

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Osika:** — Thank you, Mr. Speaker. I rise once again on behalf of concerned citizens of Saskatchewan with respect to the closure of the Plains Health Centre. The prayer reads:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The names on the petition are from Yorkton, from Regina, and other small communities in Saskatchewan. Thank you.

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I too rise today to present petitions of names from people throughout Saskatchewan regarding the closure of the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The names on the petition, Mr. Speaker, are from Forget, Francis, Creelman, Regina, and other places throughout southern Saskatchewan. I so present.

**Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, I also rise today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

Mr. Speaker, the names that are on this petition are from the city of Regina and from Craven, Saskatchewan.

**Mr. Gantefoer:** — Thank you, Mr. Speaker. I rise as well on behalf of citizens concerned about the impending closure of the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The signatures on this petition, Mr. Speaker, are all from the city of Regina.

**Ms. Draude:** — Thank you, Mr. Speaker. I also rise today to present petitions of names from people throughout Saskatchewan regarding the closure of the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon.

Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed this petition are from Regina, Redvers, Gainsborough, Maryfield, Weyburn, Hudson Bay; all over southern Saskatchewan as well.

**Mr. Aldridge:** — Thank you, Mr. Speaker. I too rise to present petitions of names of Saskatchewan people regarding the Plains Health Centre. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And those who have signed this petition, Mr. Speaker, the vast majority of them, are from the community of Kipling, but we also have some citizens from Langbank, Lumsden, and Kennedy.

**Mr. Belanger:** — Thank you, Mr. Speaker. I rise again today to present petition of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And the people that have signed the petition, Mr. Speaker, are from Regina here. They're from Balgonie. They're from Wadena, Alameda. They're all from throughout Saskatchewan, and I so present.

**Mr. McPherson:** — Thank you, Mr. Speaker. I rise today on day no. 59, the 59th time I've been up with my colleagues in the House and the people of Saskatchewan trying to save the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

Mr. Speaker, it looks like most of the people that have signed this petition are from the Regina area and in particular from Regina Albert South, where in fact he should be doing something as well to save the . . .

**The Speaker:** — Order, order, order. Order. Now the hon. member knows that . . . (inaudible interjection) . . . Order, order. The hon. member knows that debate is not in order when presenting petitions. I'll ask him to conduct himself accordingly.

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens of the province petitioning the Assembly to reconsider closure of the Plains Health Centre.

### INTRODUCTION OF GUESTS

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I have a number of guests to introduce today. As you will know, this has been designated Saskatchewan Mining Week and we have a number of guests in your gallery. And I would like to ask them to stand as I introduce them and hope members will give the appropriate response upon completion of my introductions.

I'd like to introduce Lorne Repka, the vice-president and general manager of Prairie Coal Ltd.; Bill Eatock, general manager of PCS (Potash Corporation of Saskatchewan Inc.), Lanigan division; Raoul Gauthier, general manager of PCS, Allan division; John Tosney, president of the Cigar Lake Mining Corporation; Richard Kusmirski, senior geologist with Cameco; Eric Beaumont, general manager of ICM Canada Ltd.; Bill Henry, manager of Sask Minerals; Al Shpyth, manager of public relations with Uranerz Exploration and Mining; Jim Murphy, senior geologist with Uranerz Exploration and Mining; Brian Palmer, senior mining engineer, Uranerz Exploration and Mining; Tim Gitzel, vice-president, corporate affairs, COGEMA Resources; Norm Beug, manager, refining and shipping, Kalium Canada Ltd.; Rob Plosz, manager, mine field and engineering with Kalium Canada; Ron Kryzanowski, human resources officer, Kalium Canada; Jim Bubnick, senior vice-president, potash operations of PCS Inc.; Lou Coderre, vice-president, marketing, Big Quill Resources; Bob Cunningham, executive director of the Saskatchewan Mining Association; and with them is Dawn Redmond, who has organized Mining Week on behalf of the Saskatchewan Mining Association.

Mr. Speaker, these are truly the people who are involved in a very important element of our provincial economy and I would ask all members to acknowledge the work that they do in their corporations, on behalf of the people of Saskatchewan, in the appropriate way. Thank you.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. I'd like to join with the Minister of Energy and Mines on behalf of the Liberal opposition in welcoming the members of SMA (Saskatchewan Mining Association Inc.) here today. I won't go through and name them individually but I recognize a lot of friends up there. Sorry I couldn't make it to the kick-off this morning. I guess we'll be meeting with some of you later and look forward to dealing with your issues. Thanks so much.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Joining with the opposition and the government members, we too would like to welcome the members of the SMA here today. We look forward to our meeting later this afternoon and the important issues that I'm sure they want to present to us as an opposition party and then in turn to the government.

So welcome certainly to the SMA members here today and we look forward to our talks.

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

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to members of the Legislative Assembly today, an outstanding group of women seated in the west gallery.

As you know, the Women's March on Poverty is making its way to Ottawa from both coasts. The march was in Saskatchewan over the weekend to raise awareness of the important event in the history of our country and it has taken numerous hard-working and dedicated volunteers obviously to launch a march of this magnitude.

I want to introduce today Florence Hackett, Aboriginal Women's Action Network — if you would stand, Florence; Marjorie Beancage, Aboriginal Film Video Art Alliance; Bonnie Morton, National Anti-Poverty Organization; Mirta Rivera, Nandita Sharma, NAC (National Action Committee on the Status of Women) representatives; Heather Nicholas, who is filming the march.

And other members in the legislature will introduce some of the other women; so please join me in welcoming these women today. Thank you.

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

**Ms. Hamilton:** — Thank you, Mr. Speaker. I'd like to take this opportunity to join my colleague in, through you and to you to all members of the Assembly, welcoming a number of women involved with the March on Poverty that are in the House today. We have Sylvia Maljan and Eden Guidroz who are from CUPE (Canadian Union of Public Employees); Anthea Whittaker, Gretchen Zimmerman, and Centime Zeleke, who are working with Women on Wheels and are from British Columbia — I had an opportunity to have luncheon with the women and had a talk about a number of the issues that have an impact on their lives — Mary Praizinger from Eastside Women's Centre in Vancouver.

I would also like to greet and have you welcome Sarah Dorsey, Beth Long, Jean Hildebold, as well as a number of other women on the march. Thank you, Mr. Speaker. Join with me in welcoming them here today.

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

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of Her Majesty's Loyal Opposition, I extend our very warm welcome also to all who are here and involved with the Women's March on Poverty. We welcome you to the legislature today and we wish you very well.

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

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. Just to complete the introduction of individuals who are involved in

the Women's March on Poverty, I'd like to introduce to the House: Kris Alvarez; Vivien Seegers; Elsie Dean, who is with the Women's International League for Peace; Diane Clair, who is with the Aboriginal Women's Action Network; Susan Stout, with Canadian Auto Workers; and no stranger to many of us, Deedee Daigle with the CLC (Canadian Labour Congress) prairie region.

Now, Mr. Speaker, all of these guests are seated in the west gallery. Most appropriate, they're close to Moose Jaw — or closer to Moose Jaw now. The march will be in Moose Jaw later this afternoon and we look forward to seeing you there.

Again, I ask all members to greet these important people.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the third party caucus, we'd certainly like to extend a warm invitation to the women who have taken up a cause and we're pleased to see that you've looked at coming through Saskatchewan as well and presenting your cause. We wish you well in your further endeavours. Thank you.

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

**Hon. Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, and all members of the House, it's my pleasure today to introduce to you and to the members of the Assembly, seated in your gallery, two very special guests from Ukraine, who have joined us today in Saskatchewan. I'd ask them to stand as I introduce them. They are, first of all, His Excellency Dr. Volodymyr Furkalo, who is the ambassador of Ukraine to Canada. Please, Mr. Ambassador. And Mr. Mykhalylo Tytarenko, counsellor for economic and commercial affairs with the embassy of Ukraine, who's joined the ambassador.

Mr. Speaker, His Excellency, and Mr. Tytarenko, met this morning with the Minister of Intergovernmental Affairs, and joined a number of ministers, the leaders of both the official opposition and the third party, and myself, at a luncheon meeting with the Saskatchewan business people who have business interests in Ukraine.

This afternoon His Excellency, and Mr. Tytarenko, will meet with the Minister of Municipal Government and with officials in Justice before leaving for Saskatoon, where they will spend the day tomorrow. I might add this is not a complete itinerary; His Excellency is extremely busy with a very full agenda.

Mr. Speaker, all members of the House will know that our province's economic, governmental, and trade relations with Ukraine are very, very important to all of us. And if I may so, perhaps somewhat immodestly, it's also very important on a very cultural level because of the nature of the settlement of this part of the world. We appreciate the presence of our guests and their effort to work with us in strengthening those ties.

Ukraine is embarked on an exciting venture of democratization and market-place reforms — an adventure which will lead it to strength and independence, and a contributing country of the

highest order in the world's orders of countries.

And these are not easy times, but they're exciting times. And with the presence of people like the ambassador, and his commitment and his country's commitment, and with the partnership of people like the people of Saskatchewan, the people of Canada, I know that they will be very, very successful.

I look forward to future return visits, and I ask all members to join me in welcoming His Excellency, and Mr. Tytarenko, today. And may I just say very briefly in Ukrainian . . .

(The hon. member spoke for a time in Ukrainian).

Thank you very much.

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

**Mr. Osika:** — Thank you, Mr. Speaker. I would like to, with the permission of the Premier, add the welcome to His Excellency on behalf of the official opposition. And may I just say, very cautiously as well . . .

(The hon. member spoke for a time in Ukrainian)

Thank you.

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

**Mr. Boyd:** — I would like to join with the Leader of the Opposition and the Premier in welcoming the ambassador and his delegation to Saskatchewan here. I was very interested, in the brief minute we had to talk, about the similarities between Saskatchewan and the Ukraine and the agricultural economy, which is very important of course to the Ukraine and of course to Saskatchewan. So we would like to add our warm welcome to you, as well, to Saskatchewan.

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

**Mr. Thomson:** — Thank you, Mr. Speaker. Among the other distinguished guests that we have in the gallery today, I'm very pleased, as always, to welcome a group of school kids here. They are from Dr. A. E. Perry School in my riding. They are 32 grade 8 students, accompanied by their teacher, Ms. Wilson. And I'm looking very forward to meeting with them after to discuss the workings of the Assembly. If you'd join with me in welcoming them.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. I'd like to introduce to you and through you to this House, a number of students from St. Angela's Academy at Prelate, Saskatchewan, sitting in the east gallery. There are 20 of them, grade 12 students. And welcome you to Regina and to this House, and we hope that you find what you see interesting and informative. And I'll be meeting with you later on, on behalf of Jack Goohsen, to answer any questions you may have. Welcome here.

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

**Ms. Stanger:** — Thank you, Mr. Speaker. I'm very pleased today to welcome a group from the Turtleford School, a group from my constituency. It's so good to see someone from home. You're the first group that's travelled this far, and I'm sure pleased to have you there.

I'd like to introduce to you and through you to the rest of the members, the group from Turtleford. There are 31 grade 8 students. I'm looking forward to answering questions and meeting with them later.

And I also would like to welcome their teacher, Sheila Johnsrude, and the chaperons, Ellie-Mae Bishop, George Barr, Larry Macnab, Lillian Currie, and Albert Angus.

And please welcome them, and I hope you enjoy question period.

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

#### STATEMENTS BY MEMBERS

##### Saskatchewan Mining Week

**Mr. McPherson:** — Thank you, Mr. Speaker. Saskatchewan's mining industry is vital to Saskatchewan's economy, and so I'm pleased to recognize this week's designation as Saskatchewan Mining Week. By celebrating Mining Week, I hope that more people become aware of the significant contributions that mining makes to Saskatchewan.

Directly and indirectly, the mining industry employs about 17,000 people in the province. Mining has the potential to be dangerous work, but Saskatchewan mining companies pride themselves on their safety records and the strict safety rules. Saskatchewan's mine safety record is one of the best in the world. In fact stats show it is safer to work in a mine than in your own home — but I guess that would depend on your home, wouldn't it, Mr. Speaker?

What's also important is that more mining companies are also developing environmentally conscious methods of doing business. I would like to commend all the people working hard to put Saskatchewan on the leading edge of the mining industry.

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

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. As my colleagues will be aware, my constituency lies in Prince Albert, known as the "Gateway to the North", so I'm very familiar with the contribution that mining provides for northern communities. This contribution is not limited although to the North, as mining benefits the entire province. Therefore I think that it's fitting that I speak about it today at the beginning of Mining Week in Saskatchewan.

My colleague has indicated some 17,000 direct and indirect jobs are created by the mining industry. Last year as well this

industry shared a \$136 million in royalties and production taxes with the province.

But the province isn't the only beneficiary, Mr. Speaker. The uranium and potash companies alone paid \$15 million in municipal and school property taxes, all of which contribute to keeping viable cities, rural towns, and RMs (rural municipality) throughout the province.

Mining Week, as my colleague has indicated, is part of an education process to show that this is a major role that the industry plays. I want to publicly commend the Saskatchewan Mining Association and the hard-working people that they employ for the positive benefits that they accrue to the province of Saskatchewan. I want to commend them for a job well done. And I look forward to working with them in the upcoming months.

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

##### 20th Anniversary of Saskatchewan Indian Federated College

**Mr. Belanger:** — Thank you, Mr. Speaker. During the past weekend, present and former students of the Saskatchewan Indian Federated College celebrated 20 years of university education.

Since SIFC (Saskatchewan Indian Federated College) opened its doors in 1976 more than 1,500 students have graduated from its programs. Make no mistake, SIFC's educational programs are special and unique.

As Dr. David Ahenakew remarked during the anniversary banquet, quote: "The creation of the college meant there would finally be Indian education for Indians about Indians".

The college offers 12 different degree programs. Although SIFC is based out of Regina, the college offers certificate programs in more than 20 different communities around the province. As SIFC's profile grows, it continues to attract more and more native high school students to post-secondary education.

SIFC will celebrate another remarkable event next year when construction begins on its spectacular new building that was designed by the well-known Douglas Cardinal.

The success of Saskatchewan's Indian Federated College is due to the tireless efforts of people in Saskatchewan who had a vision of providing a unique educational experience for the first nations people.

I would like to congratulate all the people involved in SIFC's development.

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

##### Women's March Against Poverty

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, the last

time there was a national march to Ottawa, the reception in Regina was not very hospitable. In fact we have the dubious distinction of being the place where the 1935 On to Ottawa Trek was stopped, with some cost to life and limb — on order from the federal government, I hasten to add.

As was mentioned last week in the legislature, we now have another march taking place, and the marchers have been with us in Saskatchewan for the past four days. I am happy to note that this time, rather than being assaulted and arrested, the participants of the Women's March Against Poverty are our guests in the legislature today and we were happy to welcome them a few moments ago.

So, Mr. Speaker, in some ways, the times have changed for the better. And sadly, in some ways they haven't. My mention of the 1935 trek was not casual. The marchers then were on the way to Ottawa to press the federal government for decent jobs and an end to poverty.

The marchers today are gathering strength across the country to press the federal government to take action to end women's poverty; to recognize that women — especially single mothers — make up the majority of Canada's poor; and to urge the federal government to live up to its promise of a national child care program. These are not outrageous demands, Mr. Speaker.

So on the one hand, we welcome these dedicated visitors to our legislature and invite them to return. On the other, we deeply regret the need for a march. Thank you, Mr. Speaker.

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

#### National Access Awareness Week

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize these week's designation as National Access Awareness Week.

People who are physically or mentally challenged come up against barriers every day. These barriers might be a flight of stairs, lack of parking spaces, or inadequately equipped telephones. Not only should all people have access to services, Mr. Speaker, but they should have the fair access to everyday living and employment.

Fortunately, ongoing advances in technology are making it easier for people with disabilities to enter the workforce. Many new communication devices are enabling people living with disabilities, greater access to education.

I hope that by participating in National Access Awareness Week, people will be inspired to think of new ways to improve access to services and programs for all people with disabilities. Thank you.

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

**Mr. Ward:** — Thank you, Mr. Speaker. Mr. Speaker, we all need reminding from time to time that what is easy for us is not automatically easy for others. Seemingly little things for us, like

two steps up to a restaurant or a trip downstairs to the rest room, is a major undertaking for those with restricted capability for movement.

Consequently, for the ninth year, this week has been declared National Access Awareness Week, a week set aside to raise awareness about physical and attitudinal barriers faced by people with disabilities. More importantly, its purpose is to work towards removing those barriers so that people with disabilities can achieve full economic and social participation in society.

During this week, disability groups, communities, schools, corporations, and governments across the country, will sponsor a number of activities to fulfil the mandate of the week.

Our kick-off was held on Friday in North Battleford, where the annual government Breaking the Barriers Award was presented. This award recognizes the government department or Crown corporation which exceeds its mandate in serving the disability community. This year the award went to SaskEnergy, which received a plaque and painting by Adeline Nostadt, a resident of Wascana Rehabilitation Centre, and an accomplished mouth-painter.

Mr. Speaker, the painting is an example of how disabilities can be overcome. National Access Awareness Week is a reminder that we all have a part to play in helping those with disabilities overcome them. Thank you.

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

#### Farming Practices

**Mr. Aldridge:** — Thank you, Mr. Speaker. Today I wish to address an issue of concern to all Saskatchewan residents, particularly those involved in agriculture.

In today's edition of the Regina *Leader-Post*, there is a *Frontline* article from Reuter's entitled "Factory farming causes problems." The article, Mr. Speaker, discusses how livestock intensity, pesticide use, and other farming practices in Europe, are causing environmental degradation and reducing food quality.

Mr. Speaker, I'm concerned that many people reading this story will assume that the same applies to Saskatchewan. While modern agriculture practices are constantly being upgraded, Saskatchewan people, however, provide the best quality food in the world.

Industry inspection and licensing services, universities, extension services, and manufacturers of agriculture inputs, end products, strive to ensure our agriculture system is both sustainable and environmentally sound. Farmers across this province play the greatest role in that and are committed to ensuring that they are not only good business people but good stewards of the land.

Mr. Speaker, in closing, I'm sure all members join me in expressing every confidence in Saskatchewan's agriculture

industry. Thank you.

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

### Saskatoon Economic Development Authority Survey Report

**Mr. Pringle:** — Thank you very much, Mr. Speaker. A recent survey conducted by the Saskatoon Regional Economic Development Authority demonstrates the optimism among businesses in my constituency and across the province.

Of the 90 businesses that were surveyed, 75 per cent are looking at growth opportunities in the industrial sector. Nineteen companies are looking to expand their operations, which means that over 250 jobs will be created, investing over \$37 million in the local economy. Almost 70 per cent of the companies indicated their current domestic sales are up and only 10 per cent have declined over the past two years.

The prospects for growth in domestic sales is another area that showed positive results. About 35 per cent of the companies said those prospects are excellent and 40 per cent said they are good. Over 85 per cent of the businesses that were surveyed had invested in productivity, in new equipment, in employee training, or in improving the work environment, i.e., investing in Saskatchewan, Mr. Speaker.

Mr. Speaker, the measures outlined in our *Partnership For Growth* strategy will help maintain this positive atmosphere. These businesses that are moving ahead with optimism will be creating jobs for the new century, jobs for future generations. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Patronage Appointments

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, members of this House recall a 1991 election campaign promise made by the Premier that was going to eliminate patronage. In fact the NDP (New Democratic Party) platform document indicated, and I quote:

Performance and competence must be re-established as the sole criteria for employment and advancement.

In spite of this promise, the NDP government has openly broken this promise on a scale only exceeded by the previous Conservative administration. Mr. Speaker, one of the winners under this government's obsession with patronage has been long-time New Democrat Party organizer, Mark Stobbe, who moved from the Finance minister's office to the Crown Investments Corporation, then on to SaskTel. Mr. Speaker, it has come to the attention that there is a great deal of friction between Mr. Mark Stobbe and the new president of SaskTel, Don Ching.

Can the Premier confirm if Mark Stobbe has been relieved of his duties as a result?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, as the minister responsible for a Crown or a department, I certainly don't feel that it's my role to enter . . . personally engage in the hiring or firing of personnel.

I was not aware until some days after, as I was told later, Mark Stobbe was no longer at SaskTel, that he was no longer there. So I think what you do in these circumstances is you engage personnel — be it deputy ministers, be it presidents of corporations — to run the business of the corporation, and they will engage those people that they feel are appropriate in those positions. And it is management decision and should never, Mr. Speaker, become a political consideration of a political party or of the floor of the legislature, Mr. Speaker.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. I want to thank the minister in charge of SaskTel for answering for the Premier for his promise that he made in the 1991 election. Mr. Speaker, Mr. Stobbe is probably best identified as the campaign manager who forgot his NDP candidate at an all-candidates' forum during the Northwest by-election — whoops.

He is also associated for his part with the Co-op upgrader fiasco. Aside from this, he has managed to move from government departments to Crown corporations. Mr. Speaker, given the movements of Mark Stobbe, one has to question if his qualifications are meeting the demands of these different government agencies.

Given the fact that this does not appear to be a consideration where NDP patronage appointments are concerned, will the Premier — will the Premier — explain what plum political appointment he will be finding next for his party friend.

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I think that it would be appropriate perhaps to make some comments for the benefit of the members opposite as to the definition of patronage. They should be experts on that subject, Mr. Speaker. When you engage people who are competent in their field then it's in spite of, not because of, political considerations.

Mr. Stobbe is a distinguished graduate of the University of Saskatchewan, the author of several published books, and I think, Mr. Speaker, his credentials should not be in question here.

So I think when you hire someone who does not have credentials — except political credentials, which the members opposite would understand — that's patronage. When you employ people who are qualified in spite of their political considerations, that is bona fide employment, Mr. Speaker. And that's the difference.

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

### Service Districts Act

**Mr. Gantefoer:** — Thank you, Mr. Speaker. The Minister of Municipal Government just can't seem to get it right. Last month she told local government officials from across the province that she would recommend to cabinet that The Service Districts Act be withdrawn. She told the media on April 17 that she would put it on the back burner, stating, and I quote:

We don't intend to proceed with it any further at the current time until we're sure that we've have a pulse on what the majority view is out there.

Mr. Speaker, it has come as a great shock to hear reports indicating that this NDP government now intends to push through this proposed legislation. Will the minister explain why she has broken her word?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, we have not broken our word. The members opposite would take certain phrases out of context and try to leave the impression that we have been less than truthful. This is not true, Mr. Speaker. This is false. It is a misrepresentation.

There has been some controversy surrounding and some misunderstanding surrounding the meaning and intent of The Service Districts Act. We have responded to that by trying to make explanations, by holding meetings, by circulating copies of the legislation so that people, Mr. Speaker, could understand it more clearly.

We have said that, and — it's true, whatever definition you want to use — it's on the back burner for the time being because it was given first reading so that it could be made public, its provisions could be explained and understood. It has had second reading, but it has not been voted on at second reading, Mr. Speaker. It has not been to Committee of the Whole, at which time the members opposite will have adequate opportunity to ask and receive the answers to questions.

So as I say, it's taken due course, Mr. Speaker, and we intend to proceed.

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

**Mr. Gantefoer:** — Mr. Speaker, SARM (Saskatchewan Association of Rural Municipalities) president, Sinclair Harrison, says the flip-flop of this government concerns him because it suggests that the NDP has a plan where amalgamation is concerned. Mr. Speaker, the people of Saskatchewan continue to get mixed messages from this government. The minister has indicated full and proper consultation should take place before the Bill proceeds. This has not happened. The minister states that there is no top-down plan to force municipalities to amalgamate, yet she is now preparing to force the Bill through the House.

Madam Minister, if there is nothing to hide, if this Bill has nothing to do forced amalgamation, why are you prepared to

proceed with legislation without first letting full consultation take place?

Mr. Speaker, since it appears we're getting two stories from the minister, I'll address my question to the Premier. Will you make the commitment in this House today to meet with SUMA (Saskatchewan Urban Municipalities Association) and SARM officials to explain your actions before reintroducing this piece of legislation?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, there are not two stories with respect to this Act; there is one story with respect to this Act. There have been ongoing consultations with the municipal organizations, with individual municipalities, with anyone who cared to raise questions. And the Bill has been in the public domain since the day that it was given first reading several weeks ago.

There should be no confusion, Mr. Speaker, with respect to the provisions or the intent of this Act. So we will continue to meet, to communicate, to explain, and to go through the steps necessary to bring this legislation forward and, as we've said, to pass it in this House and not proclaim it at this particular time until the need for it becomes apparent.

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

### Government Office Leases

**Mr. Krawetz:** — Mr. Speaker, when this government recently closed down eight Crop Insurance offices and four rural services centres, it resulted in the elimination of yet another service to our farm families. However there has been no comment from this government regarding the status of the buildings that were formerly occupied. Will the Minister of Agriculture explain if the lease agreements on each of the buildings were terminated when the offices officially closed? If not, when do they expire, and at what costs to the taxpayers of Saskatchewan?

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

**Hon. Mr. Upshall:** — Mr. Speaker, on behalf of the Minister responsible for Property Management Corporation, I can say that there is a schedule of leases that are on the buildings, and there's a process in place to turn those buildings over to people or organizations who might want them, and that is being done now. And to date, I haven't seen any problems in those matters.

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

**Mr. Krawetz:** — Mr. Speaker, it has come to my attention that the lease on at least one of these offices, the former Crop Insurance office in Canora, does not expire until the year 2001. Therefore, even though the office now sits empty, Saskatchewan taxpayers are still footing the bill.

One then has to question, if the lease on one building does not expire for five years, what is the case with other former

government office space? Will the minister come clean and explain the status of these lease agreements and how much Saskatchewan taxpayers are on the hook for?

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

**Hon. Mr. Upshall:** — Thank you, Mr. Speaker. Well the fact of the matter is, Mr. Speaker, there are some long-term leases from a previous administration, but our new policy is that the longest term lease in SPMC (Saskatchewan Property Management Corporation) is five years.

With the leases, I don't know if the member opposite is asking whether or not we should have saved the tremendous amount of money we did by restructuring government in order that we might pay for the lease in Canora. If he's saying that, well the answer, I guess, is no. In times of change and restructuring, Mr. Speaker, the member opposite should know that there are leases that have been entered into that will not be totally utilized.

But the fact of the matter is the Property Management Corporation, it has a process ongoing to utilize those buildings. They're going to be offered to municipalities or local organizations and to individuals. And I know a number of those leases have already . . . people have contacted SPMC to use a lot of those buildings. So the process is under way. I ask the member not to panic. We're doing this in a very orderly, organized fashion, and that I think in the end of the day he will see, will prove very fruitful to the people of Saskatchewan.

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

### Service Districts Act

**Mr. Heppner:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal Government. Once again, the minister feels her statements about service districts have been misinterpreted. The minister is now saying that her service district Act has nothing to do with governance.

Madam Minister, have you read this legislation or are you just hoping that no one else will? Section 4 of the Act lists all the services a service district can provide. Section 8 of the Act gives the service district the power to pass by-laws. Section 13 of the Act gives the service district the power to levy charges against individual municipalities which may be passed along to the ratepayers in the form of additional taxes.

So this new level of bureaucracy can provide services, pass by-laws, levy taxes, but the minister says this Bill has nothing to do with governance. Madam Minister, who are you trying to fool? How can you say this Bill is not about governance when that is exactly what it's all about?

**Hon. Mrs. Teichrob:** — Mr. Speaker, the member opposite has obviously had a look at the Act, but then he's been a victim of his imagination, Mr. Speaker, in that the authorities — if you will read closely, to the member — the authorities that are given to The Service Districts Act come only from the member municipalities and can be delegated only up to them.

For starters, participation in The Service Districts Act is voluntary. If a municipality doesn't want to be a member, they don't become a party to forming a service district Act. Having become a member, the authority of The Service Districts Act is taken only from those municipal representatives. So if a representative municipality doesn't want their municipality to be levied, doesn't want to be represented in some way, doesn't take certain actions, then they don't do it, Mr. Speaker.

So I wish if the member — I'm glad he's read part of the legislation — I wish he would read the rest. Thank you.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Appreciated the reference to my imagination. I'm afraid it'll take a whole lot more imagination to find out why this Bill ever came to fruition.

Madam Minister, you're not fooling anyone. You say this Bill has nothing to do with governance and forced amalgamation when clearly that's what it's all about. Municipal councils don't believe you. SARM doesn't believe you, and they're also very suspicious about your promise to pass this Bill and not to proclaim it.

Madam Minister, if you really have no intention of proclaiming this Bill, why pass it in the first place? Will you show municipalities that you are listening to what they are telling you, and pull this flawed legislation today?

**Hon. Mrs. Teichrob:** — Mr. Chairman, we will . . . and have been carrying on consultations with anyone who is seriously interested in the intent of this proposed legislation or the legislation that's before the House in the form of second reading. We will have ample opportunity in the context of adjourned debates and Committee of the Whole to discuss it all.

In the meantime, we have constant communications with municipalities and their representatives. We will be happy to engage in sincere consultation, and we will not, in the meantime, Mr. Speaker, react to paranoia.

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

### Atomic Energy of Canada's Saskatchewan Office

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier.

Mr. Premier, what is the current state of negotiations to save the AECL (Atomic Energy of Canada Ltd.) office in Saskatoon? When did you or your government officials last meet with the federal government officials to discuss the matter? Have you any other further scheduled talks, or do you expect to have an agreement in place by AECL's deadline of June 30?

**Hon. Mr. Romanow:** — Mr. Speaker, I thank the Leader of the Third Party for that question, which is a very important one because it does involve the future of AECL in Saskatchewan.



I must tell the Leader of the Third Party and the members of the Legislative Assembly that there have been negotiations off and on over the last several weeks. In fact as current as today, there have been meetings of officials. I can't say that the federal people were present at the meeting today, but I do know that there is a meeting slated for, I think, it's Wednesday of this week in Toronto with officials on our side and AECL federal officials as well. I may not be correct on the dates.

The message that I want to communicate to the Leader of the Third Party is that we are involved in these kinds of discussions. One of our difficulties is that the federal government has slashed back, if I can describe it that way, AECL funding by approximately \$75 million. This puts a real tough pinch on AECL. And in the consequence, what running room they have we'll have to determine in the discussions that pursue and follow thereafter.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, the *Winnipeg Free Press* is reporting that a deal has been struck that will save the Whiteshell nuclear lab in Manitoba. While it's good news for Manitoba, it's probably very bad news for the Saskatoon AECL office which will probably wind up being the big loser in this deal. According to the article, the deal was spearheaded by the Foreign Affairs minister, Lloyd Axworthy, and will result in Western Economic Diversification, Natural Resources Canada, and AECL providing ongoing financial support until the Whiteshell lab is self-sufficient.

Mr. Minister, Mr. Premier, I'm not sure which is worse — your inaction on this matter or the fact that Lloyd Axworthy managed to steer virtually every dollar on economic development in the West into Manitoba.

Mr. Premier, are you aware of the deal with the federal government and Whiteshell and what it will mean to the AECL office in Saskatoon?

**Hon. Mr. Romanow:** — Mr. Speaker, we are not aware of the details of the reported arrangement with respect to Whiteshell because it is merely a newspaper report. Officials will be briefing . . . (inaudible) . . . it turns out later this day on not only this aspect, but the entire file that we're discussing.

I must point out that the story does not indicate that there is any commitment by the province of Manitoba for financial assistance respecting Whiteshell. And as the hon. member will know, Saskatchewan is the only provincial government that does actually have a financial commitment to the AECL research project here in Saskatoon and in Saskatchewan, which should be a very strong bargaining position for us, and I think is a strong bargaining position.

All that I can say is that we believe that negotiations are being conducted on an honourable basis, an open basis. They're going to be difficult negotiations. I don't think anybody should be confused about that. But we want to try to maintain AECL here. We've got them here, we've committed money to them, we think they can research; if it's not the 3, maybe the CANDU 6

(Canadian deuterium uranium ) or CANDU 9. And we think this is a natural mix and match with the uranium industry which we have in the province of Saskatchewan.

How this will play out will depend partly by what the federal government does with respect to its money, or lack thereof, and the negotiations. I simply tell you we want to try to keep them here and we're doing all the best that we can to do so.

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

### Humboldt-Wakaw Water Pipeline

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to bring to the attention of this House an issue that is of great concern to the residents of the RM of Fish Creek near Wakaw, in regards to the Humboldt-Wakaw water pipeline.

Sask Water took action to supply treated water to the area by constructing a new water treatment plant. The problem is that, unbeknown to residents of this RM, Sask Water determined that this plant be built in Wakaw instead of at the Saskatchewan River source, the location which was originally specified for the treatment plant. As a result, a new reverse line must be installed to service the residents of this RM of Fish Creek with treated water.

These people now find that they will be forced to pay the totally outrageous cost of \$200,000 for putting in this reverse line. And they will have the burden to pay more than double what other people along the new line are paying for treated water. And there are also the additional costs to hook up the new system.

Mr. Speaker, as a matter of justice and integrity, I ask: will the minister responsible for Sask Water make a commitment to honour their prior commitment? Will he intervene and ensure that the residents of the RM of Fish Creek are treated fairly and equitably?

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, as a matter of integrity, I would at least ask that member to acknowledge the answers that were given to her in a private meeting in my office less than two weeks ago.

Mr. Speaker, as the member will know, there have been meetings with Sask Water, with RMs, with communities, ongoing for months with respect to this project. There were initial proposals put forth that were amended based on technical pressures. There were costs, there were federal funding that we were accessing to try and achieve across the piece a reasonable cost for the delivery of water to those communities.

Now, Mr. Speaker, let me say to the member opposite that if she hasn't got her facts right, which she clearly hasn't today, allow me to offer yet again another meeting. Or if she's interested, we can deal with this during estimates. But I want to say, Mr. Speaker, that the cooperation that we've had with the communities in that area has been exemplary.

There are some concerns with Fish Creek in terms of not having a supply of treated water; but the technical feasibility and the costs — the member knows, in terms of delivering treated water to some 26 rural residents spread in a very diverse area, do not come without costs. But as I said, if the member hasn't got it right, I'm willing to meet with her again to try and explain it to her.

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

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, the minister's department has supplied me with some answers regarding this project. But these answers also invite more questions and those questions continue to come from the members of Fish Creek.

As I have indicated, Sask Water determined the site for the water treatment plant. Their choice and the finances related to that choice mean residents of the RM of Fish Creek have to carry the burden of these costs.

Mr. Speaker, the total price tag for this reverse line totals \$200,000. However, it is interesting to note that \$135,000 falls under the subject heading of, installation. In other words — labour. Mr. Speaker, given the fact that a trench is already being constructed for the reverse line, will the minister explain why the cost of installing this line appears so excessive. Could union labour costs associated with the CCTA (Crown Construction Tendering Agreement) agreement be partly responsible?

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

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, let me say again, the member hears but she doesn't listen.

With respect to the delivery of water, what we tried to put together is a piece that is in the neighbourhood of over \$30 million in terms of construction. We've worked with every community, we've worked with the federal government, to try and achieve the lowest costs of delivery of this water that we possibly can, and we will continue to do that.

I outlined for the member a number of options. And let me describe to her, firstly she's got it wrong. In terms of where the treating plant was, yes, there was some discussion as to whether it be at the source. After technical feasibility studies, as I suggested to her, it was cost prohibitive to do it there and it was moved to the location that it now exists.

Now if the member opposite is not satisfied with the answers that were given, I'm sorry. I have a difficult . . . And we can discuss that during estimates, and I'm more than willing to do that.

What we will attempt to do and as I offered some options to the member which she chose not to take up, that we would sit down with the RM of Fish Creek to determine whether some of the other players would want to input the cost of delivering treated water to those 26 farms. And if we could encompass it in that, that we could in fact reduce it from over 15 cents a unit to

perhaps something close to 5.

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

### Northern Highways

**Mr. Belanger:** — Thank you, Mr. Speaker. The roads in northern Saskatchewan are in very poor shape. And, Mr. Speaker, I've read letters from people. We have heard from people like Erica Billette in Dillon. And today I'd like to read a part of a letter from Grayson Janvier of Michel village. Grayson says, and I quote:

My biggest concern . . . as I am growing up is about our gravel road 77 klms to Junction . . . 155 . . . to Buffalo Narrows Sask . . . We lost five of our love ones on that road due to the condition of the road. If only our road was paved maybe one of our love ones would have made it to the Hospital in time to be safe. We have the nearest Hospital about 140 klms. It takes us 2½-3 hours to get there due to the road . . . It seems to me that we are living in the north-pole that nobody seems to know where we are.

Mr. Speaker, a 10-year-old boy's word about the roads where he lives, and he already sees a lack of commitment by this government to the people of the North.

Will the minister commit to working for the people of the North to ensure proper repairs for the road? Will the roads of the North be given the same priority as those in the South, and will they be repaired in the same manner, with the same amount of gravel that is needed to do a proper job to make these roads safe?

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

**Hon. Mr. Goulet:** — Mr. Speaker, again I might remind the member from Athabasca, it's the Liberals indeed who are at fault in regards to \$114 million cut.

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

**Hon. Mr. Goulet:** — And when you look at it, they even cut the social housing in northern Saskatchewan, Mr. Speaker. They don't . . . (inaudible) . . . to the women and children in regards to the education . . .

**The Speaker:** — Order. Order. I'm going to ask the members of the opposition to come to order. I'm unable to hear the minister's response. And I'll ask for the cooperation of all members to allow the Minister for Northern Affairs to respond to the question.

**Hon. Mr. Goulet:** — What is true is this, Mr. Speaker: the federal government and the federal Liberals don't even know that northern Saskatchewan exists.

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

**Hon. Mr. Goulet:** — And also your own members don't even want to see development in northern Saskatchewan. On Friday

the member from Arm River said this: the people from Cumberland House would foot the total bill on building the Cumberland bridge; the whole 6 million should be paid by the people of Cumberland House.

We cost-shared that program with the people of Cumberland House and with the federal government. And his own member said that the people of Cumberland should foot the total bill. So I would say that the member should get his facts straight, not only from the federal Liberals but his own members, who don't want to see development of a Cumberland bridge in northern Saskatchewan.

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

**Hon. Mr. Goulet:** — I think that in regards to the facts, Mr. Speaker, we not only have a Cumberland bridge, we have a road to the Grandmother's Bay — road that was never there before. We're having a road to Athabasca that was never there before. All the roads in northern Saskatchewan were built by NDP governments and not by . . .

**The Speaker:** — Order, order.

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

**The Speaker:** — Order, order. Order! I will call members to order on both sides of the House. Hollering across the floor is not — order — is not appropriate and all members know that.

#### STATEMENT BY THE SPEAKER

##### Same Question Rule respecting Bill No. 56 and Bill No. 93

**Mr. Speaker** — Before orders of the day, I would like to make a Speaker's statement.

I draw to the attention of members that until recently this Assembly had two Bills with substantially the same purpose on the order paper — Bill No. 56, An Act to Protect the Public from Convicted Pedophiles, under the name of the Leader of the Opposition; and Bill No. 93, An Act respecting the Public Disclosure of Information related to Individuals who Pose a Significant Risk of Serious Harm to Other Persons, under the name of the Attorney General.

Both Bills have the object of providing for the public identification of individuals convicted of certain offences. According to Erskine May, 21st edition, page 468:

There is no rule or custom which restrains the presentation of two or more bills related to the same subject, and containing similar provisions. But if a decision of the House has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions . . .

I would also direct members to rulings of the Chair of this Assembly of May 17, 1990, May 9, 1994 and June 1, 1994 on the "same question" rule in respect to Bills. It was ruled that

once the Assembly has given or refused second reading on one Bill, the Speaker then must prevent any further consideration of the other Bill.

Bill No. 93 received second reading on May 16 and third reading on May 23. Consequently it is necessary that Bill No. 56 be removed from the order paper.

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

**Hon. Ms. Crofford:** — With leave, to introduce guests, Mr. Speaker.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. I just want to introduce some late-breaking guests here. They were at a media event involved with the Women's March on Poverty. And in the west gallery are Sunera Thobani, the president of the National Action Committee on the Status of Women. With Sunera is her daughter, Sitara Thobani.

And of course Barb Byers, who is familiar to us, the president of the Saskatchewan Federation of Labour, who's travelling with the caravan through Saskatchewan. Thank you so much for all your work, and please join me in welcoming Sunera, Sitara, and Barb to the House today.

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

#### ORDERS OF THE DAY

#### WRITTEN QUESTIONS

**The Speaker:** — Question 106 is converted to motions for returns (debatable).

**Hon. Mr. Shillington:** — I table the answer to question 107 as requested.

**The Speaker:** — The answer to question 107 is tabled.

(1430)

#### GOVERNMENT ORDERS

#### SECOND READINGS

##### Bill No. 20 — An Act respecting The Management of Forest Resources

**Hon. Mr. Scott:** — Thank you, Mr. Speaker. After my remarks I will be moving the second reading of The Forest Resources Management Act.

Mr. Speaker, Saskatchewan's forests contribute to our quality of life in many ways. Half of Saskatchewan's landscape is dominated by incredibly rich, diversified, forested land, from the sparse spruce and lichen forests in the sub-Arctic north-east, to the pine and fescue grass forests of the Cypress Hills.

Mr. Speaker, our forests are much more than trees. They are complex communities of plants and animals nourished by the soil, air, and water. The quality of our physical environment, the air we breathe, the water we drink, and all living things around us depend on the health of our forests.

Forests are important to Saskatchewan's economy. Approximately 8,000 jobs depend on the forest industry. In 1995 to '96 it was estimated the forest industry will contribute products worth \$1 billion to the provincial economy. People doing other forest-based activities such as recreation, fishing, trapping, hunting, and ecotourism spend hundreds of millions of dollars annually.

Recently our government unveiled its *Partnership for Growth*, the second phase of our long-term strategy for economic renewal. The forestry sector, Mr. Speaker, featured prominently in Saskatchewan's plan for prosperity. We intend to provide a climate that will allow forest resource industries to prosper and to continue to contribute to a vibrant Saskatchewan economy. This new Act will allow us to implement these strategies for economic growth in a sustainable manner with input from industry, aboriginal groups, the public, and other stakeholders.

Tourism and related businesses depend on the existence of beautiful, healthy forests. Last summer approximately 2 million people visited our provincial parks and enjoyed recreational activity such as hiking, skiing, camping, boating, and bird-watching. In addition, 250,000 people fished our Saskatchewan waters.

Treated with care and respect, our forests offer many rewards ranging from cultural to spiritual to recreational to economic. I believe, Mr. Speaker, that our forests are a legacy to be sustained and passed on to future generations as a natural and valuable resource.

Passage of this Act will show Canada and the world that the Government of Saskatchewan is committed to meeting its responsibilities in resource management. We will work with the forest industry and the people of Saskatchewan to fulfil our obligations as stewards of the forest on behalf of future generations.

Mr. Speaker, our current legislation is nearly 30 years old and did not foresee some of the key challenges forest managers now face. The people of Saskatchewan want their forests managed differently than in the past. We have come to realize that our economy and lifestyle must be in balance with the natural forces sustaining life. The challenge, Mr. Speaker, is to apply the principle of sustainable development in the management of Saskatchewan's forests.

The new forest management policy and this Bill are based upon extensive consultations carried out over the last three years. Many public meetings and workshops have been held to ask the people of Saskatchewan how our forests could be better managed. Consultations were held with forest companies, aboriginal people, tourist operators, recreationists, trappers, RMs, environmentalists, co-management board, wood lot owners, and many others. More than 40 community meetings

were held during this process.

In February 1994, the government formed the Forest Legislation Advisory Committee. This committee had representatives from 14 stakeholder and aboriginal groups, and developed a report recommending the principles on which to base the legislation.

In March 1995, our government announced a forest management policy to serve as the framework for meeting these new challenges. The policy called for new forest legislation to establish a foundation for achieving sustainable forest management. In March 1995, we released the new Bill for public review as a White Paper. As a result of that review, we made over 40 changes to the proposed Act.

Mr. Speaker, following first reading of the current Bill in March 1996, industry met with department officials to discuss various aspects of the new Act. Out of those discussions came some suggested changes to this Bill. When the Bill goes to the Committee of the Whole, the government is prepared to introduce amendments that will further clarify the relationship of forest management agreements to the Act.

Today, Mr. Speaker, I will highlight the Act's key features: public participation in forestry planning — striking the proper balance between conservation and development of forests requires the participation of communities, industry, aboriginal people, and all others with an interest in the outcome of forest management decisions. The people of Saskatchewan have a vital interest in the way our forests are being managed and have expressed a strong desire to have a more direct say, particularly in setting objectives, developing policies, and planning forest management activities.

The Act will give the people of Saskatchewan the opportunity to participate in all levels of planning, starting with long-term provincial policies down to operating plans prepared by forest companies. To ensure public views are reflected in forest management, the public participation process will be open, fair, and well-defined, with generally accepted procedures, and deadlines for decisions.

One form of public participation will be through forest management committees whose purposes will range from providing advice, to participating in the preparation and implementation of any plan. The Act will support the continued development of co-management and partnership initiatives that will respect and work with those which have already been established.

Under the new Act, three levels of planning will direct the management of Saskatchewan's provincial forests. The first level sets broad policy for the province and is done every 10 years. The second level is land use planning for individual management units. Land use planning will guide and regulate the best mix of forest land uses. The third level is done by industry within the context of the provincial policy and land use guidelines developed in the first two planning levels.

Mr. Speaker, this Bill provides the public with the right to

participate in all three levels of planning. This will ensure that the public has the opportunity to be involved in all levels of forest management planning from provincial policies to industry operating plans.

Treaty rights to hunt, fish, and trap: during the preparation of this new Act, we consulted with first nations people. Twenty-five bands have land within or adjacent to provincial forests. First nations people across all of Saskatchewan are very concerned that this Act not interfere with their treaty rights. We recognize their concerns and have made amendments to the Act to ensure that it will not restrict the right of first nations people to hunt, fish, and trap. In addition, Mr. Speaker, my hon. colleague, Minister of Justice, in this legislative session will introduce amendments to The Interpretation Act which specifically guarantee that no provincial legislation is designed, intended, or able to affect aboriginal, constitutional, or first nations treaty rights.

The gathering of food and medicinal plants: no permit will be required of anyone gathering food and medicinal plants for their own use. Commercial gatherers of special forest products will be regulated to ensure that developments occur sustainably and that traditional gathering areas are protected.

Royalties and industry fees: in consulting with the major forest companies, Mr. Speaker, they expressed that it is important that their costs for forest management remain stable for a predictable period of time in order to plan for new investments in Saskatchewan.

We listened to their concerns and amended the Act to ensure that an agreement between the province and the company on the fees that they pay towards renewal, inventory protection, and other forest management costs, will be in effect for 10 years before they will be reviewed again. New royalties and fees paid by industry will be agreed upon and set for a 10-year time frame to give companies time to plan new investments and to ensure that the set fees reflect the true value of the timber resource.

Renewal fees: those harvesting any kind of forest product must now pay for the cost of renewing the forest.

Forest product harvesting licences: in return for a secure supply of forest products, the licensee must accept responsibility for operating within prescribed environmental standards and for preparing long-term plans which must meet the department's approval.

Environmental assessments: forest industry long-term management plans will be subject to environmental assessments to ensure standards for protecting all components of the forest are established.

The spread of forest pests: to reduce losses and protect our forests, the new Act includes provisions for directing landowners to create forest conditions that control the spread of damaging insects and diseases. Mr. Speaker, this provision may be required to help prevent the spread of Dutch elm disease in our cities, towns, and villages.

State of the forest report: the new Act commits the government to regular, comprehensive reports on the state of Saskatchewan's forests, prepared every 10 years. Such reports will be followed by a review with extensive public involvement of provincial forest policy.

Mr. Speaker, besides protecting the forest, the new Act provides a framework for obtaining the best possible mix of economic and social benefits from forest resources. The Act authorizes the making of regulations which will deal specifically with conserving and managing our forest resources.

These regulations will be developed in consultation with stakeholders and aboriginal peoples and will cover issues such as harvesting methods, forest protection, licensing procedures, reforestation, operation of processing facilities, planning procedures, fees and dues not set out by agreement, and consultation procedures.

Implementation of the regulations and Act is targeted for 1997.

This is just a brief overview of some of the many new features from The Forest Resources Management Act.

To conclude, Mr. Speaker, this Act will change Saskatchewan's forest management policy from one primarily concerned with timber to one that recognizes forests as complex ecological and biological systems. If our forests are maintained in a healthy state, they will continue to provide a wide variety of benefits for a long time to come.

The new Act acknowledges that the Government of Saskatchewan has the responsibility of protecting, conserving, and enhancing the forest resource for public benefit. It also recognizes the importance of a strong partnership between provincial and local governments, first nations, and stakeholders, in working together to manage our forest resource.

The Forest Resources Management Act will ensure the future of Saskatchewan's forests for the people of this province.

Mr. Speaker, I now move second reading of The Forest Resources Management Act. Thank you.

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

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I am pleased to be able to take a few moments today to discuss some of the proposed amendments that have been initiated through The Forest Resources Management Act. Once implemented, this Act will have a significant impact not only on the forestry companies that are currently operating in Saskatchewan, but also on the people of the North who depend on the forests' renewable resources for their livelihoods.

Mr. Speaker, I am a firm believer in consultation before action and I do not believe that this government has adequately demonstrated a similar commitment to consultation. There are just too many corporations and communities that have been left out of the picture. I wonder which communities were involved

in the meetings that have taken place over the past three years. In my view, having a government official come and say this is what we're doing, this is what we're planning, does not pass for consultation.

The Metis communities have been segregated by this government for many years and this is just another example of the government's lack of commitment to the Metis communities in Saskatchewan.

When this Bill was initially tabled in this House, forestry companies were outraged. They had no idea where these changes were coming from and were appalled by the government's total disregard for their input and views. This legislation has disappointed forestry companies because of increased stumpage fees, pest control costs, and the shifting of the financial burden on the corporations for fire-fighting and disease control.

Aboriginal and Metis communities of the north part of this province were also astonished by the lack of consultation by this government. Many of their concerns were not addressed by the government.

Government officials in the Department of Environment and Resource Management claim to have consulted with stakeholders on this issue, but for some reason many Metis communities have been left entirely in the dark with regard to the entire process. I fully understand that this Bill has been designed to affect all aspects of forest product management. If all aspects of forest product and resource management are going to be affected, then why were not all stakeholders consulted?

(1445)

I understand and accept that this Bill has been in the making for a number of years. What I can't understand is that if this government has been consulting and investigating for the past few years, why is everyone involved and affected upset by the changes that have finally been proposed by this government?

There are three areas of particular concern with regards to the Bill. The first area deals with the licensing procedure. Under this, no one can sell forest products except under licence or for subsistence gathering. The effect of this, as I understand it, would make a requirement for people who gather berries, mushrooms, wild rice, and other products, to obtain a licence if they have any intention of all of selling any of these products. It is this area that causes a great deal of concern for the aboriginal people of the North. How will an individual who gathers berries and medicinal herbs for personal use prove that they will not be selling any of these things? Will these people be required to carry permits that need renewal, or will they be allowed to go about their business as usual?

The next area of concern are with private and public review considerations and the enforcement of powers by the minister and his delegates. Costs for implementation of advisory committees and forest reports will be to licence holders.

With regard to the enforcement of powers, they are extremely broad, including the ability to give an enforcement officer the power to arrest without warrant.

This Act contains vastly enhanced powers of the minister to be able to enter into agreements concerning harvesting activities and broad powers of enforcement. To add to this, fines imposed are very large considering what is normal in legislation.

This extension of ministerial powers resembles the extension of powers to the Minister of Health with respect to the health care facilities legislation as well. I'm left to wonder why this government feels that ministers should have the utmost power and no accountability to the people who elected them.

Don't get me wrong. There are a number of positive changes also being initiated in this Act. A 20-year mandatory forest management plan is a positive move, even if it has been used by forest companies for years; as is the establishment of three levels of forestry management planning.

The problem is this: there are so many complicated and wide-ranging changes that have been pushed in without proper consultation; higher royalties and fees paid by industry; the requirements of permits and licences for all people who gather renewable forest resources for sale — even by aboriginal elders — costs to combat forest pests; and forest fires being downloaded onto the industry.

These are only a few of the controversial issues contained in this Bill before us today. There are many other issues related to this Bill that need ongoing research and consultation before this Bill passes into law.

And we also understand from the minister's statement that there are further amendments that are being considered and we would ask to have those amendments before us for our consideration.

Due to the complexity of the issues at hand and a continuing need to get a feel for the real needs and wants of the industry and the people of the North, and time to study these proposed amendments, I move that debate of this Bill be adjourned.

Debate adjourned.

**Bill No. 21 — An Act to amend The Interpretation Act, 1995 and to enact a related amendment/  
Loi modifiant la Loi d'interprétation de 1995 et édictant une modification corrélative**

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. I rise today to move second reading of The Interpretation Amendment Act, 1996.

The proposed changes to The Interpretation Act clarify that provincial legislation in no way intends to infringe upon the constitutional rights of aboriginal peoples. The first amendment states that no legislation will abrogate or derogate from the aboriginal and treaty rights that are protected by the Canadian Constitution.

This provision is an explicit recognition of the government's existing policy with respect to the constitutional rights of aboriginal peoples. A consequential amendment will remove a provision included in The Fisheries Act (Saskatchewan), 1994. The contents of that provision will now be included in The Interpretation Act, 1995 — this Act — which applies to the interpretation of all provincial legislation.

Mr. Speaker, I move second reading of An Act to amend The Interpretation Act, 1995 and to enact a related amendment.

**Mr. Belanger:** — Thank you, Mr. Speaker. I am pleased to take a couple of moments today to discuss briefly the Bill before us — The Interpretation Amendment Act, 1996.

It is my understanding that this Act was originally created to provide a uniform basis for the interpretation of words and phrases used in the legislation in the province of Saskatchewan. It establishes the rules to be used in the interpretation of all provincial legislation. This Act applies to every Act that has been and will be introduced in this House.

There are only two changes being made by this Bill to the existing legislation. These amendments are required in order to make it clear the provincial legislation is not intended to infringe upon the constitutional rights of any aboriginal people in Saskatchewan.

The first amendment before us today will add a subsection that will guarantee that no provincial statute is to invalidate or detract from the existing aboriginal treaty rights given to the aboriginal people of Canada. This amendment recognizes that this government is moving towards a policy that respects the constitutional rights of aboriginal people of Saskatchewan. This is a very important change for all people of aboriginal ancestry in Saskatchewan and will become even more important as time goes on, due to the fact the aboriginal population in Saskatchewan is increasing at a fairly substantial pace.

This amendment also states that no provincial legislation will be able to override the current rights of aboriginal peoples as set out in the Constitution Act, 1982, of Canada. Section 35 of the Constitution Act, 1982, states that treaty rights of aboriginal people are protected and are not to be abolished or detracted from in any way. If any provincial legislation does this, it is constitutionally invalid.

I am very pleased to see the steps being taken to protect the rights of the aboriginal population in this province. Aboriginal groups have been suggesting that provincial legislation include a non-derogation clause to clarify that provincial legislation is not intended to infringe upon their constitutional rights.

It is now time to take similar measures to protect the inherent rights of the Metis population of Saskatchewan.

The only other change made to Bill 21 is to repeal subsection 2(5) of The Fisheries Act (Saskatchewan), 1994. This subsection also states that nothing in the Act can abrogate, derogate, or add to, existing Indian treaty rights. I understand that this subsection has been repealed because its meaning is

included in the proposed amendments to The Interpretation Act because this Act applies to the interpretation of all provincial legislation.

The continuity that is being established through the amendments to The Interpretation Act is necessary for this Assembly. This Bill, by giving all words and phrases a definite meaning, will ensure that interpretations of different Acts by different people will mean the same thing. In this day and age, as the world becomes smaller and communication between peoples must be improved, it is good to see steps taken to establish some common basis for this interaction.

This Act is to be a source of reference for the interpretation of every other Act — past, present, and future — that receives assent in this House. Through this, maybe we can establish a beginning to a better understanding of one another in this House.

Since the aboriginal and treaty rights are protected under the new subsection of this Act and it clarifies meanings for the interpretation of other Acts, I see no reason to hold up debate any further. I look forward to discussing the changes in more depth with the minister in Committee of the Whole.

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

#### **Bill No. 86 — An Act to amend The Municipal Revenue Sharing Act**

**Hon. Mr. Shillington:** — Thank you, Mr. Speaker. I will, at the conclusion of my comments, move second reading of Bill 86, The Municipal Revenue Sharing Amendment Act.

As many members will know, The Municipal Revenue Sharing Act establishes the level of provincial assistance to be allocated to both urban and rural municipalities. Accordingly, the amendment gives legal effect to decisions reflected in the 1996-97 budget. The Bill provides for no reduction to either the urban revenue-sharing pool or the rural revenue-sharing pool this year, and implements the funding levels which were announced last year as part of the government's overall debt management plan.

For urban municipalities, it has been decided to maintain grants at their 1995 levels. In other words, each city, town, and village will receive the same grant amount as last year. Funding for the rural revenue-sharing programs will remain at the same level as last year. Grant allocations to individual rural municipalities may change through the normal operation of the formula and the changes in their own circumstances.

The province's budget address has announced two-year funding levels for third parties in order to allow local governments to plan for fiscal adjustments. For 1997-98, a total of 20 million will be reduced from the urban and rural revenue-sharing pools due to continued fiscal pressures. Municipalities cannot be shielded from these pressures.

The decreases in urban and rural revenue-sharing plan for the

1997-98 year is unavoidable since third-party grants make up a significant portion of government expenditure. Reductions have been necessary in all components of the province's expenditures as a result of federal offloading. The government will be working with municipalities and their associations on how best to accommodate next year's funding reductions.

I am also interested in opening discussions on the future of the municipal sector. Together, we will develop initiatives that would lead to sustainable services within an affordable governance structure.

In closing, the total revenue-sharing funding of 79.8 million represents a significant level of financial support to Saskatchewan municipalities, and I urge members to support this Bill.

Accordingly, I move second reading of Bill No. 86, The Municipal Revenue Sharing Amendment Act, 1996.

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

**Mr. Belanger:** — Thank you, Mr. Speaker. This session, the government has spent a great deal of time and effort on legislation related to municipal governments. Of course most of this legislation is nothing more than a thinly disguised attempt by this government to grasp even more power over local governments.

Mr. Speaker, we have continued to object to the changes which transfers control from local governments to provincial governments, and on behalf of all the Saskatchewan people we will continue to object. But, Mr. Speaker, Bill No. 86, The Municipal Revenue Sharing Amendment Act, is not only talk about taking power from municipal governments. It's about taking money from municipal governments as well, and that's something this government has done to an art. No matter how much the members opposite complain about dealing with federal cuts, they have no conscience when it comes to offloading onto local governments.

Mr. Speaker, The Municipal Revenue Sharing Act gives the Minister of Municipal Government the authority to pay out sums each year to urban, rural, and northern municipalities. The formula outlined in the original Act takes the amount of grants in the last year and multiplies it by the escalator index. The escalator index includes things like the corporate income tax base, the E&H (education and health) tax base, the fuel petroleum products use tax base, and other bases set out in regulations. In other words, the Act gives municipalities a complicated, predetermined formula to figure out what their grants would be each year.

Mr. Speaker, Bill 86 will allow the government to deviate from that formula. Now this is not unusual. It will actually be the third fiscal year in a row that the government has passed this type of legislation. If you take into account inflation and the increased costs of living, that means that municipal governments have now been handed a cut for the third year in a row.

Now, Mr. Speaker, I commend local governments for handling a desperate situation so well. Even with severe funding cuts, these municipalities have been able to keep providing services to their communities. But, Mr. Speaker, how much more are the municipalities expected to take? How many more cuts can they handle before they collapse under the pressure? If the members opposite would look at the municipal governments throughout the province, they would see how this government's cuts are starting to take a toll — jobs are disappearing, hospitals are closing, schools are being forced to amalgamate. Working people, sick people, the elderly, and our children, are the ones who suffer. In other words, Mr. Speaker, cuts to municipal governments affect every person in rural Saskatchewan in one way or another.

Provincial government cuts mean cuts to essential services in all communities. Less money for policing means that our streets may not be as safe for our children. Less money for transportation means our seniors will have less access to necessary services. And less money for roads means more accidents and an increase in SGI (Saskatchewan Government Insurance) claims.

So, Mr. Speaker, this Bill means that as long as this government is in power, the people of Saskatchewan will be getting less and less and paying more and more with each passing year. After all, it's within the government's power to introduce Bills like these.

(1500)

There's that word again, Mr. Speaker — power. It is the very word that motivates this government. Every piece of legislation they draft, every new regulation they create, and every policy that they change, is motivated by a desperate grasp for power.

Well the people don't need a powerful, almighty government. They need a government who can find a balance between fiscal responsibility and compassion. Sadly this government has placed so much emphasis on balancing the books on the backs of the Saskatchewan people that they have tipped the scales completely away from compassion.

Mr. Speaker, we recognize that managing the debt and the deficit is so very, very important. But it's not more important than providing the people of Saskatchewan with a decent quality of life, and that is all that municipal governments are asking for. They are not asking for millions of extra dollars for roads or for policing or general upkeep of their own towns.

Even if these things were severely needed, our local governments know that they have the financial limits and they will have to be creative and innovate in dealing with these limits. But even they cannot accept unlimited cuts. They do have a breaking point and the government is getting dangerously close to that point.

Mr. Speaker, for three years now the government has introduced legislation that lets them back out of stipulations outlined in The Municipal Revenue Sharing Act. I'm curious. Why don't they just repeal the Act, or at least the section of the



Act, if they're going to make these expectations to the rule. How long does it take before the exception becomes the rule?

Mr. Speaker, we do have some serious concerns about this Bill and we would like to see them addressed in Committee of the Whole. Only then will the government be forced to answer for its choices — choices that are destroying the fabric of rural Saskatchewan. Thank you.

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

**Bill No. 97 — An Act to amend  
The Department of Agriculture Act**

**Hon. Mr. Shillington:** — Thank you. Mr. Speaker, I will, at the conclusion of my comments, move second reading of The Department of Agriculture Amendment Act.

Mr. Speaker, Saskatchewan Agriculture and Food works closely with producer groups, industry, and other stakeholders, to ensure the needs of the industry are being met. Our consultations with producers and industry resulted in the development of a strategic direction for government to assist the agriculture industry to move in the direction it has chosen. This strategic direction was put forward in *Agriculture 2000*. *Agriculture 2000* directs the provincial government to work with the industry to undertake changes which contribute to the development of family farms, diversification, and value added production.

We have a growing livestock sector and opportunities to further diversify the agricultural community. There is, however, a need to ensure that provincial services to the livestock industry have the flexibility to respond to changes in the industry.

The proposed amendment to The Department of Agriculture Act, 1996 will establish a revolving fund to be used to provide livestock inspection services, dealer licensing, and brand registration functions for livestock collection of cattle marketing and horned cattle revenues, and the administrative support to these activities. A revolving fund will allow flexibility for Saskatchewan Agriculture and Food to respond to changes wanted by the industry.

The fund will also facilitate greater participation of the livestock industry in determining standards for inspection and enforcement. Services to be funded provide stability and security to producers through protection of ownership and enhancement of recovery . . . and the enhanced recovery of stolen or lost animals. This legislation is consistent with the desire of producers to take a more direct role in industry development.

I ask the members of the Assembly to support this Act, and I therefore move second reading of The Department of Agriculture Amendment Act, 1996.

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

**Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, the

government is proposing some interesting changes within Bill 97 — An Act to amend The Department of Agriculture Act — but I am not convinced that all these changes are designed with the best interests of Saskatchewan farmers in mind.

This Bill will attempt to centralize the Department of Agriculture's processing fees for inspection registration and licensing of animal products. The government is proposing to do this with the establishment of the livestock services revolving fund as outlined in section 17.

The majority of the services provided by the Department of Agriculture would fall under this new livestock services revolving fund. The operational money for the new fund would come from the General Revenue Fund. It would be spent on the acquisition of machinery, hiring of staff, equipment repairs, and general administrative fees.

A complaint I often hear from farmers is that they have to deal with too much government red tape. If the government intends to reduce this red tape by centralizing accounting of services provided by the Department of Agriculture, I wonder if that will actually be achieved by setting up another layer of bureaucracy.

I am pleased to see that the Agriculture department would be required to file an annual report on the livestock services fund. All government bodies funded by Saskatchewan taxpayers should open their books to the public.

Another part of this Act that causes me concern also lies within section 17. It states that in cases where there is no specified fee for a service provided by the agricultural department, that the minister will have the authority to set and charge that fee. This could be a very contentious issue with many farmers because it seems to give the minister the power to set a whole array of fees for a wide variety of services. It could actually cost Saskatchewan producers more money because the minister could decide to charge fees for services that have in fact been free in the past.

I do believe the minister and officials of the agricultural department should be allowed to charge reasonable fees to recover the costs of providing some of those services, but I am worried that this Act will give the minister too much unchecked power when establishing these fees.

Another amendment proposed within Bill 97 states that the minister would also have the authority to charge additional fees if he is directed to do so by the Treasury Board. I am gravely concerned that this might be the back door method of taxation on Saskatchewan farmers. For example, if the Treasury Board decided it wanted to charge an extra fee for livestock inspection as a means of generating extra revenue, this legislation would make that possible.

Saskatchewan farmers are already struggling under the burden of high input costs. If the government decides it is absolutely necessary to target Saskatchewan producers to get extra revenue, then those extra fees should be open to the scrutiny of this Assembly. But there is no mechanism provided within this Bill to regulate how much agricultural service fees can be

increased.

Mr. Speaker, in general I do support streamlining some administrative services in the agricultural department if it means reducing the red tape facing Saskatchewan farmers. But I question the amount of unchecked power this legislation would give the Minister of Agriculture in respect to setting fees for some services.

Bill 97 could have a profound impact on Saskatchewan producers and I would like some more time to consult with them about these implications. Therefore I move adjournment of this debate.

Debate adjourned.

### **Bill No. 113 — An Act respecting Wascana Energy Inc.**

**Hon. Mr. Shillington:** — Thank you very much. Mr. Speaker, I rise today to move second reading of Bill 113, The Wascana Energy Inc. Act. The Bill, Mr. Speaker, addresses a need on behalf of a Saskatchewan corporation, Wascana Energy Inc., to grow and the commitment by this government to help it grow.

This Bill, firstly, repeals The Saskatchewan Oil and Gas Corporation Act, 1985; secondly, continues the corporation as Wascana Energy Inc.; thirdly, defines head office function and requires them to be located in Saskatchewan; fourthly, requires 50 per cent of the board of directors to be residents of Saskatchewan; and fifthly, establishes the formula for Saskatchewan appointing representatives to the board of directors.

This Bill repeals The Saskatchewan Oil and Gas Corporation Act, 1985. The significance here is the end of the provisions restricting shareholders. These restrictions meant that non-residents other than Canadian citizens could hold no more than 35 per cent of the issued and outstanding shares, and no one person or group of associated persons could hold more than 10 per cent of the total issued and outstanding voting shares.

Mr. Speaker, Wascana Energy asked for this change because these restrictions on shareholders limit the company's ability to access equity markets on terms comparable to those of their competitors. Access to these equity markets is essential if Wascana Energy is to grow, providing more jobs and opportunities for Saskatchewan people. The company argues that the restrictions may be philosophical deterrents to some investors, which is particularly important in the increasing globalized financial markets.

There is also a perception that Wascana Energy Inc., unlike most other oil and gas companies, continues to be subject to control and influence of the government. The repeal of the restrictions on shares allows Wascana Energy to offer as currency its shares in the acquisition of foreign companies or shares of Canadian companies owned by non-residents.

Mr. Speaker, this Bill also recognizes and responds to the reality that Saskoil changed its name to Wascana Energy Inc.

Another important factor in this Bill, Mr. Speaker, is the fact that the head office provisions in the Saskatchewan Oil and Gas Corporation, 1985, Act are enhanced to ensure that the head office remains in Saskatchewan and that the head office functions are clearly defined. This definition extends to outlining what senior executive officers and functions must be located at the Regina head office.

Under the authority of this Bill, 50 per cent of the board of directors must be residents of Saskatchewan. This provision was contained in The Saskatchewan Oil and Gas Corporation Act, 1985 and is maintained in the new Act.

Another thing this Act does is clarify the formula for the province to appoint members to the board of directors of Wascana Energy. The province has an automatic right to appoint one member to the board of directors and may appoint additional directors according to the formula, set out in the legislation, which is based on the province's shareholdings in Wascana Energy Inc.

Mr. Speaker, as I stated previously, removal of the restrictions on shareholdings will enhance the capacity of Wascana Energy Inc. to compete with its competitors. A more competitive Wascana Energy Inc. will mean a greater benefit to the province of Saskatchewan. This also puts Wascana Energy on an equal footing with other provincial holdings — the Potash Corporation of Saskatchewan and Cameco — which had similar share restrictions removed.

(1515)

Mr. Speaker, this Bill also ensures that there will be no confusion between names. It will be clear that the corporation is Wascana Energy Inc. This Bill will protect some 350 jobs in Saskatchewan, partially due to the definition of head office functions. These functions will include all senior executives, which will ensure quality jobs remain in the province of Saskatchewan.

The last two provisions mean that Saskatchewan will have an influence on the direction of the corporation, as the board will consist of 50 per cent Saskatchewan residents and the province will have the authority to automatically appoint one member of the board of directors.

For these reasons, Mr. Speaker, I urge all members of this Assembly to support this Bill, and I move second reading of Bill 113, The Wascana Energy Inc. Act. Thank you.

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

**Ms. Draude:** — Thank you, Mr. Speaker. Mr. Speaker, to begin our discussions on this new Wascana Energy Act and the possible ramifications of this new Bill, I think we should review the role of this natural resource and what it has played in Saskatchewan's past and present.

Before Saskatchewan was a province, the entrepreneurial spirit brought geologists into this area to map the oil pools and speculators to buy up the mineral rights from unsuspecting

pioneers. They knew Saskatchewan was resting on pools of rich gas and oil reserves, but it wasn't until the '50s and '60s that the oil companies began the rush to extract the black gold that lay miles below the equally rich fields of golden wheat. By the late '70s, escalating problems in the Middle East sent the petroleum prices sky-rocketing, creating a crisis around the world.

To combat the alarming flow of money out of Canada, the federal government created Petro-Canada and Saskatchewan established the Saskatchewan Oil and Gas Corporation, which later became known as Saskoil. It was their desire to protect the country and the province; to never allow the country to again be so vulnerable to the quirks of some foreign state.

The mandate of this company was to develop and market our own resources. By this means, they hoped to make this country more self-sufficient in petroleum and to establish a position for themselves to play a leading role in the development and use of gas reserves. Under the initiative of Saskoil's past president, Ted Renner, and vice president, Glenn Carley, The Saskatchewan Oil and Gas Corporation Act, 1985 was decreed.

This transformed Saskoil from a publicly operated company to a privately traded corporation. It took Saskoil from a small, well-respected company with good resources but little influence, to become one of the top 10 oil and gas companies in Canada. They diversified the company, bringing into play expertise in gas and asphalt.

It is truly a Saskatchewan-based company. The past two CEOs (chief executive officer) were born and raised in the province and feel a strong attachment to the aims and objectives of Saskoil.

When Saskoil changed its name to Wascana Energy, they demonstrated their commitment to Saskatchewan by choosing a name that maintained the company's strong Saskatchewan roots. Then they selected the name of Pasqua for the company that controlled their non-core assets. They began reflecting the company's strong Saskatchewan foundation. With the sale of Pasqua, Wascana Energy turned the corner and laid a strong financial base for the formation of this new company.

It is because of people like this that Wascana Energy is able to contribute a major role in the economy of this province and the continuation of the commitment to show to the citizens of Saskatchewan. Today the government proposes to repeal The Saskatchewan Oil and Gas Corporation Act, 1985, and in its place they are introducing the new Wascana Energy Act.

The present executive now has an opportunity to build on this remarkable record, and they hopefully will take the company into the future where it will again become one of Canada's major oil and gas players. The government has stated that their objective is to stimulate economic activity within the province and to protect 350 company jobs located here. To this end, the government has repealed restrictions that held foreign investment to 35 per cent of the shares.

The body of this Bill deals with Wascana Energy's properties

and what they may or may not do with the assets.

As well, the Bill guarantees that 50 per cent of the directors are residents of Saskatchewan. Also within this Bill, we find a formula for determining the make-up of the board of directors. It determines the elected and appointed board members by the number of Crown voting shares compared to the total number of voting shares. To date, a set number of government board members have been appointed. I would think that this gave the company a certainty, a degree of assurance from year to year, when they knew exactly how many government board members they would have to deal with. Executives, past and present, are to be commended for having been able to accomplish so much in spite of the confining environment of the government.

Mr. Speaker, I have questions that I want to ask of the government, but at this time I believe it is in the best interest of this enterprising company and the people of Saskatchewan to pass this Bill on to Committee of the Whole.

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

**Bill No. 114—An Act respecting the Establishment of a  
Crown Foundation for District Health Boards  
and their Affiliates**

**Mr. Cline:** — Thank you, Mr. Speaker. I'm pleased to rise and move second reading of a Bill to establish a Crown Foundation for District Health Boards and their Affiliates.

This Act, Mr. Speaker, will enhance their ability to attract large donations. Currently under the federal Income Tax Act, individuals can only receive a tax deduction on donations of up to 20 per cent of their net income. The tax credits for donations to a Crown foundation are not limited by the net income of the donor.

The current income tax treatment of charitable donations tends to discourage larger donations by residents to help districts and their affiliates. The residents of our province have a tradition of generously supporting our public institutions. This legislation respects that tradition.

By creating a Crown foundation, Mr. Speaker, we ensure that both donors and health districts receive maximum benefits from the spirit of charitable giving. Across the province, there are many non-profit foundations for hospitals, nursing homes, and other organizations administered by or affiliated with district health boards. The money they raise often goes toward equipment purchases or other capital projects.

I should add, Mr. Speaker, that this legislation comes at the request of the Crown foundations ... of the hospital foundations, I should say. The Crown foundation is being set up at their request, Mr. Speaker, and they're very happy that we're responding to that request.

The Crown foundation will complement the fund-raising of these existing non-profit organizations and support their partnership with health districts. By making a donation to the

Crown foundation, donors can support district health boards and their affiliates, but the donor will receive a Crown donation receipt rather than a charitable donation receipt. This will help districts and their affiliates attract larger donations to their fund-raising campaigns. In effect, the Crown foundation will act as a conduit between donor and institution.

I should add in this regard, Mr. Speaker, for the benefit of the opposition, that federal rules require that the money go to the Crown foundation in the first instance, rather than be earmarked in a binding way for the local foundation, in order for the complete tax deduction to take effect.

The reason the legislation is worded the way it is is because that is what is required under federal tax laws. The wording is equivalent to other Crown foundation legislation such as we have for the University of Saskatchewan and the University of Regina. And I say that, Mr. Speaker, because there's some confusion on the part of some of the opposition members about the reason that the legislation is worded the way it is.

Crown foundations were recently established in Regina and Saskatoon for both the University of Regina and the University of Saskatchewan. This Bill is very similar to the enabling legislation used for these Crown foundations, as indeed it has to be to comply with federal law.

Mr. Speaker, this legislation will give our health districts and their affiliates the tools to compete equally with the universities as well as with other jurisdictions. I would be pleased to answer questions concerning Crown foundations when discussing this Bill at Committee of the Whole.

It therefore gives me great pleasure to move second reading of An Act respecting the Establishment of a Crown Foundation for District Health Boards and their Affiliates.

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

**Mr. Gantefoer:** — Thank you, Mr. Speaker. Mr. Speaker, the government keeps digging itself deeper and deeper into a hole every time it comes up with a new way to make changes to our health care system, and unfortunately for the people of this province who want to believe in a decent health care system for Saskatchewan, Bill No. 114, The Crown Foundation for District Health Boards Act, falls into this government pit. It is because so many concerns have been expressed by people throughout this province that I feel that I must address the shortcomings of this Bill today.

Mr. Speaker, in a nutshell, this Bill treats district boards as charities. Now this isn't really surprising because our health care system is a victim of government cuts, and as we all know, it really is suffering and it does need help.

But the government has shown it will not help no matter how dire the situation becomes. So in their ultimate wisdom they come up with a Bill like Bill 114. This Bill introduces one more stone to Saskatchewan's cornerstones of medicare — public funding, public administration, universal accessibility, portability, and comprehensiveness. I guess those five stones

weren't enough to withstand the pressure put on our medicare system by this short-sighted and insensitive government.

It's odd that the cornerstones only started to crumble after the NDP government came into power in 1991, especially since they like to pull Tommy Douglas's name out, holding him up as the father of medicare.

Now, Mr. Speaker, contrary to what the Health minister has said to us in the House before, we are not being disrespectful to the late Tommy Douglas. We believe he did possess a compassion and a respect for health care in Saskatchewan.

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

**Mr. Gantefoer:** — And we aren't showing disrespect to anyone. It is to the present NDP government who has completely forgotten or ignored the principles bestowed by the former premier. The Health minister can ask us not to speak of him in this House but, Mr. Minister, he fought for health care and now we are fighting for health care, and that's more than this NDP government is doing.

Mr. Speaker, until this Bill was introduced, the five cornerstones were in place. Until now they seemed to be a solid foundation for Saskatchewan. I guess that's what happens when a government continues to chip away at the very foundation of a system. Every new cut they make, every hospital or senior care home they close down, it's just another attack on our medicare system.

(1530)

What I find particularly ironic is that this new cornerstone seems to be at odds with at least one of the existing cornerstones. Sure charity sounds good. It's a benevolent word and it conjures up positive feelings of helping and sharing with less fortunate, but in this case the less fortunate are the district health boards that are funded by this government. Public funding — one of the original cornerstones, I believe. But now the government is looking for charity. Doesn't it seem odd, Mr. Speaker, that these two concepts exist together in a government way of thinking? It must be a government way of thinking because it doesn't make much sense to any other people.

I find it astonishing that this government can slash health care funding, cut rural hospitals, chase qualified medical staff out of our province, and destroy the quality of health care, and then turn around and ask for help from the very people they are hurting — the people of Saskatchewan.

It's an arrogant action and an action I find hard to support. People suffer from heavy provincial sales taxes, and the government tells us they are lucky because they don't pay health care premiums in Saskatchewan. Well, Mr. Speaker, I don't think I'm wrong when I say that people in Saskatchewan really don't feel very lucky.

Seniors who have been shipped off to communities miles from their friends and families, all because the government closed their care home, most certainly don't feel lucky. And nurses,

doctors, and other medical staff who are forced to move away from their homes to earn a living because this government continues to shut facilities, certainly don't feel lucky either. Patients who have been shipped by ambulance to facilities over two hours away just to receive care don't feel lucky at all. So when the government tells us we are lucky to have such an excellent health care system, who exactly are they kidding?

I shake my head every time the Health minister rises in this House and pretends that all is well with our health care system. He manages to do this, despite daily stories of communities that are hurting, communities that are literally reeling under the blow of this government's deep cuts to health. We keep asking, where is this government's compassion, and I ask that again today. Where is this government's compassion? It's certainly not in Bill 114.

This Bill, Mr. Speaker, as the members opposite know, will allow people to receive 100 per cent tax credit if they donate more than 20 per cent of their annual income to a district health board or an affiliate — 100 per cent. That's quite an increase over the current 20 per cent allowed. It looks like the government knows it is incapable of handling the financial situation our health system is in. Now they want help from the public — the public, Mr. Speaker. That means that these people in communities who are watching the complete destruction of health care and the people who are receiving no breaks on their taxes, are supposed to help. So much for public funding.

I guess the first cornerstone of our medicare system should come with a point of clarification. Public funding, unless the government is completely irresponsible and make cuts too quickly, too deep, and then it can be publicly and private funded. I know it doesn't have the same ring, Mr. Speaker, but at least it does have a ring of credibility.

But that's not even the worst part about this Bill. The worst part is that the government wants to create even more bureaucracy. I'm not sure where this fits into the Finance minister's budget speech. I guess it would have to come somewhere after she says that her government will, quote, "eliminate red tape."

Already this government has come under fire for its farcical district health boards. Yes, the idea of an elected board that truly represents the people in health districts is wonderful. And district health boards would be good if the government didn't insist on pulling all the financial strings. But sadly this is not the case in Saskatchewan. Since the health board elections, we have heard several elected members say they have no real choice in decision making.

The Plains Health Centre is a perfect example. People who were elected because they wanted to save the badly needed facility were forced to agree to close it down. Their hands were tied, they said. If they didn't go along with the government plan their funding would be cut even further. So these open and accountable health boards apparently have ended up to be open and accountable only to the NDP government. Public input? — not with this government's system.

Now if the government lets this Bill go through, the health

boards will get another slap in the face, because this Bill sets up a whole new level of bureaucracy to deal with the sixth cornerstone of health care, called charity.

The Crown foundation would consist of not more than 12 appointed trustees who will hold office for not more than three years. Appointed trustees. I assume these trustees would be appointed by this government.

Mr. Speaker, the board of trustees will have the power to make by-laws which will be subject to regulation. They may invest any money in any security or class of securities. It can sue or be sued. In return, all they have to do is submit a report of business to the minister every fiscal year.

So in one Bill, Mr. Speaker, charity seems to translate into more power for government. The foundation would be government controlled and government accountable, and we all know what kinds of problems this can cause. Look at SaskPower under the control of Jack Messer. Rates go up, service goes down, and Jack gets to take home a huge salary year after year. No one says patronage doesn't pay.

Mr. Speaker, is that what this foundation is going to be — a new place to bestow patronage appointments? I suppose they're running out of them. By the time they find Don Ching, Fred Van Parys, and Jack Messer, among others, installed in their appointments, there may not be many open spots left.

Think about it. Organizations already exist to deal with the changes to the health credit. They're called district health boards and they were established by the same government who wants to create a new level of bureaucracy. How many levels of control does this government need?

I really want to know when the public will finally get to control the agenda of their health care system, the health care system that is publicly funded and supposed to exist for the people of Saskatchewan.

Mr. Speaker, I also find it ironic that in government press releases the Health minister doesn't seem to worry about the loss of some tax revenue as a result of this change. The Health minister says it's okay because it'll be shared by the federal government. I guess the NDP government only shares with the federal government that which benefits them, because they refuse to share any of the responsibility for cuts to our health care system. Almost daily they'll point their fingers at the federal government for causing all the pain and suffering that health care cuts are causing for Saskatchewan people. They certainly don't want to share then; but when it comes to this Bill they are more than willing to share a loss of revenue. I may be wrong, Mr. Speaker, but it seems like a double standard to me.

Mr. Speaker, I think I've made it clear today that I do not support this Bill as is. I'm only frustrated that I can't do more to defend health care in this province. As official opposition we can ask the government to show some compassion. We can ask the government to think about the people they are hurting. We can ask the government to come up with better solutions. But

it's like hitting our head against a brick wall. This government has its path set for health care and it's a path of destruction and devastation. Still they stubbornly push ahead and let the casualties fall around them as they carry out a cold and uncaring plan.

So I could continue to speak out on this Bill and I could point out all the things that are wrong with health care in the province, but I don't know if it matters. I don't know if any of the members opposite really listen to the message that people throughout the province are sending them. I will bring forward my concerns to this Bill when it reaches Committee of the Whole and I can assure you that my colleagues will bring forward their concerns also.

Mr. Speaker, quality health care is worth fighting for and when the government brings forward legislation that is unnecessary or just plain bad for the people of this province, we must speak out. For the sake of every person in this province who wants to rely on a high quality medical system, I hope the government will finally start to listen.

I move that debate on this Bill be now adjourned.

Debate adjourned.

## COMMITTEE OF THE WHOLE

### Bill No. 5 — An Act to amend The Education Act

**The Chair:** — I would ask the minister to introduce her officials, please.

**Hon. Ms. Atkinson:** — Thank you, Mr. Deputy Chair. To my right is Craig Dotson, deputy minister of Education. And to my left is Michael Littlewood, director of third-party funding and legislative services.

#### Clause 1

**Mr. Krawetz:** — Thank you, Mr. Chair. Madam Minister, and to your assistants, last day when we left the issue around replacement contracts and the discussions that I've had from phone calls from people that were privy to some of the discussions between yourself and myself, Madam Minister, I was wondering if you might clarify, I think, probably two or three different situations so that I might better understand the Act and that others would as well.

Let's deal maybe with I think probably the simplest situation. And could you explain how this Act will affect the person who is a replacement teacher for the first year of a one-year leave and then the leave has been extended for a second year? How will this Act . . . how will it affect the replacement teacher?

**Hon. Ms. Atkinson:** — Under your situation, if at the end of the first year the board did not consider that replacement teacher to be competent, then the board could terminate that teacher and choose another teacher. If at the end of the first year the board of education determined that the teacher was competent, then they would be obliged to offer the second year

to that replacement teacher.

**Mr. Krawetz:** — You're saying that they're obliged to offer. As I read (9)(a), it says that the replacement teacher, if they haven't been let go prior to May 31, and that indeed leave has been granted for the teacher who was on leave, then it's not a matter of offering. It would in fact be that replacement teacher then that would have the automatic . . . and indeed would have the first right of refusal. Is that how I read (9)(a)?

(1545)

**Hon. Ms. Atkinson:** — Obviously the board of education would have to approach that replacement teacher and indicate that the person you're replacing has asked for a second-year leave. In that situation, the board would be obligated to offer that teaching position — that one-year teaching position — to the teacher that had been the replacement teacher in the first year.

Now obviously the board would have to determine that by May 31, whether or not that teacher was competent. If, in the opinion of the board, the teacher was not competent or they didn't want that teacher to continue teaching in that particular school or school division, then obviously they could terminate that replacement teacher.

**Mr. Krawetz:** — Okay, then the teacher has been contacted, the replacement teacher, and they have accepted. Therefore now they are on what you have indicated or what the Act has indicated is now a continuous permanent contract? Is that correct?

**Hon. Ms. Atkinson:** — That's correct. The board would have to determine by May 31, in the first year of that teacher's position in that school division, whether or not that teacher was competent. I presume that boards of education regularly determine whether or not beginning teachers have what it takes to continue teaching. The expectation would be that the board of education would determine whether or not that teacher was competent. If the teacher was competent, then they would be obliged to offer that second year of the extended leave to that teacher.

**Mr. Krawetz:** — Thank you, Madam Minister. Let's look at a second scenario to better understand, which might be another instance. Two teachers have been granted leave. Prior to May 31, one of the teachers — teacher A, for instance — has decided that they are coming back. Okay. Teacher B is the one now that has been granted a second year of leave.

I'll use the scenario that in this case the replacement teacher for B was, as you've said, either not competent and has been evaluated by the director of education and they've decided that that person is not going to . . . or for that matter the right of first refusal, the teacher has a better job in another school division, and they've left.

If the board hires the replacement teacher that was in for teacher A — okay, so the scenario that I'm using is now that there's been a second year leave but it's now for a different teacher

than the replacement teacher taught for in the first instance — will the Act now, the changes to the Act, will it mean that the replacement teacher is also now on a continuous contract because they've been hired for the second consecutive full academic term?

**Hon. Ms. Atkinson:** — Yes, they would be on a permanent contract at the start of their second year. But obviously the board of education would have determined at the end of their first year that they had the necessary skills required to be a competent teacher.

**Mr. Krawetz:** — Right. Okay. So the question that I have been asked and I'm sure that you have been asked by some of the stakeholders is as to whether or not this clause no. 9 is specific to the same teacher — it does not necessarily mean it's the same teacher; it could be different teachers — and if they're competent they will be hired on for the second year and indeed that now will make them a permanent contract. Right? Thank you.

Now the third situation — which is the question that we left at last day, and I wanted to get the clarification here — is the scenario where we have a teacher who has been a replacement teacher for a full academic year and they weren't let go; it's just that the permanent teacher has returned and the contract is over. Then for the following year they did not teach on a replacement contract for that school division; they may have substituted or they may have been a temporary teacher but they were not on a full replacement contract.

My question to you last day was, when somewhere down the road — maybe it is the third year — there is another full academic position that comes up for a leave, for an academic, yes, an academic contract, if that position is awarded to that replacement teacher, is that now a continuous contract because it is the second year?

**Hon. Ms. Atkinson:** — If a school division made the decision to offer a second year but it was a second year some time later, then that school division has made a decision that that teacher is competent, that teacher has the skills necessary to be a competent teacher, and that teacher would then be in a position where they had a permanent contract with that school division.

**Mr. Krawetz:** — So to summarize, you're saying then that the Act will allow now for any replacement teacher — whether they be hired for the second year consecutively or whether they be hired two years down the road or five years down the road — if they have been hired by the same school division for a complete academic year, then they will automatically be on what is referred to as the continuous contract?

**Hon. Ms. Atkinson:** — Yes. If they are hired for a second year, then they would be on a permanent contract because that school division would have determined that that teacher had the necessary skills and expertise to be a second-year teacher, and they would be in a permanent contract position.

**Mr. Krawetz:** — As I indicated to you last day, I think, you know, there are some concern from teachers, as well as

directors and boards as well, around this whole notion that immediately after one year, a teacher has the in on a position because someone has been granted a leave. And I would suggest that maybe we can look at an amendment there, if that's in order, for the next day.

What I'd like to ask, Madam Minister, is clause no. (11), when it refers to "The period of time during which a teacher is employed as a replacement teacher is to be credited in any computation pursuant to subclauses . . ." as numbered. Isn't this an automatic if you were on a permanent contract? My question is, I guess, is what does this clause do, and is it necessary under the amendment, or is it already there when your contract becomes a permanent contract? This should already be in place.

**Hon. Ms. Atkinson:** — Well as the member may know, replacement teacher is a new concept that's being introduced to the legislation. And we wanted to ensure that when you're adding up the time for a board of reference, that all periods of time are taken into consideration.

**Mr. Krawetz:** — If I understand you correctly, Madam Minister, when you say then that they're employed as a replacement teacher, this would be in the instance then where the replacement contract does not become a permanent contract?

**Hon. Ms. Atkinson:** — As you know, in year one the teacher is a replacement teacher. They do not have a permanent contract. Say down the road, they receive a second year of teaching, they're then in a position where they have a permanent contract because the board of education has determined that that teacher is competent. But in year three, if there's some difficulty, or year five or six there's some difficulty, what we're saying here is that for the purposes of a board of reference, the year where the teacher was a replacement teacher serves as time.

**Mr. Krawetz:** — Okay, thank you. I think I better understand that now. I think it will be protective to both teachers and boards in this case.

Next issue is around forms. You make reference to the offer and the acceptance and the notice of confirmation shall be on prescribed forms. Could you indicate . . . or how your officials are coming along with that, as to what will be prescribed forms?

**Hon. Ms. Atkinson:** — First of all this section is not being proclaimed upon assent. So we want to sit down with our stakeholder groups in the weeks and months ahead and determine what an appropriate form would be.

**Mr. Krawetz:** — Having had some experience at a board table, I wonder is this a level of . . . is this another level of bureaucracy in terms of having to follow through with forms where boards of education hire, you know, hundreds of teachers every year by methods that are already in place? Now are we devising another set of forms that must be followed — in other words you know, the exact form each and every time. Is it a change from what exists currently?

**Hon. Ms. Atkinson:** — I can assure the member that we will be

mindful of the need to avoid undue paperwork and bureaucracy. I guess I'd just make the point, in reference to his comments, I sure do hope that boards of education are hiring hundreds of teachers because we have a lot of young people this year that are looking for those first teaching positions.

**Mr. Krawetz:** — Madam Minister, I understand that the age of the teachers in the province is increasing with each and every year, and that over the next six or seven or eight years, I understand that there will be a number of retirements and superannuating teachers in the province. So I would hope that if our population stays . . . or in fact maybe starts to grow, in terms of young people coming into the province, that you and I would both rejoice at the thought of having to hire 3 or 400 teachers.

But in rural Saskatchewan though, that may not occur unless there are a number of retirements because we know enrolments are declining. That's reality, and we're still very concerned — people in rural Saskatchewan are still very concerned — that a quality education exists there, and that there be no additional burdens on trying to spend money with, you know, extra time spent by directors putting in place forms.

If the forms are going to be involved for these replacement contracts, will this be a form that you will also, through discussion with your stakeholders, will it be then expanded to include all job offers whether they're replacement or temporary or whether they'll be continuous offers?

(1600)

**Hon. Ms. Atkinson:** — As you may know, all teachers have some form of contract of employment with the employer, and whether you're a temporary teacher or a replacement teacher or a permanent teacher, and we expect that we will be able to develop some common threads, common elements, throughout these forms. But as I said, this particular section is not going to be proclaimed until we've had an opportunity to work with the various stakeholder groups to get the appropriate forms drafted and in place.

**Mr. Krawetz:** — Thank you. Madam Minister, that leads me to the next question. When you have indicated that sections 8 and 10 are not coming into force, and 10 as I see it is regarding the prescribed forms, just one more question on section 10. When you have met with the stakeholders — and I guess the boards of education represented by the Saskatchewan School Trustees Association would be the stakeholder that I'm talking about — is this something that is supported by them and LEADS (League of Educational Administrators, Directors and Superintendents)? Is this something that you are at some disagreement with those groups? Or are we looking at an amicable solution, and indeed the forms will have unanimous support of all the officials and the department that are at the table?

**Hon. Ms. Atkinson:** — As I understand it, LEADS, or the directors of education, are supportive of the notion of a form. They want to make sure, however, that we do not have a form that leads to all kind of paperwork that's unnecessary.

The teachers, as I understand it, are in favour of a form. And the trustees aren't sure we need a form.

So we're in a position where not all of the stakeholders are in agreement. But I expect that as good Saskatchewan people, we will be able to sit down and compromise our various positions and come up with a form that's not overly bureaucratic, doesn't lead to unnecessary paperwork, but provides some consistency to boards of education across the province.

**Mr. Krawetz:** — Madam Minister, I asked you this question last time, and I recall some of your comment, and I was wondering if you still might expand on that a little bit. As far as beginning teachers, and I still have some concerns because I have had a couple of people talk to me about this. When they are hired as a replacement teacher . . . and as I indicated last day, in their first year, many beginning teachers make mistakes; they're learning. They're growing. And at the end, by May 31, a board of education is going to have to make a decision about that teacher — whether or not they're fair or whether they're adequate — in order to decide whether they're going to keep them for the second year of a replacement contract.

And I'm wondering if you think that the process then will be fair to those teachers that have stumbled along and maybe haven't been . . . I mean there's no question; boards of education and the director will recommend the hiring of those excellent teachers for their second year without blinking an eyelash. But what about those teachers who, in their first year, stumble a little bit? They are probably still going to be great teachers. Now there is some fear that an evaluation process will say, we're just not going to take a chance on you after year one because we know automatically that we have you on a permanent contract.

**Hon. Ms. Atkinson:** — I guess what I would say to your question is this. If a board of education hired a teacher in a permanent contract, at the end of year one they may not be sure about the teacher. The teacher has some difficulties . . . had difficulties with discipline, maybe had difficulties appropriately teaching the resource materials. But they decide to give that teacher a second year opportunity, and at the end of the second year they determined that that teacher just was not cut out to be in that particular school division. That teacher would be let go. That teacher would not be entitled to a board of reference, not unlike your replacement teacher who had been in a one-year replacement contract.

The one-year replacement contract was extended. At the end of year 2, if that teacher was simply not cut out to be a teacher in that particular school division, the board of education could let that teacher go, sever the relationship with that teacher, and that teacher would not be entitled to a board of reference.

**Mr. Krawetz:** — I understand you, Madam Minister, in terms of the relationship between someone who is on a continuous contract . . . because the board knows full well that that person is in your employ, hopefully for a long period of time, and you're trying to see whether or not this teacher will make it. So there is a benefit of the doubt to go into the second year, and then of course it's the difference between tenure and non-tenure



and tough decisions are made at the end of that second year.

The situation that I'm looking at and wondering how young people will be affected though is in the case of a replacement contract. It is a one-year contract. If it's over because the teacher has returned from a leave, there's no . . . it's a fixed term. The situation will be of course if they're willing to . . . if the person has been granted leave, then it is an automatic that they automatically have the second year of a leave. That's point one. Point two, they are automatically on a continuous contract.

And then of course if the teacher returns at the end of the second year, there is the whole issue of severance. And I know you've . . . I shouldn't use the word severance; I guess I should use a redundancy pay. And you have indicated of course it's only five days per teaching year which in this case works out to 10 days. But when a board is looking at every available dollar, that indeed becomes a bit of an issue.

So the situation — maybe is my fear — is that at the end of one year only that some good, promising, young teacher may be given a little bit of a rough go here because a board does not want to take a chance that this teacher may become something better, and they may let him go after one year.

**Hon. Ms. Atkinson:** — Well I certainly appreciate your concern, but I would hope that you would appreciate the concern of some of those temporary teachers that have been temporary for six, seven, eight, nine years where they were bought back year after year after year after year, and really, it was difficult for the teacher to make plans about their future — maybe buy a house, begin a family, get married, those kinds of things. And I think it's fair to say that I certainly heard from a lot of younger teachers, you know . . . is there ever going to be a time when I can get out of this temporary position?

And what we're trying to do is ensure that we're applying consistent practices across the province. And I think it's fair to say that the example that I've just referred to was certainly not a widespread practice. But it was a practice that was causing some concern amongst directors of education, amongst teachers, and amongst trustees.

So I think what we've tried to do here is deal with the court case, obviously, but also apply some consistent practices so that regardless of which school division operates in the province, that they have to treat teachers in a fair and consistent way.

You'll argue that it's not fair to beginning teachers. What I would argue is that we're treating replacement teachers that have been given a second-year contract the same as if they had been given a permanent contract. At the end of the two years, regardless if replacement teacher or permanent teacher, the board of education can sever their relationship with that teacher. They're not entitled to a board of reference.

I might also note that at the end of the first year, they can decide, look, this teacher just is not cut out to be a teacher or doesn't fit into our school division, and we're going to sever our relationship. They can do that without a board of reference and without giving redundancy pay.

**Mr. Krawetz:** — While I concur with your remarks of last day and again today — and I think I made the comment to you, Madam Minister, last time — I totally agree that temporary contracts, full-year temporary contracts running four and fifth and six years are not in anybody's best interests. And I'm glad to see that your comment of last day is exactly the same today, and I support that. I support that.

I am looking at the situation though where it seems that a one-year term, only to begin after one year to go into the permanent status . . . just seems that we've gone from the abuse by a very few on keeping someone on a temporary contract for year after year after year, and we've gone now to saying that somebody after only one year is an automatic for a particular position just because they were lucky to be hired for that replacement. And I'm wondering if we couldn't look at something next day.

My last question before we move on, Madam Minister, would be when you indicated that section 8 is also not coming into force until proclamation what would that entail, as far as the ramifications for not bringing that one around?

**Hon. Ms. Atkinson:** — Member, before I answer your question, I'd just like to make this point, that in the vast majority of cases the replacement teacher is only in that replacement position for one year. Most, most teachers do not go on a leave of absence beyond a year or a year and a few months or a year and a half.

So you say secondments; that's true, secondments. But the vast majority of replacement teachers out in the workplace are not replacement teachers for any extended periods of time beyond the year or the year and a half.

Now in terms of answering your question 8, this particular section does not require any regulations, but it does require that the department have some time to properly consult local school divisions to make sure that we have a consistent application of The Local Authority Freedom of Information and Protection of Privacy Act.

The committee reported progress.

(1615)

## COMMITTEE OF FINANCE

### General Revenue Fund

#### Energy and Mines

#### Vote 23

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

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To my right, Ray Clayton, deputy minister; to my left, Bruce Wilson, executive director of petroleum and natural gas. Behind me I have Donald Koop who is the assistant deputy minister of finance and administration; and as well George Patterson who is the executive director of exploration and geological services; and as well Trevor Dark who is the director

of energy economics.

**The Chair:** — I would instruct the committee that the committee last considered these estimates on May 10.

### Item 1

**Mr. Belanger:** — Thank you, Mr. Deputy Speaker. I guess, Mr. Minister, I would like to welcome you and your officials.

Just a couple quick questions on northern Saskatchewan. In the last several years — I think we asked a similar question, but I never got much of a response — in the last couple of years and with the next couple of years, how do you see the resource sector associated with mining in northern Saskatchewan? Is it going to be increasing or is it going to be decreasing? Do you expect that flurry of activity? What's the general consensus?

**Hon. Mr. Lautermilch:** — Well I think, Mr. Chairman, not unlike my answer of the other day, we're very optimistic in terms of development in northern Saskatchewan.

As you will know, there is some activity right now happening with respect to environmental assessment of uranium mining. There is some gold play that looks very optimistic. We're still optimistic that in fact there may be, through the exploration that's happening . . . In terms of diamonds in the Fort-à-la-Corne area, there might in fact be an opportunity there for expansion. It would appear that the investment by the mining sector is fairly substantial which should result in increased job opportunities for northern Saskatchewan people.

**Mr. Belanger:** — Thank you very much. And we noticed we had a number of visitors in the Assembly today in reference to the Saskatchewan Mining Association, and we had a whole pile of questions that we certainly wanted to ask, but time again is not on our side in this matter.

In that point, when you say that you do have an optimistic outlook, I certainly believe that as government we have to make every effort to attract investment, attract business. And certainly mining is one huge operation, and it certainly contributes a great amount of value to Saskatchewan.

Lenora Resources — it's a small company out of Ontario — they had proposed a mine up in Uranium City, and I'm looking at a couple of headlines here basically saying that the project is having some troubles. And I know that people of Uranium City were very anxious to see this happen because you're looking at anywhere between 175 to 250 jobs for that small community. Uranium City, throughout the years, has contributed a great amount to the economy of Saskatchewan.

And that's one of the questions I've asked many times is . . . what is your government doing to attract companies like the one I mentioned here so that they're able to come into Uranium City, and they are able to provide hope; employment opportunity for the people of that area? And really I'd like to see what concessions were offered, what concessions were taken, and how you, as our minister, is making the atmosphere for business to thrive.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. To the member, I'm assuming that he's talking about the Greater Lenora initiative. They have been in discussions with the department on a regular basis. As I understand it, the company was reassessing their reserves and what the potential was . . . or what the potential is, but that process has not been completed. And until they've completed an assessment of what reserves are there and what opportunities there may be, based on what's there to mine . . . they have not returned to the department after having completed that analysis. So I guess the bottom line is they haven't completed their analysis as to whether or not it will make economic sense for them.

**Mr. Belanger:** — I guess the second part of the question is . . . we all know that electrical power and certainly the need to generate power, in terms of generation, and that also needs fuel. And you look at some of the costs of fuel in northern Saskatchewan. Uranium City, \$1.12 a litre of gas, I think that's the amount that they pay out there. You look at the costs of power.

And really, I guess, in essence, Lenora opportunity with the Box Mine and the Athena Mine, you would assume that they may have approached your department, trying to attract some support to establish this mine. This mine offers incredible potential and opportunity for the Uranium City, Camsell Portage, and Fond-du-Lac people, and they're very anxious to get going.

What are you going to do as our Energy and Mines minister to attract this company, to make Saskatchewan a more industry-conducive province? Because again I state, Mr. Minister, there's a lot of optimism, a lot of hope that this mine will come into being and that Uranium City can once again have a bright future.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I think it's fair to assume that until due diligence has been done with respect to their reserves, with their cost of operations, that they're not in a position to determine whether or not they'd be able to go to the markets to raise capital for the investment. And I think that's sort of the crux of what you're talking about. Certainly they're going to want to assess what the reserves are, so they know what they can generate in terms of revenue, because without that it's going to be very difficult, you know, to raise capital in order to get the project going.

I'm told by the officials that they haven't been back to us now for a period of months, which would suggest either they are not comfortable with the amount of reserves in the area or maybe other initiatives.

With respect to other costs that might be associated with developing the resource, certainly power will be one of the considerations. I can't say today whether or not they have been in discussion with the Power Corporation in terms of what the rate may be.

Now we are all well aware that in northern Saskatchewan there are some fairly high costs associated with doing business in that area of the province. You have isolated ore bodies, isolated

resources. They're a long ways away from, in some cases, a road infrastructure, which may not be the case in this one you cite, but certainly the costs of operations in northern Saskatchewan have historically been very high.

And I think that mining companies take this all into account when in fact they put together a prospectus in terms of what they feel they can generate and what they're able to take to investors. But as I can say with Greater Lenora, they have not been back to the department in months, as I'm told by my officials.

**Mr. Belanger:** — So I guess the point that you're saying, if they haven't been back in months, it has not been the result of this government not making a conscious effort to attract this company to Saskatchewan. So to make it simple, they are not here not because the government did not try and help. Is that correct?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I want to say to the member that it's not anything that's been done or not been done by this department, by this government.

I am told that after they did their initial investigation and went to the market, the market was not responsive. And potential investors indicated to the corporation, to the company, that they would have to go and firm up the numbers before it would be conducive to generating investment by investors.

We as a department, we as a government, were receptive to industry. When they have a proposal, when they have an initiative that they feel is a go and can be a go, then we sit down and work with them to try and facilitate the development in those areas. That hasn't happened with Greater Lenora. Apparently there wasn't enough information to satisfy investors, so they haven't returned to us since their initial contact with the department.

**Mr. Belanger:** — So if I were to get up and I were to phone up the president of the Lenora company and ask him, did the Saskatchewan government do all that they could to assist you establishing this mine, you would say yes?

**Hon. Mr. Lautermilch:** — Well I think the response would be that the discussions aren't completed. That would be what I'm assuming the reaction would be. We've had initial discussions. There's been some reaction by the market, which was that there wasn't a willingness to invest based on the information that was available. So I'm assuming that their option is to put together more information with respect to the resource and then go back to the market to determine whether or not investment would be available.

I can say that the Department of Energy and Mines is certainly more than willing to entertain proposals, and it would be up to, I guess, to Greater Lenora to determine whether or not they had a good enough package to go to the market. We will do as we do in other circumstances with other companies where other developments happen — work closely with them to help to facilitate their development, their initiatives.

**Mr. Belanger:** — So again the situation is that he would . . . What you're saying to this House as of this day, May 28 — or 27, whatever the day is — is that the mine that we're looking at near Uranium City is not having troubles, not because of this government's willingness . . . (inaudible) . . . trying, negotiate and to assist but it's really because of the markets in reference to this mine? Is that correct?

(1630)

**Hon. Mr. Lautermilch:** — Well I think it would be fair to say, as I have indicated, the history of the discussions and those discussions I have put on the record — we are of the understanding that they are reassessing the reserves at this point. We haven't heard from them subsequent to that. And I think that we have done all that has been asked of us as a department, the Department of Energy and Mines.

If there are some other issues outside of the department that I'm not aware of, you might be able to bring them to my attention. But I'm not aware of any.

As is the case with all developments, there's always discussions in terms of the cost of energy that's required. Those discussions don't happen within Energy and Mines; they would happen in direct consultation and negotiation with the Power Corporation.

I can only tell you what I have told you in terms of the history of the interaction with this company, and we haven't been approached, as I'm told by the officials, for months.

**Mr. Belanger:** — I would assume that you would have, you know, a . . . I shouldn't say better effort, but a finer method in terms of you, being the minister responsible for Energy and Mines, in terms of cooperating with SaskPower, with SaskTel and SaskEnergy and so on and so forth, to discuss on how we can attract business to the North and how we can get a mine that's much like the one we're speaking about. You know, again the atmosphere or the environment for business to exist.

Have you ever subsidized or granted or donated any other goods or services, or even given any company a concession when you talk about attracting them to operate in northern Saskatchewan? And this is in reference to all the costs that the mines go through.

**Hon. Mr. Lautermilch:** — Mr. Chairman, the approach that we take as a government and as a department is that we will institute policies of a general nature, of general application, that would pertain to all of the industry players, those who are proponents of a project, and we put a policy in place so that it would be fair for one, as fair as it would be for another. But do we single out a specific company for a specific concession? The answer is no.

I can say that we attempt to coordinate quite clearly in the fact that under the energy portfolio — SaskPower, SaskEnergy, the Department of Energy and Mines, and other entities — there are discussions that happen within the corporations, as an example within the Crown corporations, that I don't necessarily deal with on a hands-on basis. My job as the Energy minister is

to work to develop policy, to develop policy with government whereby we can create an environment that industry will be attracted to.

I can't stand in this House and tell you that I'm aware of the day-to-day negotiations and discussions that happen with specific companies because that's not my role. But when we appear before Crown Corporations estimates, as an example, the officials who do that and whose job it is to do that will be there to answer detailed questions.

If you have a specific question with respect to Uranium City and development there, I'm more than willing to sit down with you, bring together the information in an up-to-date fashion from all of the different players, and share that with you.

But I guess to go back to your question, in terms of special concessions for separate companies, the answer is no; we tend to prefer a general policy across the industry.

**Mr. Belanger:** — No, I just noticed that from this particular mine that we're speaking about we notice that — of course I'm not familiar with how the stocks operate — but you went from a . . . you know, and I quote from the paper:

"It's a shock. We had a \$4 dollar stock, then a \$2 dollar stock, and an 80 cent stock. It knocked the heck out of investors and myself as well" said company chairman, CEO Robert Kasner.

I guess in reference to the jitters that we talk about when you invest into the stock and the whole bit — again, not understanding how the stock works — I'm assuming that if the Saskatchewan Minister of Energy and Mines were to get up and he would say yes, the Saskatchewan government truly believes in creating an environment for business to thrive and to exist, and that we see that there's a lot of potential; we're going to do all that we can to support the efforts of this particular company, so it could provide employment for the people of Uranium City, an opportunity for the people of Camsell, and the people of Fond-du-Lac, and Stony Rapids, I am sure that that would have nothing but a positive spin on the fact that this company that's dealing with the mine that's so close in terms of being there, or being shut down, that that would be only positive for this particular company, only positive for the people of northern Saskatchewan.

Are you prepared to do something of that nature?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think, if I could describe what I see to be the role of the minister and of the department, as I've indicated, it's my job to work with the department and work with the rest of caucus, the government caucus, to develop policy. Within that policy framework there's hopefully, and in some occasions there will be, some degree of flexibility; other times there won't be.

In terms of, I think, the viability of a project, it's got to be based on known and proven reserves, which is certainly something that our department works closely with industry on, not only in Uranium City but in other projects in terms of

sharing information that we have. They will do the more detailed work in terms of exploration to develop the richness of an ore body. In terms of my role as the minister, I can say to you that I don't take the position that I should do anything other than offer encouragement in a general nature based within what the reserves are, what the policy is, and based upon the cost of doing business.

And as I've said, there may be policy changes that are required from time to time. And we do that; we monitor policy on an ongoing basis. And there may be some flexibility within a policy framework. But that, I guess, is sort of the role that I see the department playing, the role of the minister, and the role of the companies. Because certainly the companies have a responsibility to prove their resources; it's them that are going to the shareholders. It's the corporation that will go to the markets for investment. And I guess what they have to do is prove a case, to show that investors should be comfortable in believing that there can be some profits to be made by a proposal that they as proponents are putting to them.

We do, in our way, as a department, deal with the regulatory and the licensing issues, and certainly we help to facilitate that inasmuch as we can. But there is some onus on industry — industry that has to do due diligence in terms of showing folks that it's a good project to invest in.

The market-place isn't cut or dried. It's not black and white. And certainly I can't suggest to you that I'm terribly experienced in playing the stock market. I guess I've made a few dollars and I've lost a few dollars, like many of us have, over the course of my lifetime, but I think the real responsibility though is for a proponent of a project to attract investment based on what they've got to offer and what potential for profit they have.

**Mr. Belanger:** — Just one last point in terms of . . . and I got some other . . . some of my colleagues have some other questions.

The people of Uranium City have for the last year or so, since this whole mine was spoken about and talked about, had been looking at this with a great amount of optimism. And I request the minister to . . . and I strongly advise you to take a very serious look at what role that you could play to make this mine become a reality. What type of concession, what kind of environment, can you develop to allow this mine to proceed? And that's the whole key what we speak about when we speak about developing an environment for business to thrive and to exist.

And if you give concessions . . . we're not talking about investing in this company. We're not talking about giving out grants and the whole bit and giving away the environmental right to do anything they want. We're speaking about giving them concessions. And if they spend 15, \$20 million on developing this mine and they create 100,150 jobs, and you've giving them maybe 200 or \$300,000 worth of concessions, then that works good for the provincial economy. That works good for the people of the whole province and of Uranium City, especially that community.

So in reference to this point, I strongly urge the minister to look into this particular project, look into this particular mine, and see what you can do to create the environment for business to thrive and to exist.

And to that end, I sincerely look forward to some of the information that you promised me, and I'm sure you will have other discussions as well. Thank you.

**Hon. Mr. Lautermilch:** — Mr. Chairman, just to briefly respond, I guess the concession that we would see as being appropriate is a return on investment, and that would be based on royalties, taxation levels — how much that would or how much that would not be. It would be based on the cost of doing business, the cost of developing the resource, what the market value of the resource is; and all of those things will determine what the shareholders' rate of return on investment will be from the corporation.

With respect to direct injection from the Department of Energy and Mines or from the provincial government, that has not been our policy. Our policy has been to set in place a taxation and a royalty regime that can allow a favourable rate of return which will then attract investment, and that's the approach that we have taken.

And I would say to the member that I don't believe that the government has any determination to become involved in investing in what may or may not be risky operations in mining. We think that's best left to speculators, to people who play the stock market and invest in different initiatives. We don't see that as being government's role.

**Mr. Aldridge:** — Thank you, Mr. Chair, and welcome to the minister's officials here this afternoon. Would the minister please let me know why or where, I'm sorry, do I see within the *Estimates* before us here today, an expense for the payments made to the NewGrade upgrader?

**Hon. Mr. Lautermilch:** — You won't see them in the department estimates because we don't make payments to NewGrade from the department.

**Mr. Aldridge:** — Thank you, Mr. Minister. Could you provide us with an explanation of why that in fact is the case?

**Hon. Mr. Lautermilch:** — Yes, Mr. Chairman, the investment is made through Crown Investments Corporation and not through Energy and Mines, so that would be the appropriate place to question payments that may be, through an agreement, made to NewGrade. That would be done under Crown Investments Corporation estimates but not Energy and Mines.

(1645)

**Mr. Aldridge:** — Thank you, Mr. Minister; but — and correct me if I'm wrong — but is it not your department, through order in council, that has made payments to the NewGrade upgrader in years gone by?

Could you just please qualify that?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think the member might be referring to an order in council dated 1989 which provides for the authority of payment and remission of royalties to a couple of companies who then in turn remit that to NewGrade. That was, as I've said, done in 1989. It's an ongoing process. And that's how that was put together.

**Mr. Belanger:** — Thank you, Mr. Minister. So then am I to understand there have been these types of payments that have been made since 1989 up until . . . through this most recent fiscal year ending March 31, '96?

**Hon. Mr. Lautermilch:** — Mr. Chairman, to share with the member as I understand it, this was one of the components of the original agreement that put the NewGrade deal together, so you would understand the date 1989. Maybe what I should do is take you through, as I understand it, the background of this arrangement.

In 1989, an order as part of the agreement was passed that would indicate that NewGrade should receive a rebate of Crown royalties paid on natural gas used in the upgrading process. The order calls for remission of Crown royalties paid by producers of natural gas. An assignment is made to NewGrade of their right to that remission in payment to NewGrade by the department.

The Provincial Auditor as you will know — and I'm sure that's where you're headed — has indicated that the order is not a remission but a grant and therefore lacking in proper legislative authority. The government takes an opposite position. We have legal opinions supporting our position, as does the Provincial Auditor.

I would want to say to the member that this is part of an agreement that was put in place by the former government. It was part of what put the NewGrade package together. I believe that the remissions are required for another 13 years, and quite clearly there are some that would suggest that it's an inappropriate deal. It was not of our making, but it's one that we live with as part of many things that we live with that were done by the former Conservative government.

**Mr. Aldridge:** — Thank you, Mr. Minister. And we certainly can appreciate that this is in fact one of those very deals that does trace its original inception and development to the previous administration, so we are appreciative of that.

However, could you just perhaps relate to us, was this remission previously made under a different name? Was it always referred to as a royalty rebate?

**Hon. Mr. Lautermilch:** — Yes, Mr. Chairman, we have always dealt with it as a remission, and it's been in *Public Accounts*, in the *Public Accounts* documents for as long as we have been in charge of this initiative. So it's all there; it's part of *Public Accounts*, and it's always been dealt with as a remission.

**Mr. Aldridge:** — Thank you, Mr. Minister. But was it always referred to as the NewGrade royalty rebate?

**Hon. Mr. Lautermilch:** — Okay. We, as you will know, are not responsible for putting together the *Public Accounts* document. And my officials are not aware of whether or not it has been referred to by using different terminology over the years. As I've said, we don't put together *Public Accounts* documents. That is done by other arms.

**Mr. Aldridge:** — Thank you, Mr. Minister. You referred to the department having a legal opinion with respect to whether your department should be listing this remission as an expense of your department. Could you outline for us this afternoon what have been the costs incurred to date to develop such a legal opinion?

**Hon. Mr. Lautermilch:** — I'm told by the officials that is just part of the routine advice that was received by the department when this arrangement was designed. And it would be a piece that would be looked at by the Department of Justice, as they do with other initiatives when requested by different departments. So I guess, just to condense, it's part of the '89 agreement. Justice would have looked at it and, based on their analysis, made a recommendation to the department.

**Mr. Aldridge:** — Thank you, Mr. Minister. Given now that the Provincial Auditor has expressed concerns, as you've alluded to earlier, as recently as the spring 1996 report in this regard and you also have made reference to the auditor having developed a legal opinion contrary to yours, it would seem to me that this is going to be an ongoing battle. And perhaps is there any provision by your department here in terms of . . . like, where will this get to? Will there be further legal opinions required?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I would say to the member opposite that I think what is important here is that the amount identified is accurate and that the amount is disclosed in *Public Accounts*.

This is a disagreement with the department and the Provincial Auditor, and I would want to say that we certainly don't like to see disagreements with the Provincial Auditor or different interpretations, but I think that's, I guess, the nature of the beast. It's a matter of disagreement. We have legal opinion that represents our position as being appropriate. We are interested that the amount is documented and made public. And so I think, in terms of legality, we're comfortable with our legal opinion. The amount is disclosed, and the amount is accurate, and I think that's what's important.

**Mr. Aldridge:** — Thank you, Mr. Minister. With respect to royalty rebate for the year ending March 31, '96, would you have that figure available here this afternoon?

**Hon. Mr. Lautermilch:** — I'm told by the officials that historically it's been averaging about a million, a million and a half dollars a year. It's not a number that has been disclosed yet for the '96 fiscal year by *Public Accounts*, but I'm sure when that document is available, you'll be able to check for the exact amount. But to say to the member that it doesn't change dramatically from year to year . . . it's been historically fairly close, one year to the other, similar amount.

**Mr. Aldridge:** — Thank you, Mr. Minister. I do note here that for the year ended March 31, '95, I believe the rebate was something in the order of \$1.3 million. And the Minister of Health might be interested in knowing that that's about the amount of money that would be required to fund the operation of the geriatric unit in the city of Moose Jaw.

So I do appreciate the position that you have been placed in here in this respect. As you've said earlier, and we acknowledge, this was the creation of the previous Tory administration.

However we all are aware of a number of deals in this province that have been rejigged, so to speak, since your government came into power in 1991. And I would maintain that perhaps that there could have been a little bit more rejigging done in this regard given the very difficult choices that are having to be made in this province at this point in time, particularly those with respect to our health care and education. And this in fact could have been another one of these that perhaps should have deserved a little further scrutiny than the department may have given it. And perhaps it would have been one where it would have been appropriate to have reworked it. So could I just get a further comment.

**Hon. Mr. Lautermilch:** — I'd be more than pleased to comment. Firstly, as I've indicated earlier, this wasn't a decision that would have been made by the Department of Energy and Mines; it's a Crown Investments Corporation initiative. I want to say that the government has had to make some very, very difficult choices. And I would say with respect to health care funding, that's one of the areas where we've had some major choices to make.

I would also want to say . . . let me, I guess, put this in a couple of different ways. The interest on the provincial debt this year is in the neighbourhood . . . and the interest we'll be paying is in the neighbourhood of \$850 million. And I think we all acknowledge and recognize that that is a major, a major amount of funding.

With respect to one of the departments that I was administering a few years back, the expenditure of the Department of Natural Resources was somewhere in the neighbourhood of \$80 million. Well if we didn't have that interest to pay on an annual basis, we could fund that department ten times with no pressure, no changes. It would have been very easy.

But those weren't the choices that we had to make. Just as I would say this year, the amount that you're suggesting for the geriatric unit in Moose Jaw is \$1.3 million. We could have funded that particular unit. That could have been funded by the health district a hundred times if we hadn't had the \$114 million offload from the federal Liberal government.

But those were choices that we made. Those were the situations that we inherited. We try to do the best that we can with the limited resources that we have. And I recognize that you won't always agree that we have made the right choices, and it's the nature of opposition and it's your responsibility to raise these issues.

And as I've indicated, we won't always agree, but we've had some choices to make. We think that we've made some rational choices and some reasonable choices based on what we've had to work with, some very difficult situations: a debt-load left by the former administration, federal offloading. But they're realities. It's just something that we have to deal with, and we make the best choices that we can given what we have to work with.

**Mr. Aldridge:** — Thank you, Mr. Minister. However, if I might just make one further comment in this regard, because it is I believe somewhat facetious to continue to refer to this as a royalty rebate given that the producers of the natural gas in question here are in fact paying the royalties — if I'm correct in understanding that — and in turn they're giving this right over to NewGrade and then a rebate is being made to NewGrade by the government. So hence I would suggest that it should be renamed properly, in that it's nothing more than just a grant, plain and simple. And that would be just my last comment, and if you'd . . . you're welcome to comment if you have anything to say on that.

**Hon. Mr. Lautermilch:** — Well certainly that's your viewpoint, and as I indicated we won't always agree on every particular issue. And I think that's fine, but I would also say if we could turn the clock back 10 years, 15 years ago, that we wouldn't be dealing with some of the financial situations that we have to deal with. That's not the case.

The case is these situations are a reality. We attempt to deal with them in the best way that we possibly can, trying to maintain the job opportunities for Saskatchewan people here in Saskatchewan. And I would want to say that the jobs and the people who work at NewGrade are every bit as protective of their jobs as those who work in health care facilities or in other facilities around Saskatchewan. It's a matter of trying to balance and trying to weigh what is in the best interests of all the people of Saskatchewan, and we'll continue to do that.

**Mr. Aldridge:** — Thank you, Mr. Minister. I know we've talked at great length about this, this afternoon, and I feel a little bit selfish in this regard. Perhaps I should have let the third party climb in on the discussion here this afternoon because after all, it was their project to defend. So I just will leave it up to them if they want the last comment.

The Assembly recessed until 7 p.m.

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