been dealt with. And you know that for a fact, sir.

Your Mr. Don Ching, who sits over there at CIC, who doesn't have to answer to the auditor, doesn't have to answer to this legislature, he has legislation now that allows him to write any particular Act that he wishes, Mr. Premier. Mr. Ching and Mr. Banda and Mr. Dombowsky — all of your friends, all of your patronage appointments that you have over in CIC, said to the Co-op, these issues are not on the table until the bigger financing thing has been handled.

Mr. Estey recommends that those things all be included, and you know full well, sir, that that's the truth. In light of that, Mr. Premier, and the fact that your minister has a letter saying that they're willing to put that to arbitration, that they're willing to negotiate or they're willing to wrap it into the whole package, why don't we take the time to do this properly and negotiate a settlement on something that is an operating success, is generating revenue for the province of Saskatchewan and not use your heavy

hand. Why don't you do that, sir?

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

**Hon. Mr. Romanow:** — Mr. Speaker, yet again some more witness and evidence, if that be required, why these people opposite ran up a \$16 billion debt for the province of Saskatchewan, those kinds of numbers.

I want to tell you about the arbitrations, Mr. Speaker. In July of 1991 FCL unilaterally changed the formula used to determine the price that it pays NewGrade for reconstituted crude oil — 1991. You, sir, were the Premier. That's when that arose.

Second outstanding issue in arbitration is the operations fee of \$18 million from 1989 to 1991. You wanted to change that. That hasn't been changed.

Third issue. The terms of the operating agreement with respect to incremental costs going all the way back from 1988 to 1990. You were the government, sir, and those were unsettled.

Those are the issues which are to be arbitrated and are not to be settled. Mr. Ching and this government has nothing to do with them. They were put on the table when you were the administration. Those are the facts, and Estey indicates that. And the records will show that very quickly.

And why would you not do anything about them? Because you did not understand the importance of this to the taxpayers of Saskatchewan and to the FCL. I say to the Leader of the Opposition, grow up and exhibit some maturity for the taxpayers for a change.

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

**Mr. Swenson:** — Mr. Speaker, the Premier knows full well that that . . . and I believe it was \$17.3 million last year on the operating agreement. It's gone as high as 20. The pricing arrangement which FCL puts at about a million and a half, your government puts at 16 million. The issue that went back to when the fire was and they had to use sweet crude instead of heavy, staffing 4 to 16 PYs (person-years), the splitter for the diesel was a \$5 million total cost. All of those issues, Mr. Premier, as per the agreement, as per the agreement, the Co-op is saying they'll put in front of arbitration or roll into a total financing package. It was your Mr. Ching that said that they didn't want to talk about any of these issues until a larger picture was dealt with. And yet you've held that over the head of FCL like the sword of Damocles as if you, Mr. Premier, are the final word in all of these issues.

Mr. Premier, 240,000 Co-op members in this province are demanding that you take the time to negotiate an honourable settlement. Mr. Premier, why don't you take the time instead of befouling this legislature with your legislation?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I've tried to

answer that question now several times about why take the time by asking the question what the advantage is in delay. Let me try it another way.

Apart from the basic funding, which I repeat again that the project has run financially aground, let me put it to you this way, Mr. Speaker. It costs NewGrade \$4.18 in direct operating costs to upgrade a barrel of crude — 4.18. This figure does not include interest charges, retirement of principle, or depreciation allowances. At full capacity, NewGrade needs an additional \$2.95 per barrel just to meet its interest charges, Mr. Speaker, or meaning \$7.13 in direct cash expenses per barrel.

Right now, CCRL (Consumers' Co-operative Refineries Ltd.) pays NewGrade 5.87 — by the way, unilaterally it struck this figure, one of the arbitrated issues during their regime — right now CCRL pays 5.87 for every barrel of heavy oil it upgrades. The direct cash expenses are 7.13.

Meaning what? A shortfall of \$1.26 for every barrel of upgraded crude sold to CCRL; 50,000 barrels per day are upgraded. That's a big problem. The member may not think it's urgent. The taxpayers of Saskatchewan say that shortfall is urgent and requires action.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. I'll direct my question to the Premier. Mr. Premier, the NDP (New Democratic Party) actually started the ball rolling on the upgrader in 1980-81. And there was a great deal of political lobbying at the time about which NDP MLA (Member of the Legislative Assembly) would get the project in his constituency.

When the deal was brought in by the Conservatives prior to the election, and when the interim agreement became final after the election, sir, very little opposition was raised by the New Democrats. In fact during the entire time that the NDP sat in opposition, almost no criticism was raised of this deal.

Now you can act as though the NDP had absolutely no idea what was in the deal, but how many members are currently sitting in this legislature today who actually publicly spoke against this deal with Federated Co-ops for the five years or so that it was in existence?

**Hon. Mr. Romanow:** — Mr. Speaker, I will answer the question very specifically. But I will ask the Leader of the Liberal Party for a change, to take a specific, clear stand, that she doesn't flip-flop on as she has been doing all session long. Tell us specifically whether you endorse the Estey recommendations — yes or no. And you don't tell me; you can please tell the public at large.

But to answer your question specifically, it's very simple. Records will show very clearly — although I was not in the House, but it's been researched, and I'm sure that we can find this fairly quickly — when we asked the premier of this province in *Hansard* to

table the documents, and the appropriate ministers, all of the documents were refused by both FCL and the government of the day as not being in the commercial and public interest.

And the hon. member then says, why don't you oppose it. How could you oppose it when the deal was made secret. It was only until the Gass Commission opened up all the books and said that this was a bad deal, and Estey says it's a bad deal to be renegotiated, that the government must choose to act in the interest of the taxpayer. That is the reason why the action was taken.

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

**The Speaker:** — Order. Before I accept the next question, I just want to remind members not to refer to people by the political position that they may hold, but by either the constituency they represent or the portfolio in which they represent.

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. Mr. Premier, you keep posing questions to me, and very soon you'll have that opportunity when I'm on the other side of the House. The question is not, do I accept Estey; the question is, does McKnight accept Estey and does Federated Co-ops accept Estey as well? I'm here just to ask the questions so far.

You're wondering, Mr. Premier, why it is that some time should be given to Federated Co-op, and I would like to provide you with some of this information.

You proudly spoke on television about being a co-op member. The membership of Federated Co-op is a large and dedicated membership represented by a highly professional and highly skilled management team. And the head offices in Saskatoon house more than 300 people working in that fair city. And much of the profit generated by Federated is paid directly to its members in cash dividends. Last year alone, Mr. Premier, that amounted to \$91 million in dividends pumped into this Saskatchewan economy through Co-op stores and the holdings across the province.

So when your government so much as breathes the . . .

**The Speaker:** — Order, order. Does the member have a question? I want the member to put her question.

**Ms. Haverstock:** — When you breathe the words expropriation through legislation, do you have any kind of clue at all as to the message that this gives, and the consequences that it'll have for this province?

**Hon. Mr. Romanow:** — The hon. member surely can't be serious with that question. She expects me to get up and say, oh I don't have a clue as to what this message communicates.

I mean, please, I say to the hon. member and to the members of this House, I ask you where you stand on Estey. You don't like what we're doing; I don't like what we have to do. We don't like to do what we have to do. But if it doesn't achieve the result, what is your

option? Your option is, do nothing. That's what they did for nine and a half years. That's why you and them — \$16 billion in debt. They did nothing.

We don't believe in a policy of prayer. We say that \$600 million indebtedness for the taxpayers in your constituency who, by the way, include cooperative members, after several years of outstanding issues, dictates that the government act in the interests of all the taxpayers, all the taxpayers.

This gives me no pleasure as a member of the co-op movement or a member of the government, but you tell me what a person's got to do when after all of these years FCL refuses to come to the table, refuses to accept the principles of Estey report, does not have the opposition even telling us where they stand on Estey, does not have the member from Greystone telling us where they stand on Estey. All you do is snipe at us from the corners while the taxpayers of Saskatchewan run the risk of living with a megaproject which is on the edge. Not good enough, Madam Member, not . . .

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

## INTRODUCTION OF BILLS

### Bill No. 89 — An Act to amend The Teachers' Federation Act

**Hon. Mrs. Teichrob:** — Mr. Speaker, I move that The Teachers' Federation Amendment Act be now read a first time.

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

**Hon. Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, with leave I would like to rise to move a motion, with the consent I believe of the Opposition House Leader, the Leader of the Opposition as well. At the conclusion of my remarks, to congratulate our honoured guests today in your gallery, and I ask for leave, sir.

Leave granted.

## MOTIONS

### Recognition of Junior Curling Champions

**Hon. Mr. Romanow:** — Thank you, Mr. Speaker, and thank you, members. Mr. Speaker, and members, like everybody in this Chamber I'm very proud to stand in my place and on behalf of the Government of Saskatchewan, congratulate the silver medalists of the world junior curling championships — which were held in Grindelwald, Switzerland in March of this year — in your gallery.

For so young a team, this team none the less have, between the players, over 40 years experience, leaving no doubt that their place in the championship, in my judgement, was well deserved and earned with much dedication to their sport. Their rink has succeeded in attaining both the Pepsi junior

championship and the national junior championships in 1992, securing their place for international competition this year.

At the world championships they compiled, as we know, a 7 to 2 round robin record which qualified them for medal play. Then they defeated Denmark in the semi's, going on to the championship round against Scotland where they lost but became the silver medalists.

In addition to the great team accomplishments, I would also like to remark upon the personal achievements of Angela Street, who was the all-world lead on the all-star team. That's quite an honour. Cindy Street and Maria McKenzie were also high school provincial champions for 1993.

With the expert coaching and support given by coach Merv Fonger and team psychologist Gary Gregor, our young Saskatchewan curlers have represented our province and our country with honour, and we thank them all for a job very well done. We're very proud of you.

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

**Hon. Mr. Romanow:** — And so, Mr. Speaker, I would now like to move, seconded by my colleague and friend, the member for Thunder Creek:

That this Assembly congratulate the members of the Canadian junior women's curling team, including Amber Holland, skip; Cindy Street, third; Tracy Beach, second; Angela Street, lead; Maria McKenzie, fifth; Merv Fonger, coach; and Gary Gregor, team psychologist, for their outstanding performance at the World Junior Curling Championships in Grindelwald, Switzerland, where they secured the silver medal for Canada.

I so move.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. On behalf of Her Majesty's Loyal Opposition, it's a pleasure to join with the Premier today in this motion before the Assembly to congratulate our honoured guests here today — our Canadian junior women's curling champions and silver medalists on a world level.

Mr. Speaker, the distinguished young women in the gallery today follow in what has been a long tradition of excellent curling from Moose Jaw from the Hillcrest Sports Centre, and before that the old rink on Caribou.

(1445)

And I think of names like Schoenhals and Stirton, to mention a few, that went on to greater laurels. And certainly their coach, Mr. Fonger, is of the same generation as many of those people that achieved such excellence in curling, and still throws a pretty mean rock himself today, besides being a coach.

So I would say to these young ladies, you have truly honoured your province, your community. And I'm sure if you follow the traditions of the people from the Moose Jaw and area that have curled in the past, that you will go on to do greater things in the curling world. And we all look forward to that day when you mount the gold medal platform on behalf of us at the senior level. So congratulations.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. I too would like to offer my congratulations to Amber, Cindy, Tracy, Angela, Maria, Merv, and Gary, on winning the silver medal at the world junior women's curling championship. And all of us do applaud you for your years of sacrifice and dedication, your intensity, and solid commitment to excellence in your sport. And we also want to thank you for being such terrific ambassadors for our province and our nation as well, when you were competing overseas.

So I join with the other members of the Legislative Assembly in congratulating you wholeheartedly.

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

**Mr. Muirhead:** — Mr. Speaker, members of the Assembly, it is my privilege to introduce to you, Amber Holland, skip. Amber is 18 years of age and has been curling for eight years, with one year of coaching experience.

Amber says: my dad has had the most influence on my curling career. He got me started in curling and has been my coach for three years. Her hobbies other than curling are reading, music, volleyball, basketball, and spending time with her boyfriend.

Amber plans to continue curling throughout university and hopes to get to the Scott Tournament of Hearts. Amber's future plans include university to become a physiotherapist.

Amber says the key to their success at the world junior championship was to focus on the job you have to do and only on that, and to have a close, supportive, and caring team.

Ms. Amber Holland, skip.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, members of the Assembly, it is my privilege to introduce to you Ms. Cindy Street, third.

Cindy is 17 years of age and has been curling for seven years. Cindy says, Mr. Speaker: my mother and father have had the most influence on my curling career. I watched them curl for years and then decided to try it — the rest is history.

Cindy says the key to their success at the world junior championships was compatibility and focusing on

their shots. Her hobbies, other than curling, are volleyball, listening to music, and going for walks.

Cindy's future curling goals are to curl in the Scott Tournament of Hearts, and to win once more with her sister Angela. Her future plans are to go to university and be educated.

Ms. Cindy Street, third.

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

**Hon. Mr. Calvert:** — Mr. Speaker, and members of the Assembly, it's my privilege to introduce you to Tracy Beach, second.

Mr. Speaker, Tracy is 18 years of age and has curled for nine years. She's also assisted with curling clinics. Tracy remarks: my mom and dad have had the most influence on my curling career. They got me started and keep me going supportively and — get this, Mr. Speaker — financially.

Tracy says the key to success at the world junior championship was curling the best that you can and having fun doing it. Her hobbies, Mr. Speaker, other than curling, are reading and biking.

Tracy's future curling goals are getting to the Scott Tournament of Hearts and winning the gold. Her future plans are now to go on to university, again perhaps with the financial assistance of mom and dad.

Members of the Assembly, Mr. Speaker, Tracy Beach, second.

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

**Mr. Swenson:** — Mr. Speaker, members of the Assembly, it's my privilege to introduce to you Ms. Angela Street, lead.

Angela is 18 years of age and has been curling for nine years, with one year of coaching experience. Angela says: my parents have had the most influence on my curling career. They got me started in curling and coached me along the way. Everyone in my family curls, so I receive a lot of support.

Her hobbies, other than curling, are piano lessons, which she has taken for five years. Angela's future curling goals are to be part of the Scott Tournament of Hearts and to be a world champion. Her future plans are to attend university and major in marketing.

Mr. Speaker, Angela Street, lead.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Members of the Assembly, it's my privilege to introduce Maria McKenzie, alternate.

Maria is 17 years of age and has been curling for seven years, Mr. Speaker. She has assisted in numerous curling clinics. Maria says: our coach, Merv Fonger,



has had the most influence on my curling career. He helped me to become a better curler than I ever was before. With his help I've made it where I am today.

Her hobbies other than curling include reading, watching movies, bike riding, and walking. Maria says the key to their success at the World Junior Championships was to keep focused on their goals, to be strong and consistent, and to keep team communications at a high level.

Maria's future plans include studies at SIAST (Saskatchewan Institute of Applied Science and Technology) to become an accountant. Mr. Speaker, members of the Assembly, Maria McKenzie, alternate.

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

**Mr. Hagel:** — Mr. Speaker, members of the Assembly, it's my privilege to introduce to you, Mr. Merv Fonger, coach. Merv is a teacher at Peacock Collegiate in Moose Jaw. He has 29 years of competitive curling experience and is a certified NCCP (National Coaching Certification Programme), level 3 coach.

He has many achievements in curling including being an eight-time competitor in the southern men's playdowns; coaching gold medal high school champions in 1993; bronze medal, high school, in 1992; and the coach for the national junior women's silver medalist team in 1993.

Merv is loved by all who come in contact with him, especially those he coaches. He is the mother hen of the group and keeps everyone on schedule. Merv loves to curl and golf, and he can be found eating lunch at the club most days and watching the **Flintstones**.

Mr. Speaker, and ladies and gentlemen of the Assembly, Mr. Merv Fonger, coach.

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

**Mr. Swenson:** — Mr. Speaker, members of the Assembly, it's my pleasure to introduce to you, Mr. Gary Gregor, the team psychologist. Gary Gregor has been the team psychologist since January 1992. He helped the Saskatchewan junior women's curling team become Canadian champions in 1992 and Team Canada junior women to become the 1993 silver medalists in world curling. He has worked with many amateur and professional teams with tremendous success throughout his career.

Gary accompanied the team to the nationals and two overseas competitions, including the worlds. Gary has paid his own expenses and asked no monetary return for his time and experience, proving his unselfish dedication to the love of a sport.

Gary was the sports psychologist with the Saskatchewan Roughriders in 1989 and is known as the mystery man behind the Riders' success in winning the 1989 Grey Cup.

Gary's specialty is winning; he knows how to create winning organizations, teams, and individuals. Gary has developed a course consisting of effective planning and hard work. He has given presentations to thousands of people throughout the country, teaching them how to leave it all on the field and feel better about themselves. Gary farms 12 miles south of Moose Jaw and operates his own consulting business. Gary is a neighbour of mine and we actually played on the same slow pitch team for a number of years until — was it the back or a leg, Gary, that gave out? Anyway he is a very good neighbour and someone that I'm very proud to call friend.

So, ladies and gentlemen, Mr. Gary Gregor, team psychologist.

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

Motion agreed to.

**The Speaker:** — Why is the member on her feet?

**Hon. Ms. Atkinson:** — Before orders of the day, I'd ask for leave to make a statement regarding Child Care Week.

Leave granted.

## ANNOUNCEMENTS

### Child Care Week

**Hon. Ms. Atkinson:** — I'm honoured to proclaim the week of May 24 to May 30 as Child Care Week. The Saskatchewan Child Care Association requested recognition of Child Care Week and I'm pleased to support them in their efforts to promote high quality child care for Saskatchewan families.

Child Care Week is being proclaimed to promote understanding of quality child care services. I want to take this opportunity to acknowledge the dedicated work of people who provide child care services. Child care staff, family child care providers, parent volunteers, boards of directors, and child care advocates are committed to improving the quality of child care services and promoting the importance of high quality child care for children whose families must work.

Obviously, Mr. Speaker, our children are our future. Child care continues to be of extreme importance to our government, and a review of child care services is currently in progress. An interdepartmental review team including representatives from the Department of Social Services, Education, Economic Development, Labour, Indian and Metis Affairs Secretariat, and the Women's Secretariat is presently studying child care issues in the province.

Consultations with major stakeholders are currently taking place in a number of locations, and these consultations will provide direction for future development of child care initiatives and legislation.

The Saskatchewan Child Care Association has been planning and promoting Child Care Week activities. Many local events will be held throughout the province including mall displays, children's films, training workshops, and many other activities encouraging public participation.

I would like to acknowledge the endeavours of the Saskatchewan Child Care Association and wish them much success during Child Care Week. Thank you, Mr. Speaker.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I would also like to say a few words in recognition of this very special week.

I understand, Mr. Speaker, that throughout Child Care Week there are a number of special activities put on by child care centres and homes in the province. And I trust that the children enjoy these special events and that everything takes place as intended.

Also, Mr. Speaker, I would like to extend a hearty thank you to all the child care givers across not only our province but across our nation — those individuals who give of their time to reach out to provide a loving atmosphere for the children of our province and of our nation, children who in many cases, Mr. Speaker, use child care services because their parents are working and providing for their physical needs.

And while I'm on my feet as well, Mr. Speaker, I would also like to ask the Assembly to recognize the second annual green ribbon of hope campaign, commemorating National Missing Children's Day. Child Find Saskatchewan must be commended for again participating in this national program.

Mr. Speaker, the abduction of children is a national tragedy and there is no higher calling than the search for missing children. My heart goes out to those parents with missing children. For the parents and friends of these children, suffering never ends. And as a parent, I know how painful that uncertainty may be although I'm certainly thankful for the family we have, and we don't face these circumstances.

However, Mr. Speaker, hope must continue for these victims. The green ribbons we wear today signify that hope. Education is the key. Public education programs like the green ribbon campaign draw people's attention to the problem. If more and more people become involved, more and more children will be located. As they say, Mr. Speaker, a missing child is everyone's responsibility.

On behalf of the official opposition, I wish Child Find Saskatchewan the very best today on Missing Children's Day and a successful month as they participate in the green ribbon campaign. Thank you.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. I would like to join with the minister in recognizing Child Care Week and as well acknowledging National Missing Children's Day.

As a mother and a grandmother, I can only imagine the pain experienced by thousands of children and their families and friends when a youngster is abducted. And I think this is why the green ribbon program and others like it are essential to educate the public on a topic of abduction prevention and to assist in the search and the process of finding missing children.

(1500)

This is part and parcel of acknowledging how much our children do need to be provided with good, proper day care and that the people who provide those kinds of services can get the acknowledgement that they deserve. If only one child is not receiving the appropriate kind of services, then it means that we're not doing our job well enough. And if only one child is reunited with his or her parents because of campaigns like the green ribbon campaign, then that too is well worth it.

So for this reason I stand proud in my place to join you, Madam Minister, as well as to proudly wear my green ribbon of hope. Thank you, Mr. Speaker.

**Hon. Mr. Mitchell:** — Mr. Speaker, I want to join my colleagues this afternoon as we take a moment to commemorate National Missing Children's Day. This day has been set aside to formally recognize the need for every member of society to work together to ensure the safety and well-being of children. We're all deeply affected by stories of missing children. No matter where such events occur, the tragic results of these incidents strike a common chord of outrage and of concern.

Another less sensational, but no less striking concern, is the number of child abductions relating to custody battles between embittered parents. Both of these threats to the security and well-being of our children must be addressed.

Children are our future. We must continue our efforts to try and ensure the stability of our families and make the welfare of our children our first priority always.

Secondly, we work towards the day when every member of society recognizes his or her responsibility to ensure the safety of our children as they live and grow in our communities. The health of our society depends upon the safety of our children.

## ORDERS OF THE DAY

**Hon. Mr. Tchorzewski:** — Mr. Speaker, with leave, and I think with prior agreement, I would move that the House move to government orders.

## GOVERNMENT ORDERS

## SECOND READINGS

**Bill No. 88 — An Act to amend The Provincial Court Act**

**Hon. Mr. Mitchell:** — Mr. Speaker, I'm pleased to rise today to move second reading of The Provincial Court Amendment Act, 1993. Mr. Speaker, the focus of these amendments is to ensure that benefits for provincial court judges and the method of determining those benefits adequately respect the independence of the court and the judges of that court. These amendments that are before the Assembly in this Bill have been discussed with the provincial court judges and agreed to by them.

Mr. Speaker, amendments were made to The Provincial Court Act in 1990 to establish a commission to review and make non-binding recommendations respecting judges' salaries and benefits. The amendments proposed today build on those amendments by giving the commission the power to make binding recommendations respecting judicial salaries, allowances, and vacation leave.

Provincial court judges have agreed to forego any salary adjustment for the three years considered by the earlier commission, 1990 to 1992. This adjustment amounted to \$14,000 per year in terms of salary. And in our fiscal situation in this province, the government felt that we couldn't pay any of this amount and the judges were good enough during our discussions to forego that proposed adjustment.

Under this Bill before the Assembly, Mr. Speaker, the commission is also given the authority to make non-binding recommendations respecting other benefits for provincial court judges, including pension benefits. It may also make non-binding recommendations respecting court resources and judicial independence issues. The fact that an independent commission with the ability to make binding recommendations will be considering matters of judicial compensation will help to ensure that judicial independence will indeed be preserved.

Mr. Speaker, these amendments also make changes to the pension and disability benefits for provincial court judges. The disability provisions currently give the Lieutenant Governor in Council the discretion to determine whether a judge should receive a disability pension; that raises independence concerns. The proposed provisions move away from the pension model on disability and create a disability income plan with rules similar to those found in disability insurance plans. The judicial council will apply those rules to determine entitlement in individual cases.

The pension provisions are rewritten to remove a number of problems with the existing provisions. A number of sections are revised to bring them in line with the provisions of other public sector pensions. For example, pension entitlement will vest after 2 years of service rather than after 10 years of service, as is currently provided.

The basic rules respecting calculation of judges' pensions are unchanged. However to recognize the hard work and dedication of long-serving judges, a new early retirement option is provided.

Mr. Speaker, the Supreme Court of Canada has stated that there are certain hallmarks of judicial independence which are essential. One of these hallmarks is financial security, which the Supreme Court described in these words, and I quote:

The essence of such security is that the right to salary and pension should be established by law and not be subject to arbitrary interference by the Executive in a manner that could affect judicial independence. In the case of pension, the essential distinction is between a right to a pension and a pension that depends on the grace or favour of the Executive.

Mr. Speaker, I'm confident that these amendments strike an appropriate balance between the necessary level of judicial independence and recognition of the fiscal realities facing our province.

I move second reading of An Act to amend The Provincial Court Act.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, up front it would appear that there isn't a lot in this Bill that really we would want to question and quiz, but it would seem to me that it would be appropriate to at least review it a little more in depth.

Not being a lawyer and having a legal mind, it's hard to understand all the legal technicalities to a Bill such as this, but I would at this time move adjournment of debate to allow further review of the Bill to take place. Thank you.

Debate adjourned.

## ADJOURNED DEBATES

## SECOND READINGS

**Bill No. 87**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Calvert that **Bill No. 87 — An Act to amend The Mental Health Services Act** be now read a second time.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, as I indicated the other day, one of the major concerns we have is the fact that this Bill might just go a little too far and may be intruding on to people's rights.

Now the minister in his second-reading speech indicated that there were provisions in the Bill to recognize and not infringe on people's rights. Certainly when the . . . a person could, due to having some mental problems, be put in . . . placed in an institution against their will, one would wonder whether or not their rights have been infringed upon. And it would be appropriate I believe, Mr. Speaker, for

us to raise that concern, raise that question, indeed follow up on the remarks that the minister has made to be certain that people's rights are respected.

Mr. Speaker, we feel that a number of the questions and this question in particular can be dealt with quite adequately in third reading of the Bill. Therefore, Mr. Speaker, I move that we move this Bill through to committee.

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

## COMMITTEE OF FINANCE

### General Revenue Fund Saskatchewan Water Corporation Vote 50

**The Chair:** — At this point, I would ask the minister to please introduce the officials who have joined us here today.

**Hon. Mr. Wiens:** — Mr. Chairman, thank you for that. I want to introduce first on my right the president of the Saskatchewan Water Corporation, Brian Kaukinen; on his right, the vice-president of water management, Wayne Dybvig. Behind Brian is Al Veroba, the vice-president of operations. And immediately behind me is Wayne Phillips, the vice-president of finance and administration.

#### Item 1

**An Hon. Member:** — Agreed.

**Mr. Britton:** — Oh, we can't do that. This is a big, this is a very big department. Thank you, Mr. Chairman.

Mr. Minister, I do really have a few more or less housekeeping kind of questions. One of the things I'd like to ask you, Mr. Minister, how many employees do we have in SaskPower?

(1515)

**An Hon. Member:** — SaskPower?

**Mr. Britton:** — Or Sask Water Corp.

**Hon. Mr. Wiens:** — Mr. Chairman, as of March 31, 212.

**Mr. Britton:** — Thank you, Mr. Minister. How does that compare with the previous year, '90-91?

**Hon. Mr. Wiens:** — In 1992, Mr. Chairman, there were, on March 31, 215.

**Mr. Britton:** — Thank you, Mr. Minister. This is going to be . . . should be easy for you to handle because you're involved in both sides of the question. What is the new environmental parameters, how is that going to impact on the Water Corporation?

**Hon. Mr. Wiens:** — Mr. Chairman, one of the things . . . and maybe what the member is referring to is the new construction of the department and the approach of government now. As you may be aware, the Department of Environment and Resource Management have been linked while the Sask Water Corporation is an independent corporation. It is also under my jurisdiction.

One of the things I've asked to be developed in the big picture of policy in Saskatchewan is a cooperative look between Sask Water and the Department of Environment and Resource Management, to look at the water issues in Saskatchewan both from a quality and a quantity standpoint. I think the emerging issue of the '90s may well be water supply, both in quantity and quality, for Saskatchewan farms and homes and businesses.

**Mr. Britton:** — Thank you, Mr. Minister. Would you have any idea as to the financial impact that will have on the Water Corporation to meet the new environmental regulations that we see coming and I'm sure are necessary?

**Hon. Mr. Wiens:** — Mr. Chairman, it's very difficult to quantify the impact of the water circumstances as much as water policy on the costs of living and doing business in Saskatchewan. As the member is aware, we have suffered a number of droughts in the last number of years and this has had a profound impact on flows. It's had an impact on river levels and levels of lakes in northern Saskatchewan. It's had an impact on the state of forest fire risk that's here.

The work of Sask Water specifically is really in the area of supply within the quality parameters that the province has. We have a wide range of water quality being offered to the province. The impact is often not on Sask Water, who are in the delivery business, but often the impact is at the home or the farm or the business level.

If I think of our own farm where the water quality has deteriorated substantially in the last few years, whether that will require a new well or an alternate supply, who knows? That will be an impact that I will have to deal with.

If there is a water quality issue in an urban environment, then those who pay for their water in those environments will have to see to it that that bill is paid.

I know in the case of SaskPower, who is a major water user, as the temperature of their cooling waters increases in their holding areas and as the quality of the supply of water increases, it affects their power generating capacity in their coal-fired plants. As the flow in the South Saskatchewan basin decreases, it affects that amount of power that we can generate from that source and therefore causes us to have to go to higher cost energy generation mechanisms.

But it's not most often Sask Water that suffers the additional costs. It may be in the power generating

capacity at the dam because we can sell less water for generating power. But generally the costs of quality and quantity restrictions are borne by the user, and Sask Water is simply the agent of delivering.

**Mr. Britton:** — Mr. Minister, I take it from that, you don't see a large impact on the financial side which is good, because my next question, could you outline to me and this side of the House where we are with the grants for water wells and dugouts? You mentioned drought and of course it's still out there to a certain extent in some places. Could you outline where you are now in terms of what your grant structure is?

**Hon. Mr. Wiens:** — Mr. Chairman, as the member opposite may recall, there has since the time of the previous government not been any support offered for water well drilling other than the technical support to farmers, and of course there's some assistance provided for dugout pumping where water supply in a dugout is low.

**Mr. Britton:** — I understand, Mr. Minister, there's no grant assistance for water wells, but you do assist in pumping water into dugouts. Could you tell me how many of those you have at the present time?

**Hon. Mr. Wiens:** — Mr. Chairman, there are about 1,500 dugout pumping activities annually supported, and it's supported on a cost recovery basis by the corporation. The corporation has the equipment and provides it, but it's billed out at cost to the user.

**Mr. Britton:** — Thank you, Mr. Minister. Is the reason that you're not supporting the grant system, was that because of a cut-back in finances to your department?

**Hon. Mr. Wiens:** — Mr. Chairman, it's my understanding that the program for capital support was cancelled in 1990-1991 year when your party was in government. And there was . . . The ongoing program was a relatively small program. There had been a larger-scale program introduced in 1988, in the face of the drought at that time, which ran then for two years. And basically the extended program and the basic program were both terminated in 1990-1991.

**Mr. Britton:** — Thank you, Mr. Minister. Mr. Minister, could you then outline to me a little bit as to what impact that change has had on irrigation and the irrigation projects we have in the province of Saskatchewan.

**Hon. Mr. Wiens:** — Mr. Chairman, the question of the irrigation development is quite independent of the water well dugout capital assistance program that used to exist.

There is money both in Sask Water's annual budget and in joint agreements with the federal government for irrigation development, although that has from both sides been annually reduced and again suffered reductions from the federal level this year.

**Mr. Britton:** — Thank you, Mr. Minister. I wanted to

establish the connection there because we have some more questions we'll need to know.

Mr. Minister, could you send me over a copy of all tenders that you've let out in the Sask Power Corporation?

**Hon. Mr. Wiens:** — Mr. Chairman, I wonder if the member could just clarify the request. The Sask Water staff have here with them a list of the tenders for supplies within the corporation. But if the member is referring to tender calls issued on larger projects, is it the tender calls that the member would like copies of? Or if you could just clarify what the request is.

**Mr. Britton:** — Thank you, Mr. Minister. I guess what I should have said was capital calls — capital tenders.

**Hon. Mr. Wiens:** — Mr. Chairman, what I will commit to here — and if this is not what the member asked for I will ask for him to add to what he requests — I will commit to sending to him on another day the list of tender calls for capital projects by Sask Water for the period reporting here. Okay, thank you.

**Mr. Britton:** — Thank you, Mr. Minister. I would appreciate that. On that list, would it also indicate who received the . . . who were awarded the tenders? Will that be on there?

**Hon. Mr. Wiens:** — Yes, Mr. Chairman, that information as to whom the contract was granted will also be included.

**Mr. Britton:** — Thank you, Mr. Minister. One more thing as to tendering. Does Sask Water have an open tendering process — it goes to the lowest bidder? Or do you have a preference to union contractors?

**Hon. Mr. Wiens:** — Mr. Chairman, the policy Sask Water is pursuing is a policy of offering projects to qualified tenders according to criteria that will result in balance in terms of union contractors and non-union contractors having access to projects in the province. And that's a policy that's presently being developed, though there isn't anything in final form.

(1530)

**Mr. Britton:** — Thank you, Mr. Minister. I want to get this straight. You're saying you don't necessarily accept the lowest bidder; you accept the bidder who has a balance in union workers and non-union.

**Hon. Mr. Wiens:** — Mr. Chairman, the condition of all of the tenders, as the member will see, will be that the tender is not necessarily issued to the lowest tender. And this is consistent with my experience from another life as well where the ability of the contractor to meet the needs of the contract under the conditions established is the basis for which a tender is offered. Sometimes that means tenders will go to union firms and sometimes it means they will not.

**Mr. Britton:** — Thank you, Mr. Minister. Then I think I understand you to say that you will look at the

capabilities of the contractor, if he's able to do the job. And it doesn't matter whether he's non-union or union, as long as he can do the job, there's no preference either way?

**Hon. Mr. Wiens:** — That will depend on what call goes out in the tender call. Sometimes there is tendering based on a balance of a union and non-union workforce. There are . . . sometimes there are conditions attached that will require a certain amount of local hiring. The question of whether the tender, the contract, is offered to one contractor or another will depend on the specific conditions of the tender call as it is offered in a particular case.

**Mr. Britton:** — Well I guess I'm a slow learner or something. You're talking about a balance, which I appreciate; I have nothing . . . You also said the ability of the contractor. Now you're saying that it depends on how the contract is written . . . or the bid offer is written. Is that what you're saying, that sometimes you offer a contract under different circumstances?

**Hon. Mr. Wiens:** — Sask Water's objective is to put into place projects in a timely fashion at the lowest possible cost under the circumstances that they judge to be most timely. If the member may be making some broad references to the Melfort contract, that has not yet been offered.

But with respect to the way in which that tender was most recently advertised, the request was for a balance of union and local workers for the project. And bidders then bid on that basis. Now as I say, that contract has not yet been let, so the . . . that is still under consideration.

But there was an effort in that case to recognize the importance of the local workforce, the importance of the cooperation of the organized workforce in Saskatchewan working cooperatively with contractors in order to achieve the objectives for that pipeline.

**Mr. Britton:** — Mr. Minister, I was not trying to allude to any one particular contract. I'm trying to find out what your tendering policy is. And now that you brought the subject up about the Melfort one, there was a little bit of a kerfuffle there, and you're saying to me that you were asking for a balance between the two. Well is that on the first tender or the second tender?

**Hon. Mr. Wiens:** — Mr. Chairman, that was on the retender. The conditions I described were the conditions of the retender.

**Mr. Britton:** — Thank you, Mr. Chairman. Mr. Minister, could you then explain what was wrong with the first one? Why did you find you had to retender it?

**Hon. Mr. Wiens:** — Sask Water felt it was important to use a balance from the workforce in order to maintain a circumstance in the contract where both union and non-union workers had an opportunity, where local

workers had an opportunity to share in the project development as it was tendered.

**Mr. Britton:** — Thank you, Mr. Minister. How do you intend to do that? I get the feeling that you're telling me that you want to have equal opportunity for both the union and the non-union sector. Now how does your second tender . . . What did you change in there to make the difference so that we will get this balance that you're talking about?

**Hon. Mr. Wiens:** — What was changed in the second tender was a requirement that 50 per cent of the hiring for that project be local, that was the new condition in the contract.

**Mr. Britton:** — Thank you, Mr. Minister. How does that hiring locally satisfy you and your department that we'll end up with a 50/50 split on the two?

**Hon. Mr. Wiens:** — Mr. Chairman, as I have already said, this contract has not yet been let, but the conditions under which the contractors were invited to bid in the retender was a condition under which they would hire 50 per cent of their workers through the building trades and 50 per cent locally.

**Mr. Britton:** — Thank you, Mr. Chairman. Mr. Minister, I think I know what you said but I want to clarify it. Fifty per cent of the workers on this project, when the tender is let — and I understand it's not let and that's fine with me — will be 50 per cent unionized, 50 per cent non-unionized, and you're saying that 50 per cent is hired locally.

Explain to me where the differential is between hiring locally and through the . . . let's use the term, union hall, which may indeed be right there. How do you get that split? Would you just explain that for me please?

**Hon. Mr. Wiens:** — Mr. Chairman, it is 50 per cent, as the member has stated, is hired by the union hall in this case as compared to the original contract which . . . under which a contractor could have brought their whole workforce in from wherever they were bidding.

In this case, 50 per cent of the workers . . . the contract was asked to be bid on the basis that 50 per cent of the workers would come from the union hall and 50 per cent would come locally. And I said that those bids are now under review.

**Mr. Britton:** — Thank you, Mr. Minister. I think I have it. We're saying that 50 per cent would then for sure be Saskatchewan people. At least.

Now the other 50 per cent, as I understand it, would be the contractors would have the right to hire who they like. But we didn't put no restriction as to whether they could be out of province or not. Is that the way I understand it?

**Hon. Mr. Wiens:** — No. Mr. Chairman, let me try to make it clearer. It's anticipated that 100 per cent of the workers would be Saskatchewan workers — 50 per cent from the union halls in the larger centres and 50

per cent local, as in the Melfort case, from Melfort and Melfort and area. So that it actually . . . the requirement under the offer was that contractors provide 50 per cent of their labour from the local area. But as I said, those bids are now under review.

**Mr. Britton:** — Yes, I understand. All right. I'm pleased to hear that, you know, we will keep it within the province. I think all of us are of the same point of view.

So the way I understand it then is that there will be 50 per cent through the unions hall as a criteria and 50 per cent will be local. If there's any overlapping of that, is there any mechanism in there that would not allow 60 per cent to come from the Melfort area if, say, 10 per cent happened to come out of the union hall and happened to be union people so that you would have 50 per cent local? And if it just happened that there was another 10 per cent in that area, would that be allowable?

**Hon. Mr. Wiens:** — Not only would it be allowable, it would be desirable. And it's expected that in a case like that where workers are being identified in the union hall in Saskatoon, that a number of them would be as well from the Melfort area, and therefore the percentage may well be above 50 per cent from the local area.

**Mr. Britton:** — Thank you, Mr. Minister. I appreciate that. I think we're kind of on the same wavelength on this. I think we're both wanting to be sure that it's fair. And one more question. Then the other 50 per cent — this is the contractor himself — if it's his decision to hire any place else in Saskatchewan to make up his 50 per cent, it does not necessarily have to be non-union either, does it?

**Hon. Mr. Wiens:** — To clarify again, all of the labour force hired outside of the local community will be from the union hall, so that the contractor will use 50 per cent local labour and the other 50 per cent is union hall labour, which is identified by the union hall, in terms of who is in place in order to provide the required services.

**Mr. Britton:** — So in effect what we're really and truly trying to do here is make it a 50/50 split. And you've got the mechanism in that to in your mind, I suppose, do that. Is that pretty well where we're at?

**Hon. Mr. Wiens:** — We believe that the terms under which the contractors were invited to bid here provides an assurance of (a) Saskatchewan labour; and (b) significant involvement by the local people in the community in the project. That's correct.

**Mr. Britton:** — Thank you, Mr. Minister. I appreciate you bringing up the Melfort thing. I wasn't going to get in with that. I think I have a little better handle on what you're doing there. I think some of my colleagues have some questions, so I'll just allow them to take over for a while.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr.

Minister, I believe that Sask Water is now responsible for Souris basin operations. Is that not true?

**Hon. Mr. Wiens:** — Yes.

**Mr. D'Autremont:** — Mr. Minister, I wonder if you could provide us with a copy of the Jack Chapman report. I've asked you this a number of times, and it seems I have not yet received that copy. I wonder if it would be possible to receive that, please.

**Hon. Mr. Wiens:** — Yes, Mr. Chairman, we'll provide that.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I hope you'll follow through on that in short order.

I wonder if you could please tell us what the cost of this study was.

**Hon. Mr. Wiens:** — Mr. Chairman, the final paid cost for the contract was about \$9,000, some piece below the contracted price.

**Mr. D'Autremont:** — The total cost for this study was \$9,000. That included all the costs of the transportation, the running around, the labour costs, the meeting costs, everything that was involved in it?

**Hon. Mr. Wiens:** — Yes, that was the total cost for Chapman's contract for the report.

**Mr. D'Autremont:** — How about all the other associated costs, though, Mr. Minister? We had Mr. Mills there. We had one of your assistants there, that were there, all the meetings themselves, the transportation to and from the meetings, the transcribing, the whole total cost for that report.

(1545)

**Hon. Mr. Wiens:** — Mr. Chairman, depending on what information the member wants, I'll try to outline what happened and then maybe the member can ask for additional information which the corporation is pleased to compile.

The travel costs of Mr. Mills and those sustenance costs were paid for under the Chapman contract, that Mr. Chapman had required support from Mr. Mills. And Mr. Mills was provided by SaskPower for a couple of weeks in order to assist Mr. Chapman, and those costs, the salary cost was borne by SaskPower. And as you are aware, Mr. Mills had previous experience with the SBDA (Souris Basin Development Authority) and was valuable to that process.

If the question is what happened after Chapman into the public hearing phase and those other processes beyond that, that's another question. And if you have an interest in kind of the broadening of the piece, if you just define the parameters that you'd like the corporation to accumulate into that, we'd be pleased to provide that as well.

**Mr. D'Autremont:** — Well, Mr. Minister, what I

would like to have for information is how much total cost was involved in the entire Chapman report — studies, completion, publication, everything. From the time that the decision was made to have Jack Chapman look at the project till the time that he finally submitted his total, completed report, the total cost for everybody involved in that, that the government, that the taxpayers paid for.

Now you say \$9,000. Now if that's \$9,000 for Jack Chapman, that's one issue. If it's \$9,000 for Jack Chapman and Gordon Mills, that's something else. But \$9,000 . . . we went through the public hearings on the Environment Committee and that was a significant amount of dollars for only about half again as many meetings. So, Mr. Minister, \$9,000 isn't anywhere near close to what the cost of this report was.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the sincerity of the member's questions and I appreciate the work he did on the broad committee's report on the charter, but the hearings were held much more broadly with large groups of people.

I think there is a comparison to the total bill that the hearings on the charter incurred and the \$9,000 in this case, because in the calculation of costs for the standing committee's report, there were no departmental costs billed, for example, in terms of advice to people on the standing committee. That was just a part of the functioning of the department.

Well in this case the functioning of Sask Water in its ongoing work has not been added into that amount, but the \$9,000 represents fully the cost to the Saskatchewan Water Corporation for the preparation and delivery of the Chapman report. The only additional cost that would be added to that in the way you've described what you're looking for for information would be two weeks of Mr. Mills's time paid for by SaskPower. That would be the total public corporation, Crown corporation cost for the Chapman report.

**Mr. D'Autremont:** — Well, Mr. Minister, while the Chapman report was being done, touring the public hearings, there was approximately six bureaucrats there at every one of those meetings. There was equipment for recording. That cost money. There was transportation to and from these meetings, because all of those . . . There was written reports and there was verbal presentations, and all those verbal presentations were recorded. They were then transcribed, accumulated, deciphered, and then presented into this report that we have yet to see.

So there is a significant amount of money there, Mr. Minister, and I don't believe that \$9,000 covers the cost of this project. Because when you start looking at the bureaucrats that were there, when you start looking at the people that were doing the transcribing afterwards, there's some significant costs there, Mr. Minister.

**Hon. Mr. Wiens:** — Mr. Chairman, it is the nature of

the work that Sask Water does, whether it's talking about the Langenburg east project or the Battle Creek project, or name your projects that are ongoing, where there is a component of the work of Sask Water which involves public hearings, because the public is very, very interested in this work and it needs to meet the criteria of the public standard that's expected.

So it is part of the ongoing work of Sask Water to do those kinds of things which include the transcribing you described, and those kinds of issues. So if it is the information on the Chapman report you require, I think I've given it roughly fully.

If you want the department to estimate additional costs and efforts expended relative to this question and project as you might be able to isolate project expenses relative to another one, if you take a percentage of staff time and the billings of certain kinds of services that they provide for other kinds of projects, they can accumulate that kind of an estimate. But there was nothing unusual about the work that Sask Water engaged in after the receiving of the Chapman report. It is in the nature of the Sask Water Corporation to deal with the public through that process that would be identical to the process you're describing.

**Mr. D'Autremont:** — Well, Mr. Minister, we feel it is very important that Sask Water go out and meet with the public when they're discussing a project, but the people in my area feel that this Chapman report was not needed had the government not brought forward that proposal that they did to deal with the Tetzlaff brothers.

So the people in my area are very interested in knowing what the total cost involved in that report was. Once the proposal had come forward, then the people were very pleased to be able to participate. But that participation only came about indirectly because those meetings were to be held in private, by invitation only, and the people themselves came to those meetings and demanded to be able to have representation there. And that was very significant, Mr. Minister.

The fact is at the last meeting that was held in Oxbow, the people there demanded that they have the right to stand up and vote on what they thought should happen to this proposal. And they voted overwhelmingly — about 95 per cent disapproved of the government's proposal. So they are interested in what those costs would be because they did not feel that those costs were needed.

How many people attended those hearings, Mr. Minister?

**Hon. Mr. Wiens:** — Mr. Chairman, the member opposite raises the question of why Sask Water would have attempted to provide an alternate solution to the legal entanglement that had begun to block progress on this project. As the member opposite is probably aware, the Tetzlaffs had an injunction with respect to preventing the use of the lands that they had owned



for the purposes of letting the Alameda dam fill.

The legal processes to disentangle that may have taken, who knows — three, four, five, six, however many years people can keep things tied up in the courts, so it was necessary to find a solution. The solution that was initially proposed did, as the member opposite correctly identifies, not meet the needs of the local community. And that probably had a lot of impact on the negotiations from that point, I think. It's my understanding that the Tetzlaffs responded positively to an alternate proposal after the Chapman report was issued.

So it was in the spirit of good public process that a better solution was identified, as it was in the spirit of good public process, as the member is familiar, with respect to the Charter of Environmental Rights and Responsibilities that in response to a proposal by government and a taking out in an impartial public forum, that the public spoke and said, we would like this kind of legislation to be constructed very differently.

That happened in this case as well, and I think that's a tribute to good public process and the good work Sask Water does in that regard.

**Mr. D'Autremont:** — Well, Mr. Minister, there's one good thing I can say about the Jack Chapman process, and that was indeed that the government did finally listen to what the people had to say in the area and did not proceed with that proposal, because that proposal would not have changed anything. It would have extended the time period for 10 to 15 years and we would have been back into the court process again, providing the Tetzlaff brothers wanted to carry it on. Because they were going to be given that opportunity, if they did not agree with the proposals from Sask Water, that they could go back to court.

And that is mainly what the people disagreed with. The people in the area said, let's go to court and settle it once and for all, even if it does take two to three years.

But they were upset with the way Sask Water went about handling these meetings. Sask Water initially came out with the proposal that they would meet with the stakeholders, only the municipalities and only the landowners in the valley; that the general public in the area were not going to be invited to these meetings. And, Mr. Minister, I took it on myself to advertise those meetings and that's why the public was there, not because Sask Water put any ads out saying, please come to these meetings. I did it.

So, Mr. Minister, when you talk about the openness of Sask Water's meeting process, then you should open it up and allow people to attend these meetings, just as we did do with the Environment Committee hearings. We invited everybody to attend; we invited everybody that we thought could be a stakeholder in the whole process to attend. And those who did not receive invitations had notices in the papers that these meetings were being held, where and when, and

please come and attend.

Now when Sask Water has some meetings, Mr. Minister, will you open it up to whomever wishes to attend?

(1600)

**Hon. Mr. Wiens:** — Mr. Chairman, the officials inform me that the original meetings were set up for stakeholders, landholders, local governments to participate in a hopefully peaceful atmosphere in those discussions, and that opening up those meetings facilitated the attendance of something like 400 people. And I think the outcome has been positive.

But I want to respond to the member's comments with respect to the desire of those to fight these things out in court. I think that has as much public acceptability on this issue today as the member found when he went out with the standing committee on the issue of the Charter of Environmental Rights and Responsibilities. The public, I believe, is tired of fights around environmental questions. I think the public wants to meet around a table cooperatively to talk about how to resolve these things in which we each have a common interest.

And I think it was that kind of a result, whether it would have been from the original identified stakeholders in that discussion, or the larger public attendance which was also positive, but it was out of a spirit of finding a solution that was positive and cooperative, and not the fighting out in the courts.

Because it doesn't matter what issue you take, whether it's issues in this area or any other area in life, the end result of a court battle might well have been that the province of Saskatchewan would not have had access to the lands required to be flooded to have water in the Alameda dam. At which point, what would the consequence then be? What price would one have to pay having lost that legal battle for accessing those lands should the courts at the end of a long and bitter fight decide what is the spirit of cooperation going to be at that point.

I think the route chosen by Sask Water was a positive one. It made a proposal. The proposal was examined through the Chapman report. Public hearings were held on that. And the public gave a direction that has been since incorporated into the negotiated agreement. And we think there's a win-win situation in the result of the public process that was engaged in.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Cooperation is indeed what the people of the area wanted. They wanted to be able to negotiate, but they didn't want to give away the farm in that process. And that's what that proposal did. It moved things 10 to 15 years down the road but it did not settle the court case. If the Tetzlaff brothers 15 years down the road were still unhappy with the proposals from Sask Water, they could go back to court. Nothing had changed. Their case had not been diminished at all.

And that's what the people found wrong with this proposal, is all it was doing was postponing a decision for 10 to 15 years, leaving the river dry. The only positive benefit would have been that the dam itself would have been completed. But it wouldn't be a dam; it would simply be an earthen work to grow grass on. Or as one person said, that under this proposal all you'd have was an \$80 million cow pasture, because that's what it would have amounted to.

And that's why the people in the area were opposed to it and that's why they were prepared to allow it to go to court for a final decision. And they felt that the case was strong enough that they would win.

Well, Mr. Minister, in this proposal, the final settlement on the Alameda project, what have the Tetzlaffs received?

**Hon. Mr. Wiens:** — Mr. Chairman, it is interesting to me that on this theme, as in others raised a day ago with respect to other issues whereby items under my responsibility had to be corrected from actions of the members previous, that the member would continue to refer to an in-between proposal where this government attempted to rectify the lack of agreement resulting from six years from the time the project was initiated, six years from the time was initiated.

And when we inherited the project, there still was no agreement. The entanglement was there at that time. The court fight was on. And therefore we proposed a solution which we then took out to the public, and the public spoke. And in response to what the public said about our proposed solution, we negotiated a changed solution to fix the problem begun by the members opposite six years before. I don't know why the member opposite continues to want to identify these failings of their administration that we have had to spend our time correcting.

The solution to that, the solution to the problem left by the members opposite was the win-win situation we described where the floodgates are now closed. The water level will be allowed to rise to the recreational level for the benefit of the community. And then after five years, we have the right to, in response to the will of the public in the area, raise the water level to the level that is publicly desirable by leaving the gates closed.

In the interim, the Tetzlaffs are compensated with \$244,000 to pay for land that they give up for a railroad relocation, to pay for an oil well that is going to be covered over in the process of the dam filling, to pay for easements in lieu of land purchase so that we will have the use of land till the year 1998 at which point the Government of Saskatchewan, the Sask Water will purchase the required lands at the market price of the day.

Now that is a good and well negotiated solution. On behalf of the people of the province, that serves the interest of the Tetzlaffs for the circumstances they have been put in and serves the public interest in

terms of assuring the ability to use the facility into which too much money has already been poured as a result of the ineptitude of the members opposite.

**Mr. D'Autremont:** — Well, Mr. Minister, you can claim it's six years of a problem but that court case was aided and abetted by the members opposite in that whole time that this project was taking place. It was your members that were out there giving advice on how the Tetzlaff brothers should fight this. The fact is, is one woman stood up at the meeting in Oxbow that night that Jack Chapman was there and wondered how much money the Tetzlaffs has provided your party to help in this fight.

You talk about \$240,000 for land, for oil wells, and for easements. I think perhaps you have missed one small piece on there. Do the Tetzlaff brothers have right to run cattle down to the water's edge?

**Hon. Mr. Wiens:** — Mr. Chairman, I find it interesting that the member opposite is asking questions about a fair settlement with a couple of ranchers who have been inconvenienced by the lack of adequate process by the members opposite on a \$244,000 settlement for real circumstances for which they deserve compensation, when the Government of Saskatchewan has had to write off \$144 million against this project that the members have created. I find it ludicrous that they should be asking these kinds of questions about a legitimate agreement when they have put the province in hock \$144 million on that question alone.

Yes, in answer to your last question, there were . . . the Tetzlaffs do have the right to run cattle to the water's edge as do others in the area.

**Mr. D'Autremont:** — Mr. Minister, you have given everybody then who has leased land along the water's edge access to have cattle down to that water?

**Hon. Mr. Wiens:** — Mr. Chairman, the previous policy of SBDA was in fact to restrict access relative to that. But grasslands were made available for people away from the water to graze at no charge. The present policy is that users who request the right are given the right to graze cattle at the water's edge and they will pay appropriate pasture rental fees, again a correction in a good business fashion of a problem that existed earlier.

**Mr. D'Autremont:** — Well, Mr. Minister, what kind of grazing rights have they been given? What kind of an operation are they now allowed to run down to the water's edge?

**Hon. Mr. Wiens:** — The arrangements under which, Mr. Chairman, the arrangements under which these rights to graze exist would be similar to any other grazing arrangement where the people who are using the pasture pay a lease fee. There is no ability for them to over-winter on those lands. There is no ability for them to set up an intensive livestock operation. This is a grazing lease that's provided in a normal grazing lease fashion.

**Mr. D'Autremont:** — Thank you, Mr. Minister. On the lands that the Tetzlaffs still own, those that they're giving you easements on, what other kind of operations can they run on there besides a cattle operation? What rights do they have on their own land?

**Hon. Mr. Wiens:** — Mr. Chairman, the Tetzlaffs continue to have all of the rights that you or I would have as land owners. What they have given Sask Water is the right to bring up the water level to the required publicly desirable level.

**Mr. D'Autremont:** — So, Mr. Minister, the Tetzlaff brothers then could set up a whole resort industry on the lands that they own, and utilize the water for their own personal benefit in that sense under this agreement. Is that the case?

(1615)

**Hon. Mr. Wiens:** — We've had a bit of a discussion trying to figure out exactly what the problem is the member is posing, Mr. Chairman. It's pretty unlikely that anybody would want to make a major investment on the shores of a body of water that is likely to rise and flood the resort on an agreement with the province.

We encourage private investment in tourism. We encourage private investment in the development of recreational resorts in Saskatchewan. I know a number of rural development corporations are interested and striving to set up new initiatives that will attract the public to any range of public activity.

I know in my area there's a very active group looking at enhancing a ski hill facility, of looking at further development of a golf course to take advantage of natural circumstances in our area in order to attract business and to make Saskatchewan . . . to add one more positive development to Saskatchewan.

Why someone would be concerned that the Tetzlaffs might also want to do that is beyond me. I think I would encourage them to try to establish within the province an investment that is within our collective interest. But on the specific question of putting a resort at the edge of a lake which is going to be rising, I suspect that's not likely.

**Mr. D'Autremont:** — Well to start off with, Mr. Minister, I'm pleased to hear that you feel that the Alameda dam is indeed going to have a significant amount of water in there, because I think that's probably the first time that a member from your side of the House has finally admitted that.

One of the reasons why the people in the area are concerned about one or two people having the right to have access to that water privately is that no one else along the whole system is allowed to have that. Will you in turn turn around and sell those lands back to the private individuals in the area whose land is not flooded, whose land is only partially flooded, and

allow them to have the access to the water to the resort capabilities that the Tetzlaff brothers are now going to have under your agreement? It's only the Tetzlaff brothers, under your agreement, that have that right. Nobody else has that right. It's only those. So will you give that right to the other people, the other stakeholders in the area who own land?

**Hon. Mr. Wiens:** — Mr. Chairman, the Tetzlaffs would have to submit to the zoning circumstances of the area both recreationally for Sask Water and with the municipal rules that are established locally. But my officials inform me that they would be pleased to offer any of the other landowners a similar arrangement to the Tetzlaff arrangement to pay back to the province the money they received for their lands and to lease it back to the province. They would encourage recreational development.

We have miles and miles and miles of undeveloped recreational space along Diefenbaker lake. We would invite investment from people locally, from people outside of the area to make proposals which could be considered for recreational development.

On the question of which dam has water in it and which dam does not, I think the member opposite ought to be aware that if he were to have a look at the Rafferty dam, you would still have a lot of trouble getting stuck in the mud very far away from the basic structure. And I think it's been recognized that there are more reasonable flows into Alameda than there ever are expected to be in the short term into Rafferty.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. We also . . . the people of Saskatchewan also realize that southern Saskatchewan has faced about 10 years of drought. And that's not the excuse that can be used over at Milden where the previous government built about 20 miles of irrigation ditch that's never held much for water. So, Mr. Minister, we all have our problems.

The land along the Rafferty and Alameda projects, particularly the Alameda project, the court said that that land was to be purchased and used for mitigation purposes. Will that now be changing under your proposal of sell the land back to whom ever wishes to buy it? What will happen to the mitigation portion of this project?

**Hon. Mr. Wiens:** — Mr. Chairman, the waters about which we're talking, both in the case of the Tetzlaffs and in the case of should . . . where I was figuratively describing the other circumstance, is land that is intended to be flooded when the dam fills up. So this is not mitigation land. This is in fact land that is going to be covered by water and the mitigation lands are outside of that area that is presumed to someday be under water and those mitigation lands are part of the agreement and will remain.

But the lands we're talking about when we're talking about the agreement with the Tetzlaffs and the agreement that anybody else might want to make in terms of the use of the particular lands has to do with

land that is intended to someday be under water if we ever get enough water to put it under water.

**Mr. D'Autremont:** — Mr. Minister, it's not a question of getting enough water. It's a question of closing the floodgates and allowing the water to be stored.

The land that you talk about along the waterway that will be flooded is one issue. That land will not be available for any use after it's flooded. But some of those mitigation lands do go down and border on that waterway. Will those lands, as you described, be allowed to be sold? And if that happens, what happens to the mitigation projects?

**Hon. Mr. Wiens:** — Mr. Chairman, no. Mitigation lands are there on an agreement to provide alternate habitat for the area that's going to be covered by water. We were very clearly discussing the areas in the agreement which are subject to flooding so that there is an interim process in terms of land ownership for land that will not be flooded now but hopefully, when there is water and the circumstances allow, will be flooded.

**Mr. D'Autremont:** — Well, Mr. Minister, not all of the Tetzlaff land will be flooded. They will continue to have access to that water's edge; they will continue to have access, under what you have described, to put up a resort on their land because it's their private land. If they put up a resort on it, all of a sudden you're not buying pasture land.

You talk about the Tetzlaff brothers as ranchers. They feed cattle; there's not a cow-calf operation. They go down to the local auction mart and buy calves and feed them out. That's the kind of ranchers you're talking about. They're not ranchers in the sense of the word that the media has tried to portray them over the period of time.

So they will continue to have access to that water. They can turn around and build a resort on that land. That land is now changed from agricultural land to resort land; it'll have a higher tax base; and it will sell at a higher value than agricultural land will because it's been developed. And so when you turn around and pay fair market value for this land, you're not paying for agricultural land any more, Mr. Minister. So what kind of a price are you looking at? Are you going to pay them for fair market value of agricultural land? Or are you going to pay them for fair market value of developed land if they turn around and develop it?

**Hon. Mr. Wiens:** — Mr. Chairman, if I may restate, having confirmed what I had said earlier, and to state again, that Sask Water has the right to purchase the lands required. They will buy land presuming that seven-eighths of the land they buy will be under water and there will be a residual amount for flood conditions, so that the land that Sask Water will buy will be that land that a private owner could not safely have access to under certain conditions of water should we be fortunate to have the dam full.

There are other owners around there who have similar

access to . . . from their existing private lands that have already engaged in the sales agreement. The basis . . . the formula for purchasing the land which has been used for other people who have sold their land is the same formula that will be used for purchasing these lands at the time — in 1998 or whatever year it is — and subject to the market fluctuations in that formula, which is basically the price of agricultural land.

**Mr. D'Autremont:** — Well, Mr. Minister, you talk of . . . that you're purchasing seven-eighths of this land that will be flooded and you'll have one-eighth left for flood conditions. But with the other people's land, they don't have the same access to the water that the Tetzlaffs have. Up till now they haven't had the access. You've changed that and given them access to water for agriculture purposes for cattle grazing only, not for extensive livestock, and for no other purpose. But the Tetzlaff brothers still have access for whatever reasons they want to have access to that water for, which the other people do not have. Is that the situation?

**Hon. Mr. Wiens:** — Mr. Chairman, I do not know what the member opposite has against the Tetzlaff brothers. They are . . . as the member opposite indicates with respect to our dealings with respect to access to water by others, there is one more thing we've fixed; and I hope the member opposite gives us credit for the number of things that we have fixed and we've had to fix, and the number of things that we will continue to have to fix that got left for us to fix.

But I don't understand what the dilemma is with respect to what the Tetzlaffs could do there. I mean the land that their cattle are going to be grazing on is going to be flooded within a very few years, we hope. It is all of our collective expectation, or at least our collective hope, that someday it will rain and the dam will fill, and someone would not want to have facilities drowned out by a dam which someday hopefully fills.

What they do in the meantime is . . . I do not understand the problem that the member is posing. If they were to have some development a mile from the water's edge, it would have to meet the same conditions for recreational development and zoning that every other development would have. It would have to pass an environmental assessment if it was deemed to have environmental impact.

I don't know what the question is the member is asking, in a society that basically believes in land ownership and the right to do things creatively. If the member is worried that the Tetzlaffs have more creative business sense than everybody else in the area, I guess the member may want to continue to express concern about it.

But in my mind if the Tetzlaffs or anyone else around that area wanted to develop a recreational spot that attracted tourist dollars and made the communities in the area healthier and provided more access for recreation for local people and people from far away, I would welcome them to do it.

(1630)

**Mr. D'Autremont:** — Well, Mr. Minister, that's the problem here. I would encourage everyone to take advantage of that situation, but under your agreement they don't have that opportunity. The Tetzlaff brothers have the opportunity, but the other people do not have that opportunity because they don't have access to the water. They have access to the water for cattle but not for recreational purposes.

And that's the problem here. One group of people — the Tetzlaff brothers — have gained a special condition because they stood up and fought expropriation.

Now does that mean that if you're putting in a power line between here and Saskatoon and I happen to own some land in there and you want to put a power line across my property and I fight it based on environmental concerns, that you'll give me some special conditions, that I could perhaps get my power cheaper or free because that power line happens to run across my property?

And that's what you're doing in this particular case. You're giving these people special conditions because they fought expropriation. The other people said no, there's a law here about expropriation; we understand it; we are prepared to sell for a fair market value; and we accept the conditions involved.

This particular two people said no, we're prepared to fight it. And because they fought it now you are giving them special considerations. And that's the problem here, Mr. Minister, is that they have the special condition of being able to set up a resort where the other landowners in the area do not have that . . . are not in a position to access the water in the same manner that the Tetzlaff brothers are. And if you're prepared to give the other landholders in the area the same access to water that you're giving the Tetzlaffs, then it's not a problem.

**Hon. Mr. Wiens:** — Mr. Chairman, I may be unusually dense today in trying to figure out what the problem is. I've asked my staff to tell me what they think it is the member is asking, because it is my firm belief, from everything I have said and heard, that there is nothing the Tetzlaffs could or would do that somebody else could not equally do.

Now if the member is suggesting the Tetzlaffs could build a confectionery down by the water's edge, which might be on skids, that somebody might come and buy some pop and ice cream and that on Sunday afternoon when they came to puddle in the water, someone else who is leasing property in another location could apply to Sask Water for the right to establish that confectionery on skids like everybody else. If you wanted to lease a boat launch, that consideration can be given.

And in the event that you don't want to do it that way and you wanted to do it the same way Tetzlaffs are doing it, the corporation has said that they would

happily take back the money for the money paid for the lands and restore the exact agreement that the Tetzlaffs have with everybody else — lease the land back to them, recognizing the land's going to be flooded in five years.

So there is every opportunity, as far as I understand it, under a different set of conditions, because granted, the Tetzlaffs presently have retained ownership, but if someone on a piece of leased property at another side of the water, as long as there's water and wanted to do it, they can make application to Sask Water and say we want to build a confectionery near the water. And that would be given just consideration, as I believe the Tetzlaffs would have to be before they built it because it would have to do with rights with respect to the recreational area around the lake.

So if the member could more accurately identify the problem, we could possibly more accurately answer it. But there does not seem to be a circumstance here where anybody would be under a disadvantage. The lease to the Tetzlaffs is an agricultural lease. They continue to . . . They've retained it for agricultural purposes rather, and the leases in the other areas are for agricultural purposes, and it's my understanding that if someone wanted to develop a resort-like facility on skids so they could drag it back when the water came up — if the water came up — then they could make application to do that at any point around the lake.

**Mr. D'Autremont:** — Well I perhaps have to agree with you, Mr. Minister, about your capabilities to understand my questions today.

The problem that has been expressed to me is that individuals who may wish to participate in resort development in the area do not have the same access to the water that the Tetzlaffs have because they have been able to retain ownership of their land. That's the problem, that the individuals have to go to Sask Water to get permission to do whatever it is they wish to do whereas the Tetzlaffs do not have that constraint. And that's where the problem lies, Mr. Minister.

On the deal with the Tetzlaffs, the \$240,000, how much land was taken for the railroad?

**Hon. Mr. Wiens:** — To quickly answer the previous point, for those people who believe that the Tetzlaffs have a better deal than they have, I would invite them to contact Sask Water to establish the exact same deal with Sask Water as the Tetzlaffs have, because it is of no financial consequence to the corporation.

The amount of land for the railroad is 16 acres.

**Mr. D'Autremont:** — Did you just purchase the 16 acres or was there a larger parcel of land in that portion that was purchased?

**Hon. Mr. Wiens:** — Mr. Chairman, just 16 acres.

**Mr. D'Autremont:** — And how much land are you gaining in the easement, that you have an easement to

for the five-year period?

**Hon. Mr. Wiens:** — The easement is for the lands required when the area floods. It is . . . and if you can tell us what the water levels will be, we can tell you the number of acres that will be covered by it.

**Mr. D'Autremont:** — The water level, Mr. Minister can go up to 562 — if you're interested — meters . . . (inaudible interjection) . . . It will.

The oil well, what was the quality of the oil well that you paid for?

**Hon. Mr. Wiens:** — SBDA hired a consultant to evaluate all the oil wells in the valley, where there were oil wells affected, for their negotiated agreements. And the same consultant, on the basis of the same calculations, has done for the other wells in the valley the same process for establishing the value was used.

**Mr. D'Autremont:** — I wonder if you could put a dollar value on this oil well. And is this oil well totally abandoned, or has some other things happened to it?

**Hon. Mr. Wiens:** — Mr. Chairman, the oil well is under water and therefore abandoned by all but the aquatic life.

**Mr. D'Autremont:** — Mr. Minister, do the owners of this oil well have access to those mineral rights again?

**Hon. Mr. Wiens:** — The basis for assessing compensation for all owners of lands on which oil wells existed in the valley was the damages suffered by the owners for no longer being able to use the particular well in question for these people and for other people in the valley — same basis.

**Mr. D'Autremont:** — So they will still have opportunities to access that oil if they wish to make use of those?

**Hon. Mr. Wiens:** — As in all other oil well developments, it would not typically be the owners of the land that would do the development — although I know of some people that do that — it would be another company who would judge their prospects in accessing that oil on whosever property . . . under whosever property it happened to be.

**Mr. D'Autremont:** — So then what you're paying for is actually for the drill stem and the site preparation and the values of that rather than the reserves in the ground?

**Hon. Mr. Wiens:** — What's being paid for here, Mr. Chairman, is simply the damages suffered by owners for their inability to access their lands; so that their capacity to earn revenues from the traditional damage payments that farmers receive is what's being compensated for in the oil development.

**Mr. D'Autremont:** — Thank you, Mr. Minister. So approximately 2,000, \$2,500 a year on surface

payments is then what you're talking about. Is that the value that you're talking? Or what value did you pay to the Tetzlaff brothers for the loss of this particular oil well?

(1645)

**Hon. Mr. Wiens:** — Mr. Chairman, in trying to identify closely the number of the compensation here . . . the value of the compensation for the surface lease that was determined by the formula that was applied generally was about \$6,000.

**Mr. D'Autremont:** — Okay, Mr. Minister. So from what I've gathered, you've paid \$6,000 for the oil well. Say we value the 16 acres at \$400 an acre for pasture land — and that is fairly high for the area — you're looking at another \$6,400. For the easement on a quarter section of land, which is basically what is being flooded to start off with, is a very small portion of that quarter section, at cattle leasing rates of about \$1,200 a quarter for five years, you're looking at another \$6,000. You're at about 18, \$20,000 of value that the Tetzlaff brothers have given up or are receiving from the government. So what is the other \$220,000 for?

**Hon. Mr. Wiens:** — Mr. Chairman, the land costs — I'm not familiar with the details of the arrangements with other expropriated lands in the area — but the land cost that was owed to the Tetzlaffs was \$400,000. That was according to the arrangement that had been there prior. And the calculations that were done based on that amount of money owing projecting into seven years into the future was that the amount paid, together with the damages and the special rights already described, would be the appropriate compensation that would parallel the costs of Sask Water paying out the actual amounts owing on the expropriated land in that period of time.

**Mr. D'Autremont:** — So does that mean, Mr. Minister, then when it comes time five years down the road, you don't have to pay them any more money for the lands that you only have an easement on? Or are you going to turn around and pay them another large sum of money for the lands that you just had the easement on? They were initially talking of five quarters involved here, and you've bought 16 acres. So are you going to turn around and buy the other 784 acres at fair market value besides paying them the \$240,000?

**Hon. Mr. Wiens:** — Yes, Mr. Chairman. And if the member opposite knows anything about the opportunity cost of money, it would make no difference to the corporation whether the Tetzlaffs had the \$400,000 and the cost accrued to us having paid out the \$400,000 or whether Sask Water retains the \$400,000 and pays an annual amount into a collective agreement as it has done and then at the end of the period of time purchase it for a fair market value of the time.

It would be parallel, Mr. Chairman, to the member opposite renting a house, paying his lease payments

annually, and then expecting, I think by the question, to somehow have seven years of house payments deducted if you were to choose to buy it at the end of the period. It's reasonable to compensate them for the amount of money they would have had in their pockets had the land been paid out.

**Mr. D'Autremont:** — Well, Mr. Minister, perhaps part of your equation has forgotten the opportunity costs that the Tetzlaff brothers now have at \$240,000 plus the opportunities that they have in still owning that land. They're not paying you any rent on that land; they're gaining the benefits of ownership for it. Have you taken that into consideration in your numbers?

**Hon. Mr. Wiens:** — Mr. Chairman, the Sask Water Corporation has considered all factors in coming to a fair and reasonable settlement that allows the province to repair the damage of the conflict that existed, that did not allow the development of the dam and the recreational facilities that could grow up in the area. And they have engaged in negotiations considering all of the things around the questions you've asked, come up with a fair value of compensation so that the Tetzlaffs are not treated significantly differently than anybody else in the area, and so that the public has the potential for recreation in the area once . . . now that the water level is allowed to reach recreational levels in the dam.

**Mr. D'Autremont:** — Well it's a nice answer, Mr. Minister, but you didn't answer the question. Opportunities on \$240,000, was that part of your considerations, and the opportunities of land ownership? Yes or no.

**Hon. Mr. Wiens:** — Well yes, all those things were considered. Mr. Chairman, I find it ludicrous for a person supposedly with a knowledge of business to think that when I . . . if you rent my house that somehow you should consider the opportunity . . . that you should consider my benefit from the opportunity cost of me having your rental payment. This gets into an insane little ping-pong game about when this consideration stops. It's clear that the Tetzlaffs could have \$400,000 in their pockets for the land which they do not have because they chose to retain ownership. Sask Water has \$400,000 that they would have paid out, so part of the calculation of the total benefits to the Tetzlaffs is the consideration of that same arrangement that anyone else . . . everyone else in the area has had relative to the value of their land.

**Mr. D'Autremont:** — Well, Mr. Minister, I find that very difficult to believe. The Tetzlaff brothers had opportunities for \$400,000, and you've paid them 240,000. Then you're going to turn around five years down the road and pay them another large sum of money at fair market value for the land. Those opportunities were not given to the other landowners — not at Rafferty-Alameda, not at Nipawin, not at Diefenbaker — just the Tetzlaff brothers, the only ones that have that opportunity.

Mr. Minister, if they wanted the \$400,000 all they had

to do was sign on the dotted line. But they're getting a special condition here. You're going to turn around and pay the \$400,000 or plus for the land when it comes time to sell it because you're going to pay fair market values. They also had access and use of that land for five years. Now as a farmer I know that sometimes that does not work out to a lot, but they have access to water use now which they did not have before on that land, so that makes that land more valuable to them. And they have the interest or the value off of that land, those opportunity costs that you talked about, and you haven't included that. At 5 per cent, Mr. Minister, you're not looking at \$400,000 over five years being worth \$240,000 plus all the extra they would have got out of from their own production.

**Hon. Mr. Wiens:** — Mr. Chairman, I'm sure the people of Saskatchewan are beginning to realize why we inherited this entangled mess over there when they listen to the member opposite discussing this without the knowledge of the circumstances that were there.

There are people in that area who have had the equivalent of the Tetzlaff's \$400,000 for five years already. And they had it when interest rates were at 12 per cent. I mean to make these kinds of comparisons and try to judge that somebody's been treated better than someone else is very, very difficult to do. The fact is that with one client because of one circumstance an arrangement parallel to all of those made with the others has now been made and the rights are similar in every case.

Item 1 agreed to.

Items 2 and 3 agreed to.

Vote 50 agreed to.

**General Revenue Fund  
Loans, Advances and Investments  
Saskatchewan Water Corporation  
Vote 140**

Item 1 — Statutory.

Vote 140 agreed to.

**Hon. Mr. Wiens:** — Mr. Chairman, I would like to thank my officials for their support in providing answers to the members opposite. I'd like to thank the members opposite for the wide range of questions on an interesting range of topics of public interest to people in Saskatchewan and for their cooperation in facilitating the public discussion of the estimates of Sask Water Corporation. Thank you both.

**Mr. Britton:** — Thank you, Mr. Chairman. I too would like to, on behalf of my colleagues, thank the staff for helping us through this. We certainly appreciate your knowledge and we certainly appreciate you having the answers for us when you came before us. Thank you very much.

The committee reported progress.

The Assembly adjourned at 4:58 p.m.