

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, I have a petition to present. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach necessary agreements with other levels of government to fund the twinning of the Trans-Canada Highway in Saskatchewan so work can begin in 1998, and to set out a time frame for the ultimate completion of the project with or without federal assistance.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, the signatures to this petition come from the communities of Moose Jaw, Swift Current, Morse, Stewart Valley, Gull Lake, and many communities. I am pleased to present.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have petitions to present today on behalf of thousands of people from Saskatchewan. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with aboriginal and Metis leaders and wildlife and sportsmen's organizations in the province of Saskatchewan in an immediate effort to end the destructive and dangerous practice of night hunting in the province for everyone, regardless of their heritage.

These petitions come from Strasbourg, Bulyea, Porcupine Plain, Norquay, Bjorkdale, Quill Lake, Archerwill, Young, Watrous, Lanigan, Guernsey, Viscount, Colonsay, Watson, Young, Saskatoon, Viscount, across the province, Mr. Speaker. I so present.

**Mr. Toth:** — Mr. Speaker, as well to present a petition. Reading the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure that the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

And as in duty bound, your petitioners will ever pray.

And, Mr. Speaker, the petition I'm presenting today is signed by individuals from the Tisdale and Carrot River, Bjorkdale areas of the province of Saskatchewan. I so present.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I also have petitions to present for the residents of Saskatchewan to do with

the twinning of the highway. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach necessary agreements with other levels of government to fund the twinning of the Trans-Canada Highway in Saskatchewan so work can begin in 1998, and set out a time frame for the ultimate completion of the project.

As is in duty bound, your petitioners will ever pray.

The communities involved, Mr. Speaker, are Gull Lake, Swift Current, Tompkins, Kenosee Lake, Consul, Hazlet, Shaunavon, McCord, and the list goes on, Mr. Speaker, all over the province of Saskatchewan. I so present.

**Mr. Heppner:** — Mr. Speaker, I too rise to present petitions signed by individuals from numerous communities across the province. And I read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find out all the facts surrounding the Channel Lake fiasco.

And as in duty bound, your petitioners will ever pray.

I so present.

**Mr. Gantefoer:** — Thank you, Mr. Speaker. I too rise on behalf of citizens concerned about adequate funding to support a regional radiology service in Melfort. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure that the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

Mr. Speaker, signatures on this, Mr. Speaker, come from the communities of Tisdale, Melfort, Naicam, and Muenster. Mr. Speaker, I so present.

**Mr. Boyd:** — Thank you, Mr. Speaker. I have a petition as well to present to the Assembly this afternoon from the North Central Health ... concerned about the North Central Health District and the level of services that they are providing to their constituents.

This petition comes from the Melfort, Kinistino areas of the province, and I'm pleased to present on their behalf.

**Mr. Osika:** — Thank you, Mr. Speaker. I rise on behalf of citizens concerned about the welfare of Steven and Kimberly Walchuk and children that are found in similar situations:

Wherefore your petitioners humbly pray that your Hon. Assembly may take the required action to allow the

children named to remain in the custody of the maternal grandparents and that appropriate amendments be made to the justice system.

And as in duty bound, your petitioners will ever pray.

And these petitions come from Melville, Esterhazy, Strassbourg, Bulvea, Duval, Craven, Regina, Swift Current, Moose Jaw, Loreburn, Briercrest, and Saskatoon, and truly, Mr. Speaker, from throughout the land.

**Mr. Hillson:** — Thank you, Mr. Speaker. I rise with petitions concerning the confusing and dangerous entrance to the city of North Battleford. The petition reads as follows:

Your petitioners humbly pray that your Hon. Assembly may be pleased to relocate Highway 40 to east of the David Laird Campground in order to alleviate the congestion at the entrance to the city of North Battleford.

Your petitioners come from Gallivan, Saskatoon, Maymont, Cut Knife, and North Battleford.

**Mr. Aldridge:** — Thank you, Mr. Speaker. I rise to present concerns of citizens worried about the treatment of our northern residents. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to take immediate action to allow the North to join the rest of Saskatchewan.

And as in duty bound, your petitioners will ever pray.

Those who've signed this petition, Mr. Speaker, are all from the community of Uranium City. I so present.

**Mr. Belanger:** — Thank you, Mr. Speaker. I also rise to present a petition on northern Saskatchewan:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to take immediate action to allow the North to join the rest of Saskatchewan.

And as in duty bound, your petitioners will ever pray.

And, Mr. Speaker, the people that have signed the petition are from Patuanak and Ile-a-la-Crosse, and I so present.

**Mr. McLane:** — Thank you, Mr. Speaker. I'm proud to rise again today on behalf of the people of Saskatchewan to present a petition. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to enact legislation to completely ban the practice of night hunting in Saskatchewan.

Mr. Speaker, these petitions have been signed by many people across this province, including those from Stalwart, Imperial, Liberty, Penzance. We have some from Swift Current, Rosthern. We have a number, Mr. Speaker, from Melville and Dalmeny. We have some from Regina; we have some from Sturgis; we have Esterhazy. We have a good number, Mr.

Speaker, from the city of Melfort. We also have a huge number from North Battleford; we have some from Battleford. Mr. Speaker, we also have some from Delmas. Mr. Speaker, we have some from Hafford; we have some from Meota. We have, as I said earlier, we have a lot from North Battleford, Mr. Speaker, and we also have some from the community of Rosthern. And I so present, Mr. Speaker.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I rise again on behalf of citizens of Saskatchewan who are seeking justice for men and women who have lost their spouses in work-related accidents. And I'll read the prayer for the Assembly:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to have the Workers' Compensation Board Act amended for the disenfranchised widows and widowers of Saskatchewan, whereby their pensions are reinstated and the revoked pensions reimbursed to them retroactively and with interest as requested by the statement of entitlement presented to the Workers' Compensation Board on October 27, 1997.

And as in duty bound your petitioners will ever pray.

People who have signed these petitions today, Mr. Speaker, are from Saskatoon, Avonlea, and Regina, and I present them with pleasure on their behalf.

**Mr. Goohsen:** — Thank you, Mr. Speaker. On behalf of people of Saskatchewan, I present the following prayer for relief:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach the necessary agreements with other levels of government to fund the twinning of the Trans-Canada Highway in Saskatchewan so that work can begin in 1998 and to set out a time frame for the ultimate completion of the project with or without federal assistance.

As in duty bound, your petitioners will ever pray.

From the communities, Mr. Speaker, of Consul, Saskatchewan, Swift Current, Medicine Hat, Cabri, and Maple Creek, and all the way from Manitoba to British Columbia, Mr. Speaker.

## READING AND RECEIVING PETITIONS

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

Of citizens of the province humbly praying that your Hon. Assembly may cause the twinning of the Trans-Canada; save the Plains Health Centre; cause the government to cancel severance payments to Jack Messer and conduct an independent inquiry surrounding Channel Lake; relocate Highway 40 at the entrance of North Battleford; concerning the high cost of power rates in the North and radiology in the North Central Health District.

## INTRODUCTION OF GUESTS

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. I'd like to introduce to you and to the rest of my colleagues in the legislature, seated in your gallery 20 students from Makwa School. Attending with them is their teacher, Mr. Charles Stein, and Mrs. Drumheller, Mrs. Gerstanhofer, Mrs. Nydegger, and Mr. Kirsh.

Makwa is a farming community located about 25 or 30 kilometres to the west of Meadow Lake. And over the years Makwa has fairly regularly visited us here in the legislature, so I would like all members to join with me in welcoming them here once again. Thank you very much.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I'm sure that you, Mr. Speaker, and other members of the Legislative Assembly will want to welcome Alexa McDonough, the Leader of the New Democratic Party, to the Assembly today. Alexa, if you would stand up and be recognized.

Mr. Speaker, Alexa of course became the federal leader of our party and got us very surprising and stunning results in the Maritimes. And we want to thank you for leading our party in that way. I want to say as well that, of course, coming from Nova Scotia, she was the first woman in Canada to lead a major party in politics at the provincial level.

And I want to say your record is impeccable, we're proud of you, and welcome to the Assembly.

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

**Ms. Hamilton:** — Well, thank you, Mr. Speaker. Of course I would like to add my greeting to Alexa McDonough. We had the pleasure of going around Mosaic on Saturday evening. And the number of people who wanted to talk with her, and to let her know they are wishing her very well was amazing to me. And I'm very pleased that she's with us today.

I would also like to introduce to you, Mr. Speaker, and through you to the all members of the Assembly, someone sitting in the west gallery. A person I've known because the Moose Jaw man that I married introduced me to her a number of years ago. And since then I've just been amazed and always proud of all of the work that she's done for our community.

She's the past-president of Sask Sport, the 1996 recipient of the Women of Distinction Award from the YWCA. She's received a Canada 125 Medal for contribution to sport and to volunteerism in Saskatchewan. She is the past-president of . . . or is vice-president of the Canadian Figure Skating Association, and chair of the special initiatives program.

If I listed all of the things that this woman is capable of and/or involved in we could be here all afternoon, Mr. Speaker. But I would ask all members to join with me in warmly welcoming Pat Stellek to the Assembly.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the official opposition we would want to welcome Alexa McDonough to the Assembly, as well. Mr. Speaker, you would know that my grandparents came from Nova Scotia, although I'm quite certain they wouldn't share the enthusiasm of the last election. They brought a great spirit . . . (inaudible interjection) . . . they brought a great spirit of free enterprise to western Canada, leaving behind some of the old things in the Maritimes.

But on behalf of the opposition we would want to welcome you to western Canada and all of the beautiful province that we have to offer here.

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

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. I'd like to add my greetings to Alexa who has taken time on several occasions to personally come to my constituency which I think is quite a feat . . . (inaudible interjection) . . . Oh, you wish.

And I just want to recognize also that our loss was Alexa's gain. And Shelley Sundholm is with her today, so also welcome Shelley here today.

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

**Mr. Osika:** — Thank you, Mr. Speaker. I would like to add the voice of welcome from the Liberal caucus to Ms. McDonough to the Assembly here and to this great province of Saskatchewan. I'm looking forward to perhaps one day welcoming also the Leader of the Saskatchewan Party that might be on the federal scene one day as well. But welcome here and enjoy yourself.

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

**Mr. Thomson:** — Thank you, Mr. Speaker. It's my pleasure today to welcome to the Assembly a group of grade 5 and 6 students who are joining us from Massey School. They're seated in your gallery. Massey School of course is in the Hillsdale-Whitmore Park neighbourhood of this city, and it's always a pleasure to have folks from the riding here. So if you'd join with me in welcoming them, I'd appreciate it. Thank you.

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

## STATEMENTS BY MEMBERS

## Volunteers for Can-Am Police-Fire Games

**Ms. Hamilton:** — Thank you, Mr. Speaker. Just a few minutes ago, I had the privilege of introducing to you Pat Stellek, one of the busiest women in Saskatchewan.

First, she is the executive director of the Saskatchewan Special Olympics Society, which is currently preparing for the national Summer Olympics in Sudbury from July 7 to 12 . . . this after the Saskatchewan Summer Games last summer, and in preparation for the international Summer Games in 1999. Sixty-nine athletes, 17 coaches, and four helpers will be going to Sudbury where they'll be worthy competitors for and ambassadors of Saskatchewan.

Supporting an undertaking of this size takes a great deal of energy, hundreds of volunteers, and constant fund-raising about which you will hear more later. Pat Stellek is the trail boss for this whole operation.

In her spare time, however, Mr. Speaker, she is also the manager of volunteers for the Can-Am Police-Fire Games, which are being held right here in Regina this month, June 22 to 28.

These games will bring hundreds of athletes competing in over 60 events; some of them Olympic events, some of them one of a kind, like the toughest cop alive and the canine competition.

Mr. Speaker, Pat needs 3,000 volunteers — 1,100 volunteers a day. I humbly suggest that we wrap up our business here and volunteer to help for a few days, the people who protect our communities year round. Thank you, Mr. Speaker.

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

#### **Drug Awareness in the North**

**Mr. Belanger:** — Thank you, Mr. Speaker. The community of Buffalo Narrows lost an energetic and young man to a drug overdose, Ken Hansen, who was only 28 years old. Ken's death has served to open the eyes of northern residents to the serious problem of drug abuse amongst our youth.

But the residents of Buffalo Narrows will not let his death be in vain. Most current programs deal with rehabilitation, and as such there is a great need for a drug awareness program aimed at prevention.

To meet this need the Ken Hansen Drug Awareness Foundation has been established. The foundation was initiated by the family and Minolta corporation made the first donation to the trust fund. Since then the Metis Nation of Saskatchewan, the town of Buffalo Narrows, Chartier and Shatilla Wood Products, as well as many other individuals, have made contributions to fund this worthwhile project that, in the words of Ken Hansen's family, is aimed at a small but powerful message of saying no to drugs.

Mr. Speaker, again the people of northern Saskatchewan have come up with an innovative program to meet the needs of their own people. Drug abuse amongst the province's youth is a serious concern. It is important to prevent such tragic events such as Ken's death, and to have programs available to those in need of treatment.

Mr. Speaker, Saskatchewan youth, and northern youth in particular, can no longer wait for beds and treatment facilities for drug and alcohol abuse in this province. Mr. Speaker, it is time to create and fund these facilities and continue the example that the Hansen family has put before us.

Thank you.

#### **1998 Torch Run**

**Mr. Wall:** — Thank you, Mr. Speaker. Last Friday I had the pleasure of meeting Pat Stellek and other officials from the Saskatchewan Special Olympics Society at the Summer Sports

Festival in Swift Current.

Today I would like to acknowledge in a public way, the efforts of law enforcement officials with regard to the Saskatchewan Law Enforcement Torch Run, which raises money for the Special Olympic events and athletes in our province.

Runners covered over 1,500 kilometres throughout the province, with routes converging in Swift Current for the Summer Sports Festival. The festival was designed to be a fun weekend to help in the development of our special Olympians.

Two hundred officers participated in the final leg, carrying the torch into the opening ceremonies of the '98 Summer Sports Festival on June 5. The torch bearer was joined with a Special Olympics athlete to complete a lap around the track and then light the standing torch and signify the beginning of the festival.

Participants from over 50 communities ran with one common purpose to help improve the quality of life for Saskatchewan's population with mental handicaps, through the support of Saskatchewan Special Olympic Society.

Mr. Speaker, the Torch Run started in 1988, raising \$15,000. Last year the Torch Run raised \$100,000, and to date the run this year has raised . . . altogether the run has raised almost \$700,000. This year's torch run raised \$75,000 for its first instalment. Thank you to all who were involved in this very worthwhile cause. Thank you.

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

#### **Tragedy in Kindersley**

**Mr. Boyd:** — Thank you, Mr. Speaker . . . very tragic news from the Kindersley constituency over the weekend. As you may be aware, and all members may be aware, Dan Haseloh, James Allcock, and Edward Peterson were all involved in very terrible aircraft crash over the weekend killing all three of them.

They were shooting a promotional video on behalf of Rotary Air Force in Kindersley. The crash is now being investigated by Transport Canada into what exactly happened. The details are a little bit sketchy at this point. I've been attempting to contact Rotary Air Force to get some information on the crash. We would want to, on behalf of I'm sure all members of the Assembly, extend our most sincere condolences to the families of the men involved and to the community and the employees of Rotary Air Force, Mr. Speaker.

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

#### **Rotary Park Peace Plaza**

**Hon. Ms. Atkinson:** — Thank you. The Saskatoon writer Edward McCourt once said that a city built on the banks of a swiftly flowing river is blessed with a vitality uniquely found only in this geographical setting. We who live in and represent Saskatoon know of what he speaks. One of our city's best spots for recreation and reflection is on the riverbank in my constituency.

Last week Rotary Park was made even more attractive with the

completion of a peace plaza, with a peace pole as the focal point of the plaza.

Mr. Speaker, one would have thought that at the end of this century with all of the horrible lessons it has provided us on the waste of war, that a structure re-dedicated to peace would be unnecessary. As we all know events of the past few days on the Asian sub-continent and once again in Africa and central Europe have reminded us that the "price of peace is eternal vigilance," and the cost of conflict is uncountable.

This peace pole is part of a movement in 160 countries. It has inscribed on it the wish, and I quote, "May peace prevail on earth" in four languages: one obviously English, the other French, one Cree, and Japanese — where the peace pole movement began.

Mr. Speaker, I was proud to take part at the dedication of this plaza and I congratulate Doug Bentham, the artist, The Saskatoon Multi-Faith Centre, the five Rotary clubs of Saskatoon, the Nutana Community Association, the city of Saskatoon, SaskEnergy, and the Meewasin Valley Authority for their involvement in this worthwhile project.

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

#### **Support for Prevention of Family Violence**

**Mr. Kowalsky:** — Mr. Speaker, today I want to pay tribute to the Aboriginal Women's Council of Saskatchewan and the Prince Albert Grand Council women's commission who have accepted the challenge of taking . . . doing some grassroots work with the issue of preventing violence within families.

They have been given \$40,000 last week by the Minister of Justice. This is part of a \$350,000 program, provincial program that'll work to respond to the effects of family violence. And the objective is to assist with the healing of the effects of violence within the family and of course to prevent occurrences of violence within the family.

The Aboriginal Women's Council of Saskatchewan will expand its current services by hiring an additional counsellor. And the Prince Albert Grand Council women's commission will hire a family wellness coordinator to provide support for women and children.

Congratulations to all the local volunteers who will be working together with Social Services and other people in the community . . . all working to this goal of promoting the concept that violence within the family is unacceptable.

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

#### **Crop Damage in Saskatchewan**

**Mr. Aldridge:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to express concern on behalf of farmers across the province. Many farmers saw serious damage done to their crops in the past weeks from drought and frost.

Recent frosts have caused severe damage in a number of areas, Mr. Speaker, and I had the opportunity late last week to view

some of that firsthand in the eastern part of our province, in the Yorkton, Canora, Norquay areas. And take my word for it, some of the damage is very severe.

Mr. Speaker, many of the farmers are going to be forced to re-seed some of their crops due to this severe frost damage. And as well as re-seeding there's going to be a significant set-back to all the crops in many of these areas in terms of delays in maturity.

Now the way the growing season is going and as uncertain as our weather can be in this province, I think it's important that farmers can be certain that this government is developing a contingency plan, putting a plan in place that would cover such extraordinary circumstances of natural disaster.

Mr. Speaker, agriculture is one of the most important industries in Saskatchewan and the concerns of every farmer must be taken into consideration. I'd ask the Minister of Agriculture to correspond directly with producers across the province to gain a full understanding of the impact of this disaster. Thank you.

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

#### **ORAL QUESTIONS**

##### **Crop Damage in Saskatchewan**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Premier or his designate. Mr. Premier, Prime Minister Jean Chrétien is in town today. We are wondering if the government is going to take this opportunity to raise some very important issues for Saskatchewan starting with agriculture.

Our MLAs (Member of the Legislative Assembly) have been home, as you have been, over the weekend and this morning they were all reporting areas where the crop is in very serious difficulty due to lack of moisture and frost. At the same time farmers see crop insurance is totally inadequate to deal with this problem. Reseeding benefits don't even come close to covering the cost of reseeding, and overall coverage levels are going to leave Saskatchewan farmers in a huge cash crunch this year.

Mr. Premier, what are you doing about this and have you taken it up with the Prime Minister who is town today? Will you be getting together to work out an immediate improvement to the crop insurance program?

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

**Hon. Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, the member well knows that the crop insurance program has been greatly modified over the last two years and we have a very good program.

One of the things . . . and I don't want to downplay any of the problems the farmers are having because we are keeping on top of this day by day, and we have about 2,200 claims for frost in. Over the last six years we've had a high of about 2,300 to a low of about 1,100 claims. Those claims, we think, won't go up to much more, but there is coverage for those.

One thing I want to straighten out. Now the member says that the coverage for re-seeding benefits is not satisfactory. Mr. Speaker, I've worked this out with the department, with myself, with my neighbours, and talking about if you take canola at two bucks a pound . . . (inaudible interjection) . . . well the member should listen because he's spreading false information.

At two bucks a pound, five pounds an acre, six pounds, 10, \$12. Add on about 3.60 for fuel, repair, oil, and labour. That's another, let's say four bucks for that. That's \$16. And this is the most expensive. If you had to re-seed canola, that was very, very expensive. It could get more, but crop insurance doesn't pay any more than 70 or 80 per cent anyway. So I think what you should do . . . we're working. You should be a little more . . .

**The Speaker:** — Order, order. Next question.

### International Trade War in Grain

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Minister, at the same time that farmers are being hit with frost, drought, and rising input costs, an international trade war is also looming, and Canadian farmers are going to get caught in the cross-fire.

The European union is already providing huge subsidies to its farmers; the U.S. (United States) is threatening to retaliate with subsidies of its own. And if that happens, the bottom line here in Saskatchewan . . . on Saskatchewan farms is going to be dramatically affected.

And what does the federal Liberal government have in place to deal with a trade war? It appears absolutely nothing.

Mr. Minister, international trade is a major responsibility of the federal government and the Prime Minister, and so far Canadian farmers are getting hung out to dry by the federal Liberal government.

Mr. Minister, did you have the opportunity, or has the Premier had the opportunity, to raise this very important issue during Mr. Chrétien's visit to Saskatchewan? What exactly is the Liberal government in Ottawa doing that can help farmers in this very difficult circumstance?

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

**Hon. Mr. Upshall:** — Well, Mr. Speaker, the member raises a very important question for this province. We have worked long and hard with the federal government to try to make sure they maintain their safety net basket at \$600 million. We've been able to do that so far and we continue to do that.

We've improved crop insurance, putting in more than the federal government to reduce the reinsurance fund, to improve that, to make it cheaper by \$35 million a year for farmers.

But the problem is this. We've got a federal Liberal government who allowed the Crow benefit to be ended immediately. Then the U.S. had their export enhancement program only put on the back burner and they could re-enact it under WTO (World Trade Organization) agreements. The Europeans have the same kind of programs where they can reduce them over six years by

36 per cent.

The problem is we've got a federal government that sits on its hands, abdicates its responsibilities, stands up there and wrings its hands and says, well you guys shouldn't be doing this.

Well those other countries are working on behalf of their farmers. We will be talking . . . I have been talking with my department and to the federal people. The Premier has talked about the agricultural concern for the drought and the frost already this year.

Yes, we are on top of this situation and will continue to be on top of it.

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

### National Highways Program

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier or his designate. Mr. Premier, the deplorable state of our highways is causing accidents and injuries. It's hurting the economic viability in many communities. It's holding back the economic development of the entire province.

And now that we are well into the tourism season, thousands of visitors to our province are getting a taste of the problem as they travel on our two national highways, the Trans-Canada and the Yellowhead.

Mr. Premier, large portions of the Trans-Canada and the Yellowhead have not been twinned and truck traffic on these two main arteries is getting heavier every day. The more trucks, the more dangerous it gets.

Mr. Premier, the Prime Minister is in Regina today as you know. Will you be meeting with the Prime Minister to demand funding for the twinning of Saskatchewan's national highways? What is your government doing to force the federal Liberal government to establish and fund a national highway program?

**Hon. Ms. Bradley:** — Thank you, Mr. Speaker. The one thing that our government is doing is putting more dollars into highways in the program here in Saskatchewan.

On the other aspect — on what we're doing with the federal government — definitely from the ministers of Transportation right across this country, the premiers across this country, the premiers of western Canada have all been on the federal government about a national highways program. And so are the municipalities. And we're certainly hoping that the federal government, that Ottawa will be listening to it.

As we have said in this province over and over, that we're putting twinning as one of our major initiatives forward in this budget. We've announced twinning projects on both sides of No. 1 Highway, east and west. We will be continuing to twin the Yellowhead.

But we certainly could reduce the time of twinning if we could get a national highways program in which we could halve that amount of time to finish the program.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Madam Minister, let's not forget that in the first two years of your 10-year program, you're 80 million short on your share. Madam Minister, the state of Saskatchewan's sections of the Trans-Canada and Yellowhead highways are a disgrace to this province. The NDP (New Democratic Party) is already 80 million, as I've said, behind on your highway funding promises.

And to make matters worse, Saskatchewan is being left out completely of the federal Liberal government's highway program. And unfortunately, Jim Melenchuk and his band of provincial Liberal sidekicks haven't dared to raise the highway funding issue with their federal cousins.

Madam Minister, immediately following question period, the Saskatchewan Party will be moving an emergency motion, condemning the federal Liberal government for its failure to implement a national program to fund maintenance and improvement of the national highways in all provinces, including Saskatchewan.

Madam Minister, Saskatchewan's economic viability depends on a safe, efficient highway system. Will you support the Saskatchewan Party motion and demand the Liberal Prime Minister provide funding to twin the Saskatchewan national highways.

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

**Hon. Ms. Bradley:** — Mr. Speaker, as I've said, right now we don't have a national highways program and certainly we are lobbying in every way that we possibly can for that.

The federal governments right across North America all have national highway programs. Matter of fact, in the United States, highway funding . . . they just put forward an additional program called the ISTEA (Intermodal Surface Transportation Efficiency Act) . . . program that will putting billions of dollars into their national program.

The provinces, the territories have all just recently met and what we have all said is that they should be putting towards \$800 million a year through the federal government, which will be matched by the provincial governments . . . which will put 1.6 billion, which is still less than half of what the United States is putting towards it if we even took the same population base, towards their national highways program.

We are calling on the federal government in every way possible to certainly put more dollars into a national highways program. Our federal leader is here today to listen. I'm not just sure where your leader is.

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

**The Speaker:** — Order. Order, order. Order. Order. Now all . . . Order! Now all hon. members I'm sure will want to . . . Order. Order! Now I'm sure all hon. members would much prefer to have the questions and the answers on the record. And there's an easy way of doing that and that's to give your attention to the next questioner.

## Employment Insurance Fund Surplus

**Mr. Gantefer:** — Thank you, Mr. Speaker. Mr. Speaker, the federal Liberal's Employment Insurance slush fund is growing to \$15.7 billion and it could swell to as much as \$20 billion by the end of the year. That's a massive payroll tax on every employer and employee in the country, and other premiers are speaking out against it. The Premiers of Nova Scotia and New Brunswick are calling for the federal government to start returning that money to workers. And the Premier of Ontario is threatening to sue Ottawa if something isn't done. But we haven't heard anything from your government, Mr. Premier.

Mr. Premier, when you meet with Mr. Chrétien today, will you be discussing this issue with him? Will you be pressing him to start returning this surplus to workers and employers in Saskatchewan?

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

**Hon. Mr. Cline:** — Mr. Speaker, I don't know where the hon. member has been but we in fact have raised the issue of the surplus in the Employment Insurance fund with the federal government many times, Mr. Speaker, many times. And we along with the other provinces, Mr. Speaker, have called upon the federal government to reduce the amount of premium payable by employers on behalf of themselves and workers into the Employment Insurance fund.

Because we have said many times, and I'm on the public record as saying, Mr. Speaker, that it is a payroll tax to have an Employment Insurance premium that is higher than it takes to run the Employment Insurance program.

And as long as we have that kind of payroll tax from the federal Liberals, Mr. Speaker, that's a tax on jobs. And the Saskatchewan economy's performing very well, but we would do even better, and some of the areas of the country that don't do as well as us would do better, if the Liberals would take some action on this matter, Mr. Speaker.

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

## Survey of Hospital Waiting Lists

**Mr. McLane:** — Mr. Speaker, health care professionals across this province are expressing amazement about the closure of acute care beds during the summer months and the fact that no elective surgeries will be booked. Doctors say this can only mean that waiting lists, which are already unacceptable, will get even longer.

Last year we heard that the Health department would be conducting a comprehensive survey to assess waiting lists and determine how best to prioritize patients requiring a wide range of surgeries. As part of this process surgeons, physicians, and health district officials were to be interviewed last fall and the findings were to be completed and released by June 1.

Mr. Minister, can you give us a copy of that survey today?

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

**Hon. Mr. Serby:** — Well, Mr. Speaker, at least in my review of literature over the last several weeks, there is one piece of information, Mr. Speaker, that *Maclean's* reports accurately, Mr. Speaker.

And I want to say to you, Mr. Speaker, that the information that I provided a couple of days ago to the member opposite clearly stated in the notation from the district health board, that elective surgeries in the Royal University Hospital will continue in the area of pediatrics.

And I say to the member opposite that that decision has been made by the district health board in consultation with the physicians who are overseeing the surgeries. And that there will be no . . . the reductions this year will be far less than they were last year — I think seven weeks this year as opposed to 10 weeks last year, Mr. Speaker.

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

**Mr. McLane:** — Mr. Speaker, the last available figures suggest that an estimating 6,600 people now occupy a waiting list, three times what the former Blakeney government thought was acceptable.

It's a crisis in Saskatoon where the average wait for general surgery is 370 days, and now you've cancelled all elective surgery in Saskatoon for the summer. Health care in Saskatchewan, Mr. Speaker, is in crisis, and the reason is that government across there.

Mr. Minister, will you admit that the real reason for the bed crisis in Saskatoon and Regina is because of your government's incompetence? And will you also admit to the people of Saskatchewan that they are sick of your wellness program?

**Hon. Mr. Serby:** — Mr. Speaker, I want to say to the member opposite, if he's had an opportunity to review *Maclean's* which is a document that has just been released, it talks about bed closures across the country; it's what I've been talking about for the last several weeks.

And, Mr. Member, I want to say to you that when you look at the report that comes out of *Maclean's*, the very first thing that they say is, Ottawa has cut its contributions to Saskatchewan health budget by 22 per cent, which is your family of friends who have reduced the cost all across this country. This is your family of friends.

They also go on to say that Saskatchewan has the lowest number of hospital bed reductions in Canada, in Canada, at 7 per cent. And it goes on to talk about what is happening across the country. And you stand up from time to time and talk about what Liberal governments are doing across the country, what Liberal governments are doing across the country.

Liberal Nova Scotia has reduced its hospital beds by 33 per cent, is what they've done. Which is the same government that you represent, my friend. And I say to you that it's unrealistic for you, in this province, to be talking about hospital bed reductions to the degree that you do because we have reduced hospital beds to the least amount in Canada.

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

### Financial Statements from Health Districts

**Mr. Aldridge:** — Mr. Speaker, in typical fashion the NDP government will not be releasing the financial statements of Saskatchewan's 30 health districts until this session of the legislature is over. However, ten districts have already disclosed their financial picture and all of them are in deficit situations: East Central, three and a half million; Living Sky, one and a half million; Southwest, 200,000; The Battlefords, 1 million; Regina, 5 million; Saskatoon, 5 million; Central Plains, 340,000; North-East, 800,000; Parkland, 500,000; North Central, 200,000.

My question is to the Minister of Health: what plan have you prepared to help districts deal with these massive deficits without cutting services any further?

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

**Hon. Mr. Serby:** — Mr. Speaker, I want to say to the member opposite that we're going to continue to work with district health boards across the province in the way in which we have in the past. District health boards are going to continue to work at reducing their debts across the province by ensuring that the level of services are protected for all health districts, and that the people in each of their areas of the province continue to get the level of quality of services that they have in the past.

But I say to the member opposite, I mean, what would he do? Or what is he saying about the federal government's reduction in spending to health by 22 per cent? What is he saying to that? Instead he gets up and he continues to beat up on the province of Saskatchewan. And by the same degree, all of Canada he beats up on, when it's the federal government that's responsible for the reduction of health spending in this country.

And I say to the member opposite, you need to put your pen to paper or go down to the meeting place today where the Prime Minister is and have a chat with him about the amount of spending that's been reduced in this country by Liberal cuts across the country.

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

**Mr. Aldridge:** — Mr. Speaker, the total deficit for only 10 health districts is \$18.4 million. And we've yet to hear what the financial picture is for the remaining 20 districts.

The Minister of Health promised that there would be no more cuts — no more cuts would take place. In spite of that, 25 acute care beds have been slashed in the Living Sky district, and 12 pediatric beds have been closed in the Battlefords.

Mr. Minister, our districts have seen their services cut to the bone, yet you continue to force them to cut deeper. Mr. Minister, the people are afraid that you are saving the worst for last because you don't want the financial statements of the health districts brought up during this current session.

Mr. Minister, will you release the financial statements of the remaining health districts today? Will you release them before



this current session is over?

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

**Hon. Mr. Serby:** — Mr. Speaker, I want to say to the member opposite that the district health boards, their release of financial information will be done in its timely fashion, as it always has been done in the past. And I say to the member opposite, when the release for the financial statements are ready and prepared, we'll release them in the order in which we have in the past.

And I say to the member opposite, he continues to stand in his place and talk about, and he holds up his broken record about the number of beds in this province. And I say to the member opposite, if you want to hear a broken record, you should play the one that he plays on the bed reductions across the province. Because if the member were to listen, and I've described to the member in the past, when you take a look at the number of bed closures across the province, Mr. Speaker, and you see what happened in the funding shift, you see this, Mr. Speaker, that in Saskatchewan we've reduced only 7 per cent of the number of beds.

When you look across the rest of the country, Mr. Speaker — led by and chirping from their benches are the previous Tory people here — when you take a look at them . . . and then the Tory Party talks about what's happened with them. Alberta Tory's have reduced their beds by 33 per cent; Nova Scotia by 33 per cent — Liberal or Tory, same old story in this province.

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

#### Judicial Review of Pollution Claim

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, my question today is to the Deputy Premier. Mr. Speaker, as you will recall, a young man by the name of Perry Anton, a farmer from Fox Valley, suffered severe pollution on his ranch.

For the past six years Perry and Charlotte Anton have been trying to get this government to just do something to bring them justice. Retired judge Ken Halvorson has been appointed to look into this matter. And I quote very quickly from a letter that I received that was written by Perry Anton just last week. And I quote:

The judge can't even call on the people involved in this mess. Mr. Halvorson seems like a very nice man.

We now have a fair judge but an unfair rule for him to follow. Okay, Minister, give us a fair crack at this; we are asking you to change the terms of reference so that they are fair. And let's get on with this. Mr. Deputy Premier, would you let Perry Anton and his wife Charlotte have justice and would you get on with this?

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I want to say that the minister responsible for SERM (Saskatchewan Environment and Resource Management), that department and my department have been working diligently with the member opposite to find a fair solution to Mr. Anton's problem. We have, as he indicated, appointed Mr. Halvorson to take a fair and an impartial review of this situation. And based

on his recommendations, hopefully a solution can be found.

I want to say, Mr. Speaker, that if you look at this issue, you look at what these two departments have done, I think that we have given Mr. Anton and his family a very, very fair review. We are willing to have Mr. Halvorson find a solution, find a fair solution. The terms of reference are fair, they're adequate, and we support them.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. My question is to whoever has some intelligence on this issue that wants to answer it. Because the fact of the matter is that anybody who writes a set of terms of reference is naturally going to think that they are fair.

The reality is that the judge doesn't think they're fair; Perry Anton doesn't think they're fair; and the thousands of farmers and ranchers in this province who have their farms and ranches polluted from time to time, they don't think this is fair process either. They believe that this whole process is nothing but a cover-up to allow the big oil companies and gas companies to continue to pollute for their profits while you do nothing about what has to be done to save the quality of our water and the quality of our land and the quality of our air.

Mr. Minister, will you come clean with the people of Saskatchewan, assist the people of this province to tackle these problems so that we don't all end up dying the way that people have in other jurisdictions where these very same problems have occurred in the past?

Mr. Speaker, my direct question to the minister. Are you going to at least give Perry Anton some justice so that we can get on with the larger problem at hand?

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, with respect to fairness I think we would expect fairness from that member as well. I talked with him behind the rail just the other day with respect to this issue, and it was his indication to me that day that he agreed that what these two departments in this government have offered was indeed a fair process for Mr. Anton.

Now today the member stands up grandstanding in the dying days of this session, and I want to say, Mr. Speaker . . . Mr. Speaker, if there is a lack of credibility on process or on the issue, certainly it's from that member.

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

**Mr. Goohsen:** — Well, Mr. Speaker, again my question is to whoever wants to answer it. The truth of the matter is, Mr. Speaker, that I would have been quite prepared to leave this go at two questions, quite prepared to let the minister answer that he would do something that the judge's asked him to do. The judge finds this to be an unfair process.

But I want to go on further because his personal attack now has gotten into it. The truth of the matter is that nobody, but absolutely nobody, in this province trusts the Minister of Energy and Mines.

Everybody that I talk to, everybody that I'm in contact with with pollution problems that relate to the oil and gas industry says, go to the Premier, go to anybody, but don't talk to the Minister of Energy and Mines because he not only won't show up for the meetings that people call where he says and promises he'll be there — two of them in fact with these same people that have been involved in these very problems — he refuses to come.

Mr. Minister, how about if you pull up your bootstraps. Will you commit today to meeting with Perry Anton yourself instead of passing the buck to everybody else and then telling little stories about what was said and what wasn't said that didn't in fact even happen?

**Hon. Mr. Lautermilch:** — Mr. Speaker, I want to say again to the member opposite, I believe that we have found a reasoned process by which this can be resolved. I'm certainly willing to meet with the member. I'm willing to meet with Mr. Anton, as I'm sure all of my colleagues are, in terms of this issue.

We have just recently spoken — my department has spoken — with Mr. Halvorson with respect to the terms of reference to clarify the broad nature of these. But if there is some misunderstanding in terms of the terms of reference, I'm more than willing, as my colleagues are, to meet with Mr. Anton, Mr. Halvorson, or yourself, sir, whatever it will take.

What we want is a fair and a decent and a reasoned resolve to what has been a very long dispute between a private landowner and an oil and gas company and we're looking for a fair resolution to this. We're attempting to facilitate that and we will continue to do so.

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

## INTRODUCTION OF BILLS

### Bill No. 226 — The Referendum and Plebiscite Amendment Act, 1998 (Constitutional Amendment Referendums)

**Mr. Heppner:** — Mr. Speaker, I'd like to move the first reading of Bill No. 226, The Referendum and Plebiscite Amendment Act, 1998, known as the Constitutional Amendment Referendums.

**The Speaker:** — Order. Order.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I rise pursuant to rule 46 to ask leave to move a motion of urgent and pressing nature.

**The Speaker:** — Now the hon. member from Saltcoats requests leave to introduce a motion under rule 46 on a matter of urgent and pressing necessity, and to set aside the ordinary business of the House in order to entertain it. I'll ask the hon. member to very, very briefly advise the House as to why he feels the House should set aside its business and the nature of the motion he wishes to introduce.

## MOTION UNDER RULE 46

### Funding for National Highways Program

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, given that the Prime Minister is in town today, this would be good opportunity to point out to the federal Liberals their failure in bringing about a national highways program.

The feds must take responsibility, at least for the national highways such as the Trans-Canada and the Yellowhead. Other provinces have been given federal money for highways to the tune of hundreds of millions of dollars, next to nothing for Saskatchewan.

Mr. Speaker, I'd read the motion at this time.

That this Assembly condemns the federal Liberal government for its failure to implement a national highways program making Canada one of the only nations in the western world without such a program, and further urges the federal Liberal government to put into place a national transportation strategy that provides for adequate highway funding for all provinces, including Saskatchewan.

Leave not granted.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### General Revenue Fund Post-Secondary Education and Skills Training Vote 37

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

**Hon. Ms. Crofford:** — Thank you, Mr. Chair. Today I'm pleased to introduce the deputy of the department, Dan Perrins; behind me, Ken Alecxe, associate deputy minister; Mae Boa, executive director of finance and operations. And seated across the back, John Biss, executive director university services; Brady Salloum, director of student financial assistance; Wayne McElree, executive director of programs; and Paul Fudge, executive director of operations for SCN (Saskatchewan Communications Network).

### Subvote (PE01)

**Mr. Krawetz:** — Thank you very much, Mr. Chairman. Welcome, Madam Minister, and also to your officials. We had an opportunity to ask some questions in estimates — I believe it was back in the middle of May, and we didn't have a whole lot of time that day so I would hope that we can move through a number of things.

Madam Minister, that session ended with some discussion on the universities in Saskatchewan — the University of Saskatchewan and the University of Regina — and dealing with

the recommendations that had been made by Mr. Harold MacKay in the MacKay report.

And I think your comments were that there were many things that had taken place already and that you had indeed identified a number of the points that you had put forward. I think in something you called the post-MacKay report, back in the middle of March, where you highlighted some of the accomplishments I guess and developments that you saw.

(1430)

Madam Minister, I guess the question that I would have is that, we have seen in the last year, and of course over the course of the next year, that both presidents of the U of R (University of Regina) and the U of S (University of Saskatchewan) will be leaving their positions. And I think key to ensuring that suggestions of the MacKay report get to see the light of day depended upon that guidance from the highest level at the administration at both universities.

Now that we're seeing a shift in terms of changes, at both, of the presidents' levels, and I'm not familiar with the current new president of the U of R, or who might be selected by next year in terms of the U of S. But as far as the planning that is going on, the kinds of things that you see happening at the university, will the changes at the presidency levels, will this have any effect on the kind of collaboration, on the kind changes that you have seen take place at the U of R, and what kind of difficulties do you see happen with the changing of those two offices?

**Hon. Ms. Crofford:** — Thank you, Mr. Chair. The leadership at the universities is certainly an important part of getting the work done, and we certainly thank President Wells for all the good work he's done over the past several years.

But part of these kind of changes is to have both universities embrace the culture of change and to incorporate the kind of working relationships needed to make the changes happen. And I think they've done a lot of work over the past year at building the working relationships, and we've got three levels of process by which people officially get together to discuss progress on the MacKay items. And as well, you know, there's the DesRosiers report now, which is creating further momentum for the discussion.

So I think if you take the degree to which people have taken this work seriously — embraced it within their organization but also the external changes that are forcing the need to continue with this work at any rate regardless of people's preferences — I think that the environment becomes too compelling for anybody to back off of the work that needs doing.

So I am totally confident that the universities and the people from the department will continue work in the path that they've been going.

**Mr. Krawetz:** — Thank you very much, Madam Minister. Mr. Chair, Madam Minister, the items that you have identified as successes so far with the adoption of the MacKay report, have you seen a significant amount of financial savings? Have you seen a significant amount of program changes improvements to program?

Are you satisfied with what changes have been implemented, and what do you see as an additional need to have a focus on?

**Hon. Ms. Crofford:** — One of the important things, even to be able to compare whether you're making progress, is to have some common assumptions about what you're measuring and how you're measuring it. So some of the administrative work that's been done around common budget designations, common ways of evaluating expenditures — there's been a lot of work done at the administrative level on doing that.

So we have a situation now where not only is it possible to compare what's going on in both universities with more accuracy, but it's also possible for them to then identify where they're making real progress.

Some of the things are administrative, some are in the areas of joint purchasing, and some are in the areas of improved sharing of teaching resources. And certainly things like the high-speed link between the two universities, co-operation on the engineering program, some of the distance ed initiatives. I think this is also giving them more capacity and more efficiency on the instructional and teaching level as well. So I think that the only way we can go on this is up. But certainly it's administrative, it's purchasing, it's teaching — it's on all levels that they're cooperating.

**Mr. Krawetz:** — Madam Minister, recently the vice-president of academics at the University of Saskatchewan announced that they were going to be redirecting, I think was the word that he used, a significant amount of money — over a million and a half dollars — to try to have the University of Saskatchewan regain some of its status that it had lost and the slippage that has occurred. I'm sure that that must concern you as the minister responsible that indeed we are being rated far lower than what we were not too many years ago.

With the kind of comments that the vice-president makes where he suggests that . . . I think his quote was that "compared with support for penitentiaries and support for labour initiatives, universities have failed miserably". That's his quotation.

I'm wondering what kind of meeting you have had with the University of Saskatchewan to alleviate those kinds of concerns. And if there is such a crippling situation at the University of Saskatchewan and the redirection of monies — a million and a half dollars — is taking place, what areas, what programs are going to be on the chopping block if the money is being reallocated from existing programs? Are you aware of what programs the University of Saskatchewan is looking at cutting or eliminating?

**Hon. Ms. Crofford:** — Again because a very long time ago and for very good reasons, a principle of autonomy was developed to basically prevent political interference in universities, certainly it's up to them to undertake the examination . . . to both look at what they most appropriately should be providing the students in the province and students who come into the province, but also to look at what they can sustain on a ongoing basis.

You may have seen the headline in the *Star-Phoenix* recently, an initial take on DesRosiers, that the universities compared to

other universities in Canada seemed to be reasonably adequately funded. In fact I'm being cautious; the statement was much stronger than that.

But the comments you're referring to were made before the budget. And I've certainly had letters from the president of the university saying that this recent budget has gone a long way to helping them meet their capital needs and allows them the room in operating that they need — the increase of 8.8 million in operating and 9 million extra in capital. So I think that their concerns have gone way down since the announcement of the budget but we still have some work to do and I think certainly Mr. Atkinson and Mr. Whitworth and others are looking hard at the range of programs and services provided, and looking at whether there's some ways they can achieve better integration in some of their program areas rather than having as many separate and distinct programs as they have.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, when I met with the University of Saskatchewan Students' Union back a short while ago, there was definite concern about the elimination of programs at the University of Saskatchewan.

And the students there were expressing a great concern that this indeed would place Saskatchewan, as a province, in a situation where we won't be able to attract people from outside of the province. I'm wondering if you could elaborate on the reduction of those programs at the U of S.

And secondly — because of some of the initiatives that have been undertaken by both universities here in Saskatchewan — are there similar kinds of things occurring at the University of Regina where we will see the elimination of particular programs or particular classes?

**Hon. Ms. Crofford:** — I don't think any of their discussions have arrived at the point yet where they've specifically earmarked things for elimination.

But what I will say, in today's new, more competitive educational environment — you may have seen in *The Globe and Mail* a recent half-page ad soliciting students from across Canada for their business administration area — And we're seeing more and more that students have a lot more choice about where they take their education, what time of day they take it, whether they take it in a classroom, on the Internet, through CD-ROM (compact disc read-only memory). There's just a whole range of options now that are available that were never available before.

So I think the universities will have to look at their ability to be competitive in this new environment, both from the point of view of quality of program, number of students, level of technology, and ability to deliver through a variety of mediums. And I don't envy them in a way, their task.

This is not a simple change that's taking place. It's a very sweeping change and it will be a much more competitive environment. And I think that may help make some of their decisions for them as they look at what they can reasonably sustain and offer a high level, quality program that's competitive.

**Mr. Krawetz:** — Madam Minister, one of the other concerns that is on the minds of students — and I again heard about it in the last week of course, after the report on university funding and the level of funding expected from government.

We've noticed in the province of Ontario that recently tuition fees are going to be increasing; that the portion that students will be expected to pay will continue to increase. The concern of course from students in both universities here in this province, is that tuition fees will continue to rise at an unacceptable level.

You've indicated that you felt that the administration has felt that they are able to control those kinds of costs by some of the things that have happened within their control. Yet we do see tuition fee increases not only that took place last year but those that are proposed for this fiscal year at both of the universities.

Madam Minister, has your government considered working with the universities in trying to establish a cap whereby tuition fees cannot increase beyond a certain level each year?

**Hon. Ms. Crofford:** — On the notion of a cap, I think as a general rule of thumb, we've said that tuition should be in line with the tuitions across Canada, and certainly we don't want to see Saskatchewan sticking out as being higher than other tuitions.

The money provided to the universities in this budget did allow them to take less Draconian measures than they may have had to, and certainly the University of Regina coming in at 2 per cent was a big improvement over the original projection . . . original pre-budget projection.

One of the complicated parts of this whole tuition discussion is when we have students who get loans — which about 40 per cent of students apply for loans — 75 per cent of their costs are living expenses. So 75 per cent of the problem is not really specifically a tuition problem. It's more the costs of students being able to live while they're going to school. So I think there's some access issues that don't have specifically to do with tuition that we're going to have to take a look at in this whole thing as well.

But with the improvement to the student loans and the bursary this year, both by the provincial and to a lesser degree the federal government, I think that students who have hardship will find that they'll be in a much better situation going into this year than they have been in any previous year.

Now what we want to make sure is that we don't create a situation where there's a gap in access to professional programs such as medicine, law, engineering, and those kinds of things. And I think we're going to have to keep a close eye on this and to continue to urge the universities to work harder at their fund-raising campaigns and other sources of revenue rather than tuition.

**Mr. Krawetz:** — Thank you, Madam Minister. That area that you've opened up of course is in the area of student financing of education and the like, and we'll come back to that if I might.

I'd like to just ask you a couple of comments about a discussion

that we had last time and that was regarding the provincial training allowance and the provincial youth allowance. You indicated I think in your report at the latter part of March that you had reached a new agreement on how the PTAs and PYAs were going to be handled. And you've indicated that there was going to be significant change in terms of actual finances and who they would be paid to. Rather than training institutions, you're now talking direct financing to clients. Your report I think indicated that well over 351 youth clients were involved in the previous year and nearly 3,000 in the other category.

Madam Minister, how will this affect students, both adult and youth, in terms of how they will be able to receive the training? Will it be a benefit to them? Will it allow easier access to training programs or will it be much more difficult now for students to be able to be admitted into training programs?

**Hon. Ms. Crofford:** — The reason we had to confer a little bit there . . . was there was sort of three different programs that were combined in your remarks and we wanted to sort out the different parts.

I think the 350 that you're referring to is the Youth Futures in P.A. (Prince Albert) and that program has a waiting list of young people waiting to get into it. And certainly it seems to be working well and is well regarded so far. Of course we're going to be doing an evaluation on it to make sure that it's achieving the results that we all hope for, but at the moment it's looking very promising. And when you've got a waiting list of young people waiting to get in and do the responsible thing, that's kind of encouraging as well.

(1445)

The provincial training allowance is the change in supporting people through social assistance and instead giving them supports into the mainstream for basic education. And we haven't had an increase in the number of people who have been accessing that, and we're very hopeful again that this'll achieve the objectives of getting people more situated in the school-to-work environment rather than in the dependency environment of social assistance.

The other issue about the direct funding: the place where that change has taken place was in the EI (Employment Insurance) legislation, where instead of doing seat purchase — the federal government — now the money travels with the individual. And this could create some problems in the predictability of training because before with the institutions receiving the money, they could hire an instructor, offer a course, and the students could enrol.

But with less money going directly to the institutions, it makes it a little iffier how that instructor and that facility is going to be there to provide that predictable service. And we may find ourselves in more contract relationships with employers, with students, where there's a group that needs a particular type of training. But it certainly increases the level of uncertainty for the educational institutions and may therefore have some effect on those programs being readily there and identifiable by students.

**Mr. Krawetz:** — Madam Minister, as you are aware today we

raised some questions, the Saskatchewan Party raised some questions today, on the EI fund, the federal EI fund, and significant dollars have been accumulated in that fund, I think upwards of \$15 billion . . . projected to increase to as high as 20 billion by the end of the year.

I understand, and I've had an opportunity to review some of the comments by the Post-Secondary minister from last year responding to questions where he indicated that indeed the responsibility for delivering that program was now going to be shifted to the provincial government and that it would be much more difficult for the purchasing of seats to occur at the provincial level. It would be a greater financial burden on the province.

I'm wondering then if with the fact that the federal fund is growing in huge numbers, have you been able to reach a new agreement with the federal government regarding EI funding of programs? What will we be able to see people who for, you know, no choice of their own because of changes in jobs, because of changes in classifications, have been forced to look at re-training and will rely on that assistance from the EI fund?

Has Saskatchewan been able to arrive at any new programs and any new type of agreements with the federal government on EI funding of training programs in Saskatchewan?

**Hon. Ms. Crofford:** — I think the difficult part of this discussion is the federal government still has complete jurisdiction over how EI funds will be collected and expended. We're really only providing the training portion of the EI services and the labour market service portion so we are not actually in discussion over their jurisdiction to the EI fund. Now we certainly, as the Minister of Finance said earlier today in question period, we certainly would have our own suggestions over what should be done with that fund, but it's completely in the hands of the federal government.

And there are people who have concerns with how that fund is used for training because of course people who have never been on EI don't have access to it, and there's certainly people who feel that some of those resources should be used to meet those kinds of training needs. And as well people who perhaps couldn't access the training opportunity during the time they were on EI may feel that they have some needs.

So we have some specific needs in the training area but there's also, from the finance perspective, the need to look at how big that fund really needs to be to provide a bit of a cushion in a downturn. And then to look at whether there's a way to make it a little easier for employers to have a little less burden on that front as far as the payment of those funds.

**Mr. Krawetz:** — Madam Minister, one of your . . . actually it is the document, the *Estimates* document, indicates that the number of full-time equivalents have grown from 223 to 350, and I know you had a small opportunity to make a comment on that the last time. When we talk about 127 new positions as far as being under Post-Secondary Education, where did the people . . . have there been new people hired? Where did the people come from? Were they the responsibility of the federal government before? Or have you just been amalgamating departments and putting them under one roof?

**Hon. Ms. Crofford:** — I can give you a quite specific answer on that: 46 of the employees are New Careers, now that's full-time equivalents so there may be actually more individuals involved; 71 of those positions are labour market agreement with the federal government, so those would be the federal employees moving over; and then 10 are actually employees to do with new work that we're doing in the department.

And I could give you the detail on that if you'd like. There's 3 for the career information hot-line; 1 on the university revitalisation work; 1 on the technology issues related to the labour market information; 1 on accountability and evaluation; 2 on apprenticeship field positions, because we want to strengthen work in the apprenticeship area; 1 on the sectoral partnership program; and 1 on youth employment. And that's basically the disposition of those positions.

**Mr. Krawetz:** — Madam Minister, I think we've for a number of years felt that Saskatchewan could deliver quality post-secondary education, and job training and skills. With the shift from the federal government in terms of actually passing on not only less, maybe less finances, but also passing on a greater responsibility to your department, do you feel that the needs of Saskatchewan students will be better met by the type of mechanism that we have in place now to deal with post-secondary training; to deal with job skills; to deal with all of the programs necessary for not only students on social assistance, those on EI, and those just moving into a post-secondary institution from high school.

**Hon. Ms. Crofford:** — I'm going to answer that question on two levels. One is the national level. There's no question that the labour market agreement will give us a better opportunity to provide single-window service. But at the same time, we don't want the federal government out of the game.

We think, as our national representative to an international economy, a global economy, that they have a responsibility to make sure that the entire Canadian workforce is competitive on a global basis. And there are certainly things that they need to do, standards that need to be set across Canada, things like the red seal program in the trades that makes people in apprenticeship trades mobile across Canada.

We think there's many things that the federal government should still involve themselves in and be concerned with as far as national standards and national resourcing of what are essentially national issues. But as far as the local delivery of labour market and training in education services, we think the current agreement is going to work very well for us.

As far as provincial delivery, there's no area of education that hasn't gone through a rethinking. We've done the university revitalization, the *Bridges to Employment* which is the training strategy linking training more directly to the labour force. The work with the REDAs (regional economic development authority) to have the regions look hard at their needs and to link up the regional colleges with the REDAs so that they can work more closely for the development of the various economic regions of Saskatchewan.

We think all of this is going to produce great results for us over the next few years, but it's a pretty dramatic change in the way

of doing things. And so whereas many short-term successes are felt, I think it's going to take a year or two to get all the new changes firmly on the ground.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, I'd like to now switch to an area I think that's very dear to many students, and maybe even very dear to many parents who have children who have student loans, and that's that whole area of financing of student loans.

I'd like to begin by a statistic that you're very aware of, Madam Minister, in that from 1991 to 1996 we saw an increase in the number of student loan bankruptcies of about 87 per cent. Significant increase and no doubt taxpayers on the whole have been responsible for picking up a lot of that tab.

A change occurred where we now see the financing of student loans through one financial institution. Have you had any opportunity to have statistics and information provided to you to give you an idea where we're moving as far as the direction of student loan bankruptcies. Will it be decreasing? Because I understand from the Royal Bank that they have been not only assuming new student loans but have also assumed the entire package that was there before. What kind of changes are occurring in the number of student loan bankruptcies?

**Hon. Ms. Crofford:** — Well we'd like to be able to give you an answer to that today, but at the moment again we're in a period of change. The federal government has changed some of the bankruptcy rules for students and we've changed our bursary arrangement with students, and I think it's going to take about a year to see how these changes will play out as far as the actual bankruptcies. But I certainly hope we get the opportunity to be in our respective seats asking this question again a year from now, and you could ask me that question again.

**Mr. Krawetz:** — I'm sure that the question will surface again, Madam Minister.

Madam Minister, one of the concerns that is also expressed from the universities — the new academic vice-president at the University of Saskatchewan has indicated that the emergency student loan division that is handled . . . has been very, very active this last year. In fact almost over-active, and I'm wondering if your department is concerned about that, the fact that students are having to seek emergency student loan by the end of their session. It seems to be on the increase. Is that so?

**Hon. Ms. Crofford:** — Yes, these particular funds are administered by the universities; they're not administered by us. And they have a whole range of reasons why people might get them, everything from a death in the family, perhaps — I'm only guessing here — it could be dental work, it could be anything. But it's something that isn't dealt with directly with us.

And certainly as far as the core needs of the student, every student in the province is evaluated on the same basis: their living costs, their tuition costs, their capacity to pay. So this would be something that would be of a very particular nature related to that specific student. If a student's circumstance changes as far as income or expenses, that would be a matter for our student loan department and we would review it. But it

would have to be a change in their fundamental circumstance, not an emergency.

**Mr. Krawetz:** — Madam Minister, it was my understanding that your department does pay for . . . partially pay for an employee that is located at the University of Saskatchewan dealing with emergency student loans. That's not so?

**Hon. Ms. Crofford:** — Apparently this is totally — you've taught me something today — this is totally a program of the students, the student union. And we go up for a couple of sessions to hear appeals and what not for our program.

But the particular one you're referring to is a student union program and doesn't involve us, although if they were having some difficulties with something we would give them some advice and support. But it's not anything to do with us and we don't fund it.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, in the light of, you know, the student loan bankruptcies that we've seen throughout the 90s, the current demand for additional emergency loans that seem to be on the increase, what is your department doing to provide, I guess, technical assistance, to provide advice?

To provide all the things necessary to not only the students at the student union office who are trying to do that as a program of the student union, but also to provide provincial assistance to students that say, you know, like: don't get into this situation at the very, very beginning? And being able to provide, I guess, financial planning; being able to be able to provide advice on expenditures, and the like.

Because I think what we're seeing is that by the end of a term, if a person is relying on student loans, the report in the . . . the task group report has indicated that the debt load for students is increased dramatically over the last 10 years. The total debt at the end is severe. And if we're to provide any help to anyone, it would be to ensure that there isn't going to be the potential of a bankruptcy.

How is your department involved in that type of advice?

(1500)

**Hon. Ms. Crofford:** — There's no doubt that the quality of decisions and the successful outcomes for students is very dependent on the quality of information that they get.

We've actually put quite a bit of effort into this year — everything from the career toll-free line, where people can call if they're at all wondering what their best options are, but also new materials in the area of apprenticeship, JobStart, Future Skills, letting students know that they have a whole range of options.

And it's interesting. I might just mention a study that was done in Alberta where the vast majority of high school students thought they were headed for university, but about 50 per cent less actually ended up in university than thought they were going to. So obviously there is a perception gap for students between what's there and what they might actually access and

what they believe is what they're going to access. So there's no question that a whole bunch of more effort needs to be put and is being put on the earlier years when a student is making up their minds.

Some of those things are work experience programs. I think the high schools that are doing some of the work placement programs are very important and very innovative because the students gets a chance to see whether they really have an interest in an area before they've committed a whole bunch of resources and time to it, and as well with the new labour market agreement.

And as we go to a more unified labour market information system that gives people information about financial supports, program options, etc., we're hoping that the more single centralized collection of this information will free up the councillors to spend more time with the students that they work with and not be so much involved in information collection. Because it's very difficult for them to keep up with the load of information on new occupations, new skill requirements, new educational offerings.

I think when you're talking about a new economy a lot of the jobs are new and people aren't really familiar sometimes with what those jobs are so there's a lot of work that needs to be done even in describing that economy to people. But I think a really big role that we can all play and certainly employers can play is to give students that work experience.

Now in the financial fund with the banks becoming more involved, you've probably seen banks now that are putting out fairly substantial financial management programs for young people involved in loans and banking. They've got CD-ROMs (compact disc read-only memory), Internet links and what not, and a lot of people are actually choosing to borrow directly from a bank as opposed to using a student loan program depending on what their individual circumstance is.

So I think that we probably have a generation of students coming up for . . . a little more financially savvy than they were before. I mean many young people now have RRSPs (registered retirement savings plan) which is something we wouldn't have thought of until we were much older.

So what we're doing is working with the student councillors, with the career days at the schools, with the toll-free career line, with trying to get the advertising out there that lets students know they have options. We're just making every effort we can to give them the best information we can so that that a good decision is made early on and they don't get into debt going down a path which isn't the right path for them.

**Mr. Krawetz:** — Thank you, Madam Minister. Your comment intrigued me. I think you suggested that someone who might be eligible for a student loan because they would not have their own income etc., would not do that, and would go to a financial institution directly. I'm not sure that I could recall anyone who would do that if indeed the student loan has some forgivable part to it as well. So maybe you could comment on that as well.

Madam Minister, you did mention providing advice by way of career counselling, by way of career days at high schools. And

the question that I have for you is, whose responsibility is it to tell the students about the student loan program that is in place in Saskatchewan? Are those counsellors from your department or will they be specifically counsellors, or I guess financial advisers, from the financial institution, in this case, the Royal Bank.

**Hon. Ms. Crofford:** — Well basically one of the things that I think that . . . well the Minister of Social Services — I just thought perhaps I shouldn't use his name — the Minister of Social Services and myself have found out that when there's money available you don't have to advertise real hard, but . . . as he's found out in his new income support program.

But the fact is that we do a lot of general advertising. I'm sure there would not be a high school in the province who does not let students know about this. And as well I think the 1-800 career hot line is a very important addition to how people get information.

But it is our program; it is our responsibility to make sure that anybody who is in a role of advising people, of giving career counselling, has this information and we certainly do make sure that they've got it. Now whether they use it is one step down the line and certainly we work with them to make sure they do. But we do work with all the people who are responsible for providing this kind of information in the province.

**Mr. Krawetz:** — Specific question, Madam Minister. As far as the calculations and I know that all students are treated equally across the province if they of course are in the same categories, and that is a single versus single person with children.

Is there any calculation — and this is an intriguing question, because I had a couple of calls on it — is there any report of assets of parents that is necessary or is required by your department or the bank before a student loan is actually determined? Or is it strictly based on income for that year of not only the individual. I guess if they're a student right out of high school terms are a little different than someone who's in the middle of their university, or not only university but also post-secondary training. Or does it strictly depend upon income earned?

**Hon. Ms. Crofford:** — The assets of a student would be taken into consideration but not the assets of the parents. That's strictly based on income and the relationship that the student has with the parent. You know why they're living at home, etc.

**Mr. Krawetz:** — Would you then be surprised to hear that Royal Bank is asking students for the complete asset description of their parents before they would consider a student loan?

**Hon. Ms. Crofford:** — Yes, Mr. Salloum has just verified what I would have thought about it, is that if it's their own loan product, they can ask whatever they want because they have their own student loan products.

If it's the one they're administering for us, no they're not to ask that question. So we would need to know whether it was a situation where it was a Royal Bank product, or whether it was our student loan product.

**Mr. Krawetz:** — Would you then be expecting Royal Bank to try to ensure that students would take their student loan product and not even consider the student loan of the province?

**Hon. Ms. Crofford:** — I suspect that some of the students that would take the Royal loan product would be people who may not qualify for student loan, but for reason of cash flow or perhaps they're going to be working at a job and they'll be able to pay it back, have decided that they want the more straightforward relationship of a line of credit or something like that rather than getting into a student loan.

So I would suspect that for the most part these are students who are perhaps a bit less needy and a little more straightforward about their borrowing and repayment capacity.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, in the Finance minister's address he noted a number of significant changes to the student loan area. Could you summarize the specific changes for some of the groups? And overall, what are the improvements to the student loan plan that would affect all students — not just those, for instance, with children.

Could you give that breakdown, first of all in terms of how the changes that your government has suggested, how those changes will affect all students; and then specifically, for the various categories, the changes that you're intending.

**Hon. Ms. Crofford:** — Twenty-two million of the dollars were partly new dollars out 6 million, but also converting old dollars that used to be used as loan forgiveness and taking that money up front into a bursary program.

Now it is targeted at high-need students and it does give increased financial assistance for students with dependants. And as well, it includes some tax changes for dependants that are harmonized with the federal tax changes that were announced in the federal budget, which also was extended to part-time as well as full-time students.

Now one of the big advantages of this shift is that students have more financial certainty. They know upfront that they're going to qualify for that money. They don't have to wait until they get into debt and apply for a loan forgiveness later on. As well, for students with dependants, it levels the playing-field, where their level of debt should not be greater than for a student without dependants, because a lot of their costs are related to the living costs of supporting dependants — child care, that kind of thing.

And we've really enhanced the assistance to those students to make it more possible for students with dependants to get post-secondary education. Because of course they're the most likely to be trapped in a situation where they can't upgrade their education and therefore they have less of a capacity to support their children and to create that quality environment for their children to grow up in. So we've tried to make it easier for those kinds of students to get back to school and to create a better situation for their families.

Now the changes in the income tax area amounted to about 5 million. We don't have any experience yet with whether this will achieve the objectives that we hope it will. But certainly



we're optimistic that this should be a simpler system and a better system for a high need students, students with dependants, and all students with need generally.

**Mr. Krawetz:** — Madam Minister, one of the recommendations of the task group on student assistance was that the maximum level of assistance provided to a student, I think was at \$275 per week — that that should be increased for all students. And you've indicated that a large cost of a student's education are living costs.

And I know you've talked in this House about increases to not only to utility costs, but also things like textbooks, materials. You've also indicated that there were student costs that were unexpected . . . that damage deposits that increased with the change in legislation — that some of the things that students incurred as far as costs, changed significantly.

Did your current budget address those needs and has the maximum assistance level changed for all students?

**Hon. Ms. Crofford:** — We did increase the maximum level for people with dependants, because again when we took a hard look — the student assistance task force took a hard look at who was having the difficulties — certainly the 20 per cent of students out of the 40 per cent who borrow, who had difficulty, were largely people with dependants. So we did increase the level for those students, but the level remained the same for students without dependants.

Now if you understand the student loan program, it's a 60/40 sharing with the federal government. So that 275 you talk of is made up of 165 federal and 110 provincial. And right now we're in a process of negotiating a number of changes with the federal government on student loans, but one of the things we'll be looking at is getting them to increase their portion and then we would increase our 40 per cent to go along with it.

But we really want them to come to the table on this, especially considering some of the discussions around the millennium scholarship.

**Mr. Krawetz:** — Madam Minister, I think you announced some changes about when the bursary level would kick in, that that level had changed as well, or is it the same level that was previously in existence?

**Hon. Ms. Crofford:** — It's the same for the need calculation. What's changed is the amount of support to people with dependants.

**Mr. Krawetz:** — Madam Minister, of the 20 per cent or of the 40 per cent that you indicated, how many students on average in the province of Saskatchewan would qualify for some bursary as part of their entire student loan program for the year?

**Hon. Ms. Crofford:** — About 40 per cent of the students who borrow would be eligible for the enhanced level of benefit, and that would be made up of both the high-need and the students with dependants.

**Mr. Krawetz:** — Forty per cent, Madam Minister, I guess would translate then into somewhere between 6,000 and 6,500

students then that would . . . (inaudible interjection) . . . 6,000 to 6,500, who would actually benefit from a bursary, if I read your numbers correctly.

Madam Minister, I guess the question that is being asked by many students who are looking at financing their own education is that . . . Your announcements this year, the federal announcements this year, have done improvements to those 42 per cent that acquire a student loan.

There are 58 per cent of the people attending post-secondary education who finance their own education either through, I guess loans from parents, or as you've indicated maybe a financial institution based student loan, or they are just financially well off to be able to incur four years of costs. What kinds of things, besides the tax credit for the interest, are being put in place to address the concerns that students are facing, and the whole need to be able to finance their own education?

**Hon. Ms. Crofford:** — There's a number of tax changes. I'll just quickly go through them. Borrowers are now able to claim a tax credit on the interest portion of federal and provincial student loans because, again, I mentioned we harmonized. And this will be effective in the 1998 tax year.

Students in part-time studies, who couldn't claim at all before, will now be able to claim an education tax credit and a child care expense deduction. Tax free RRSP withdrawals can take place for post-secondary students, subject to conditions. And as well, there is the Canadian Education Savings Grant, which is more for I guess the students of the future. But certainly I've talked to young families who are planning to make use of that measure.

(1515)

And as well, the grants to the universities have certainly created a reduction in the university's need to get more of their revenue from the students. So I think those measures were the ones that affected all students.

And the other commitment we've made to students, again coming out of the student assistant task force, is that we would work on improving youth employment opportunities, both as far as the quality of the jobs and the income earned from those jobs, but also the availability of those jobs. And some of that will likely be further developments in the work study area and the co-op study area because that seems to work very well for many students.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, that was the point that I was hoping you would touch on is some of the recommendations of the student task force, where I think they have addressed a number of concerns.

Because no matter how we look at it, the end result will be is that a student will have a debt if they are financing it at their own . . . by their own choice or through a student loan. And if that debt can be reduced in any significant way, not only for the province but also for the students, those 58 per cent, there has to be an attempt to look at what small things can be done.

One of the requests I think was that we start to look at the

amount of monthly deduction that is current in the Income Tax Act. That type of cost is nowhere close to what a student is incurring and being able to deduct from their income tax.

You mentioned RRSPs and the ability for students to be able to use them. Well I would think that there has been a significant improvement from yours and my day regarding RRSPs, but I'm not sure that we have a whole lot of students out there who are going to take advantage of RRSPs.

And as a result, again that is still their own money that they were using for — as it says, registered retirement pension, you know — rather than looking at saying well it's not an education plan but at least I'll be able to spend it now and hopefully be able to secure a job.

I think one of the key elements in this report is that students have to be able to address repayment of student loan or repayment of their own loans, and that would be determined by the type of job and the type of income that people are able to secure.

And I'm wondering if there is any correlation between the number of bankruptcies and the kinds of jobs or the inability of students to find jobs and whether or not your changes to the student loan program will have a benefit on ensuring that students will be able to reduce the number of bankruptcies.

**Hon. Ms. Crofford:** — I'm just going to mention, I don't know if you noticed this as you're reading through that material, but we've had the largest number defaults for some of the smallest loans like 2 and \$3,000. The defaulters aren't the 30,000; they're the small loans that are defaulting, which go figure, I guess, why that would be? And I don't know that we've gone intensively enough into that to really determine why that is.

But from the point of view of people's ability to repay, there was a recent StatsCanada study entitled "University Education — Is It Still Worth It." And if you look at a graph of education related to both the ability to get jobs and earning power, you're still on a direct upward trajectory with the number of years of education and your ability to be both employed and to earn an income.

So whenever I'm talking to students I always say, if you don't wish to be poor all your life, the one thing that you can do that will most assure that you won't be, is to get an education because it correlates directly and has for many years that I can remember looking at these kind of figures.

**Mr. Krawetz:** — Thank you, Madam Minister. Looking at statistics and graphs is a favourite pastime. And I note one of your reports has indicated that the university grad income for . . . and I think your numbers are a little out of date because you have a 1993 chart where you were indicating that \$34,000 is an annual income for a university grad. And I'm not so much concerned about what is the value of the salary earned. The part that concerns me is that the average student debt for people who have attended university has grown, and the ratio of debt to annual income has grown from about 20 per cent in 1985 to as much as 35 per cent in 1993. If we were to look at 1998 statistics — and I know we don't have them — but if you were to look into the crystal ball and have your officials provide you

with 1998 numbers next year, maybe, what would they say? Would they show that the average ratio of debt to annual income has gone from 20 to 35 in 1993 to 40 or 45, or do you expect it to have levelled off? Or would you expect it in fact to have declined slightly?

**Hon. Ms. Crofford:** — We believe that the ratio is going to stay about the same. The maximum debt load of regular students after completing four academic years of university with a bursary will be about 24,000, regardless of whether the student successfully completes each year of study. So for a four-year program, if you did not have another way to defray the costs that would be about where you'd be sitting at completion.

**Mr. Krawetz:** — Thank you, Madam Minister. Madam Minister, the concerns of students are, I think, very high on the agenda of universities when they look at program planning. They're looking at tuition fee increases being as moderate as possible to ensure, as you've indicated, that we are as competitive as possible.

But the end result is, I think, that we have to try to do everything in our power as government and as people elected for the province of Saskatchewan to ensure that the end result will be is that we have highly educated and very qualified people in this province. But we don't put them in a situation whereby debt becomes so cumbersome so that it scares away the potential person who would like to have a post-secondary education.

I know you've indicated — and I agree with you — that the chances of success is far greater for those people with post-secondary training, whether it be at the technical level or at the university level. That is key — that the people who attain that education have the highest success rate, have the highest degree of attaining a salary that will allow them to be a productive person in society.

But the key that we must address here is that I think we have to look at what level of student indebtedness is too much. You're indicating 24,000 possibly at the end of four years. Those numbers, I'm sure, have risen significantly over the last five, six years.

We have to ensure that government — not only provincial but federal as well — and the universities, the technical institutes, that we work cooperatively to ensure that that debt load is not going to increase to the point where we do not have students that will be interested in post-secondary. I would appreciate a comment on that.

**Hon. Ms. Crofford:** — I should maybe clear something up. The maximum debt load was the 24,000 on the four-year; the average is 13,000. Well, it's close to 14 — 13,960 — so let's round that up to 14,000. So that would be the average that students are incurring.

**Mr. Krawetz:** — And as I indicated, Madam Minister, while those are the student loan numbers, no question about it, there's that other 58 per cent that are incurring the same kind of costs whether they're using up their own bank accounts or their own employment accounts, or whether they're relying on parents,

they continue to do. Yes, some of us continue to pay.

Madam Minister, I'd like to turn to another topic, and that was the announcement, the long awaited announcement this past spring of, I think, something that the University of Regina and the province of Saskatchewan has long awaited. I'm sure that the aboriginal community has awaited this for a long, long time, and that's the announcement of the construction of the new home for the Saskatchewan Indian Federated College.

Madam Minister, just a couple of short questions because I'm not sure that this project is already under way. I know that when you had announced the project, you had indicated at that time that there were still a few things that had to be put in place. Last Friday on campus, I think that there was joy expressed that indeed this project was going to happen.

Could you give us a quick update as to where the project is in terms of its beginning?

**Hon. Ms. Crofford:** — I can let you know as far as I know. I know that they've tendered the contract for development of the project. And as well they are continuing with their corporate fund-raising efforts to pick up that 3 million that they still need, although I'm sure they wouldn't feel bad if they exceeded it, and they certainly feel they'll be in a much better position now to do that.

But as far as I know they're on track and hoping to get construction going as soon as possible. So as far as I know there is nothing at this point that would prevent this from going forward.

**Mr. Krawetz:** — Thank you, Madam Minister. I'm glad to hear that. The other question is more for clarification. You indicated that the province's financial commitment was not in the capital area, that indeed there were no dollars provided for capital funding.

Mr. Goodale's message that he circulated around the province through a newsletter is indicating, and this is a direct statement from his . . . (inaudible) . . . He says the provincial government is providing funds for a \$5 million mortgage. And I know that in the House your explanation was that you've increased the amount of grants to, I think it was 800-and-some thousand dollars to allow the college to be able to take the mortgage for the additional 5 million. Mr. Goodale seems to suggest that the provincial government is involved in the \$5 million mortgage. Is this so?

Are you having to sign agreements that will indeed support the taking of a \$5 million mortgage? Or is the provincial government at all involved with that \$5 million proposed mortgage?

**Hon. Ms. Crofford:** — Universities have the flexibility within their budgets to set priorities to a very significant degree. And this would not be the first university that has used some of their operating to fund other priorities that they have. So what would be happening here is, I do believe they will be making a decision to use some of that operating to pay on a mortgage, but that would be their decision. We've provided it to them as operating funds.

**Mr. Krawetz:** — Madam Minister, I take it then that the provincial government isn't having to take that \$5 million mortgage as something . . . Related to capital, Madam Minister, we've heard a lot about the capital projects at the University of Saskatchewan in Saskatoon, where the number of buildings . . . last year one of the buildings having to have been . . . having to be removed.

I'm wondering if your department is involved with capital planning, with not only annual plan but I guess the three- and five-year plan that is under way at the University of Saskatchewan, how will your department be involved in the replacement of capital structures at the University of Saskatchewan?

**Hon. Ms. Crofford:** — Well I had a lovely letter from Dr. Ivany that they're certainly pleased that they're able to get on with their capital projects. And as you know — I think they have a list; I'm just trying to recall here — has got maybe 10 projects into the future on it. But their top three are their Thorvaldson Building, which of course is the chemistry building that's so important to the whole area of science and technology here. They also have the phys ed building which, as well as all the services it provides on campus, is quite involved in the community. And then they have their convocation hall, which are their three top priority projects.

But at this point, given the commitments in the budget, they're proceeding with work on all three of those projects. And they do need to bring their capital projects back to us for approval, but certainly it's our understanding right now that those are their priorities and that they're proceeding with them.

(1530)

**Mr. Krawetz:** — Good. Thank you, Madam Minister. Madam Minister, one of the other questions that the Saskatchewan Party has raised over the last number of weeks is the whole question of shortage of nurses. I think the program at Kelsey Institute has changed such that it is not a two-year program but a three-year program, and probably this is the year that there will be no nurses graduating. Can you confirm that?

**Hon. Ms. Crofford:** — The program is in transition right now. We've been working with SRNA (Saskatchewan Registered Nurses' Association) and SUN (Saskatchewan Union of Nurses) and SIAST (Saskatchewan Institute of Applied Science and Technology) and the universities on this new program. It was certainly the consensus of everyone in the nursing field that nursing had changed so much they had to substantially upgrade and change this program.

And nurses are working more in the community. They're doing just a broader range of things than they've done before. So they developed this new program that's referred to the NEPS (Nursing Educational Program of Saskatchewan) program which is a four-year program that will jointly be delivered in both Regina and Saskatoon by SIAST and the universities.

Now there is a three-year exit from that program with an option for the fourth year, but you're right that it's the last year now of the two-year program. But there still will be nurses who are finishing off their last year of that other program, so there still

will be nurse graduates. I don't have a figure right at my fingertips but it would not be accurate to say there won't be graduates. There just won't be graduates from the new program yet.

**Mr. Krawetz:** — Thank you, Madam Minister. In my discussions with Ms. Farnham who handles the program out of Saskatoon, she indicated of course that there's been a tremendous interest in the program and indeed their quota of 120 was reached at I believe a cut-off level of about 70 per cent average out of high school. So indeed that there is a resurgence I guess of students looking at nursing as an occupation.

However as I pointed out, we are in a shortage right now. We are not going to have as many graduates come forward this year even though you've indicated that there are still some students that will be completing the two-year program.

What kinds of things are occurring in your department to ensure that we can alleviate the concerns that the district health boards have, that other agencies providing care in the province have regarding a shortage of nurses in this province?

**Hon. Ms. Crofford:** — There's really two problems I think when it comes to questions about shortages, and one is around actual supply. But there's also issues on the demand side which has to do with the human resource practices of a particular organization, whether or not people are being offered jobs in the particular configuration that suits their view of what kind of a work setting and hours of work and what not that they need to have.

So I think we can do our part on the supply side and work certainly closely with the nurses, the institutions, the hospitals, etc., to get a situation in place where they can get the people they need as far as new graduates go.

But on the recruitment front, the health boards are going to have to look at their practices themselves, and decide what's most likely to produce success for them in the recruitment area.

**Mr. Krawetz:** — Thank you, Madam Minister. That's my final question at this moment. I want to thank you for being so open and forthright with your responses. And I want to thank the officials for being present today as well.

**Mr. Osika:** — Thank you, Mr. Chairman. Madam Minister, and to your officials, good afternoon. I have a question that I've been asked on more than one occasion with respect to scholarships.

Students who through their diligence earn scholarships, and they are for the University of Regina, however the courses that they choose to follow are not available at the University of Regina but are at the University of Saskatchewan in Saskatoon and yet they are told that those scholarships are not transferable or they cannot use those bursaries, those monies, anywhere other than the U of R — could you clarify that for me, please?

**Hon. Ms. Crofford:** — Whether one might have concerns about it or not, this is the common practice in universities. But you've certainly given me an idea today. Because when we start discussing the millennium scholarship, perhaps what we need to

do is make sure that that scholarship is not anchored to a particular institution but can float with the student, based on the particular merits of the student's ability and circumstance.

But most scholarships are set up as dedicated to a particular institution because it would quite often be someone who has gone to that institution or for a particular reason decides to support that. And that would be true of every university in Canada.

**Mr. Osika:** — Is that not taxpayers' money that would be used for those scholarships or monies that would come from . . . Where would that money come from then for those scholarships and grants?

**Hon. Ms. Crofford:** — A very small part of it might be public money. And you might see that for example in some targeted efforts to get students in a particular program. But for the most part it's private bequests and private scholarships, and a business that may decide they want to encourage students in a particular field like engineering or dentistry, whatever. So generally they come from outside sources, not government money.

**Mr. Osika:** — Well thank you. Yes, and that makes sense, but I would . . . it seems that if unfortunately those subsequent courses are not available at that institution, it's too bad. And I hope you would look into that, Madam Minister, to make them transferable or at least come to some kind of an agreement. Because the individuals who do work very hard and with a great deal of diligence and now find that this scholarship that they are very proud of, they cannot take it with them elsewhere. So I appreciate your concern in that respect, and do you believe that there may be an opportunity to allow that to happen in the near future?

**Hon. Ms. Crofford:** — Yes there is, and there's even an opportunity for you to support me in this effort because there still is not a definitive answer to the question of how these millennium funds will be distributed. They're new funds, they're substantial, and I think it's a very good suggestion you make, and we'll certainly add it to our list of things to discuss with the millennium folks. And your support in that would be welcome.

**Mr. Osika:** — I thank you very much. I'll now defer to my friend and colleague from North Battleford. Thank you.

**Mr. Hillson:** — Thank you, Mr. Chairman, Madam Minister, and your officials. First of all I want to ask you about the joint-use project in North Battleford. As of course, Madam Minister, you are aware the North West Regional College was to have moved into the North Battleford Comprehensive High School, and initially plans were announced last year by your colleague, the Minister of Education, whereby renovations would have been undertaken and completed for September of 1998. Now I understand that for a number of reasons there have been delays, and I would ask you to kindly update us as to where that project now stands.

**Hon. Ms. Crofford:** — Well I'm just refreshing myself on this one because I've actually discussed it with the folks. Their problem was that although they were granted the necessary

money to do this work, they had unanticipated roof work that needed to be done that ate up a chunk of their money, and the cost of the roof project coming in at 1.5 million, which was again an unanticipated cost.

But we have made funding available at 1.75 million in this year's budget as was committed in April 1997. And Post-Secondary committed 304,000 in the 1997-98 budget for the implementation of the Saskatchewan training strategy for the regional college portion of the roof replacement project. So we've given them some additional funds into that and hopefully that will be enough for this project to be firmly on the road.

But we have had a very high uptake in the joint-use projects across the province. I would say that aside from student loans, the next biggest area of demand is in the joint-use area, and there's certainly a lot of competition for dollars in that area.

**Mr. Hillson:** — Yes, Madam Minister, I'm aware of the situation with the roof. Actually my understanding is that the roof was always part of the project. However, it had initially been thought that the roof could be one of the last things done, and then with the problems of last year, when it started to leak, it had to be the first thing done rather than one of the last.

However, my question is that last year it was a three-year project costing a total of about 5 million. How many years now will the project take? When will North West Regional College be able to move in?

**Hon. Ms. Crofford:** — All I can tell you with certainty today, and I can certainly get you more information if you'd like it, but they are proceeding with phase one. But phase two involves some other discussions around the training strategy and around the needs for the future.

So I think at this point they're a bit indefinite about whether the project that was originally designed is still what they need down the road with the changes that are taking place. And they're going to be taking a bit of a second look at the next phases of the project.

But what I can say is that the board of governors of the North West Regional College and the North Battleford Comprehensive School Board have indicated they're now prepared to proceed with the project and are proceeding with phase one in this year.

Again, if you would like more information than that, I can get some for you. But I think they are rethinking some of the larger part of the project as far as new needs are concerned.

**Mr. Hillson:** — Thank you, Madam Minister. I appreciate the undertaking. However my understanding is though that, as you say, there is no undertaking from government at this point as to further phases of the project, and there is some reluctance to undertake phase one if we don't know that the project will be proceeded with.

And last year the announcement from your colleague, the Education minister, was that this is a three-year project that we've provided 2 million for this year. We will provide the funding in the next two years for it to be completed, and the

North West Regional College will then be housed in the comprehensive high school.

And my concern today is, is that still the project? And if it is still the project, can you give us some idea of the current time frame?

**Hon. Ms. Crofford:** — Yes, there's still the same time frame; still the same commitment to it. It's only because of the training strategy that they're looking whether they might want to do a few things somewhat differently. But we haven't changed our commitment to it nor have they changed their time frame. They're just taking a little bit harder look at some of the implications of the training strategy for the space that they're going to be using in the building.

**Mr. Hillson:** — If I may, I wish to read from a letter that your colleague, the Minister of Education, sent in December of 1997 saying:

We remain optimistic that a very worthwhile project can be developed with the available funding and that North West Regional College will be in the facility (that is the comprehensive high school) in the fall of 1998 as I announced this spring.

So are you saying that that still continues to be the plan and the proposal?

**Hon. Ms. Crofford:** — We're going to have to report back to you on that. Deputy Perrins is going up there tomorrow and he will certainly be talking to them about it and we can confirm to you where that's at, at that time. But as far as we know, it's proceeding as committed to and as expected.

(1545)

**Mr. Hillson:** — Thank you for that undertaking. Madam Minister, if I may turn to our universities. I understand that the capital projects that are now required on the University of Saskatchewan campus, that it is being proposed by your department that they be undertaken by incurring debt by the university to finance the capital projects. And I would ask you what your plans are in that regard.

Are you asking for the university to float debentures to finance capital projects?

**Hon. Ms. Crofford:** — The university is requesting that we get involved with them in such a way that we can help get the best rates for them in financing their project. The details of that haven't been worked out yet, nor do we have approval yet to proceed. But certainly we're working together on putting together a financing package that suits their needs and that we can agree with.

**Mr. Hillson:** — As I see it, Madam Minister, the issue would be that if the university floats debentures itself it would be paying a higher interest rate than would be necessary if the province were involved. On the other hand obviously if the province is involved, that reflects on the overall indebtedness of the Government of Saskatchewan. Is that basically the issues that are before you now in deciding how to proceed in terms of

capital funding for the university?

**Hon. Ms. Crofford:** — The difference in the cost to the university — I wanted to get an exact figure for you — is 53,000 depending on the two different methods of financing. And of course 53,000 less if the province was to have more of an involvement in backing that loan.

But again this is something that we haven't done before in the area of university financing, so we have to look at it and make a decision before we can proceed. But we certainly are working with them on it.

And the difference is not huge, but still it's 53,000 a year. And your analysis of what it would do to the financial situation is accurate.

**Mr. Hillson:** — Madam Minister, would you not agree that it would be something new for our province to finance capital projects on our university campuses by insisting that the universities go into debt. This would be a new departure and it would be an unfortunate departure in placing our universities in a situation of being massively in debt in order to meet their capital needs.

**Hon. Ms. Crofford:** — Well I suppose on a very limited level I could say that there's some small merit in your comment. But the fact of the matter is, everybody has to learn at some point to live within their means, universities included. And because you would like to do something does not always mean that you're able to do it.

Now if we're able to assist them in some way of meeting the needs that they've identified, I think certainly we have an obligation to do that. But we don't buy everything straight out ourselves as a government and I don't know why a university would expect to either. It's perfectly within the realm of possibility that many institutions, organizations, businesses, governments, incur mortgages in order to be able to proceed with projects that they would have to wait many more years.

So I guess I would ask you, would your choice be to wait many more years or to have them be assured that they have the ongoing funding sufficient to be able to meet their mortgage obligations?

**Mr. Hillson:** — Well, Madam Minister, with all due respect, you seem to be talking about the university as if it is some other entity other than the province of Saskatchewan. And if I may, I would remind you that the establishment of the University of Saskatchewan was something that our government did when this province was only two years old. And our province at that time considered it a high priority to have university education in this province.

Now you seem to be suggesting, well, the university is a separate entity for which the government has little or no responsibility. And you also seem to be referring to the capital requirements of the university campus as a wish list as opposed to an acknowledgement that these capital requirements have come about because, quite literally, the roof is falling in.

So this is not a wish list of some grandiose plan that the board

of governments . . . governors would like to see happen. This is something that has been very much forced on our campus by circumstances beyond anyone's control.

**Hon. Ms. Crofford:** — Well, Mr. Member there, I was trying to be polite but you forced me to have to talk about the CHST (Canada Health and Social Transfer). And you know and I know where billions of dollars have been lost to health, education, and social services in this country.

And if you really want to help us out, there's not an area in which universities haven't been cut, whether it's research, whether it's the money that the province gets that we're unable to flow through to them to support their facilities. Sometimes it's direct funding that comes without regard to provincial priorities directly from the federal government. And certainly universities have sometimes had to bear the brunt of decisions that were made that weren't their priority.

But the fact is that we do provide the funding for them to support their mortgage costs. And that's certainly the discussion we're involved in with them right now. And they have agreed that this is a situation that they're certainly willing to work with.

And so I think at this point our only common objective is to look at what the best financing package we can get to keep those interest costs down and to enable these projects to proceed.

**Mr. Hillson:** — Mr. Chairman, Madam Minister, you will recall that in the federal budget of this year there was considerable new spending in post-secondary education. And the Premier took the view that this was an intrusion into provincial jurisdiction. And I think we were all disappointed to hear the Premier critical of the federal government for taking post-secondary education as seriously as it does.

What I want to know, do you still consider university education to be a priority of the provincial government as it was when this province was a mere two years old? Or do you now take the position that if buildings are crumbling on the campus, that is the problem of the university that has little or nothing to do with the Government of Saskatchewan?

**Hon. Ms. Crofford:** — I would say that probably this government has demonstrated more support for post-secondary education than virtually any government in Canada. And certainly that would be the impression I got when I recently attended a council of ministers of education with our stakeholder groups from the various major organizations.

If you want to look at where some of the shortfall is, I'm going to go back to the student loan program — a 60/40 program with the federal government. If they were to contribute their 60 per cent to the degree that we contribute our 40 per cent — right now they owe us about 30 million as far as their contribution to student loans. So I think they've got a long way to go before they're even delivering what they're obliged to deliver under current agreements — never mind what we might want into the future.

And I would certainly hope that you would keep the interests of

your constituents at heart while you're busy defending the federal government.

**Mr. Hillson:** — I don't think I need to be reminded that the interests of the people of Battlefords come first and foremost in my deliberations then, Madam Minister.

But in view of your ringing endorsement of our universities, may I ask then will you give a commitment that the capital cost of renovations required on our university campuses will not be pushed off onto our universities having to float debt? And if you will not give that commitment, can you identify any other provincial university in Canada where that is the case.

**Hon. Ms. Crofford:** — In keeping with the autonomy of universities, I will commit to you that we will come to an agreement with the universities that suits them and ourselves in discussion.

**Mr. Hillson:** — Has any other province in Canada insisted that for the maintenance of university buildings the universities have to float debentures not underwritten by the province?

**Hon. Ms. Crofford:** — Yes, this decision isn't being made on the basis of what other people are doing. It's an agreement that we're reaching with the universities. So we can find that out for you, but we haven't checked on that nor have they commented on that to us.

**Mr. Hillson:** — Well, Madam Minister, maybe there's not too much further I can take this, but I would respectfully suggest that it is not so much an agreement you are making with the university as something you are ramming down their throats; that you are saying the only way you're going to get the calamitous state of our university structures back up to an acceptable standard is by floating debentures that will not be guaranteed by the province. And this is not a case of the university agreeing, this is a case of the university being dictated to by your department.

**Hon. Ms. Crofford:** — Well, I'll just emphasize that we'll certainly give the universities all the support we can in this cooperative effort, but that in fact they have not expressed what you're expressing to me.

**Mr. Hillson:** — Madam Minister, we have now had the Royal Bank administering student loans for, I believe, two years and I would like to ask you what has our experience been in contracting out the administration of student loans?

**Hon. Ms. Crofford:** — We certainly still are responsible for all the policy in relation to student loans. They are merely the money managers. And we do encourage students who have any information they require, concerns with that relationship, to let us know.

But certainly we make every effort to make sure that students who are needing either an interest free period or needing to renegotiate their loans, that we give them ample opportunities to do that.

Usually the only way a student will get into difficulty with their financial institution is if they haven't been keeping in touch.

But I just emphasize that we still entirely determine who's needy and what the policy is for the program. The bank simply administers it.

**The Deputy Chair:** — Why is the hon. member for Watrous on his feet?

**Hon. Mr. Upshall:** — Permission to introduce guests, Mr. Chairman.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Upshall:** — Thank you, Mr. Chairman. Today it gives me great pleasure to introduce to the Assembly two guests in the Speaker's gallery. Seated in the Speaker's gallery is my father, Herbert Upshall, and my nephew, Bryan Upshall, have come to Regina.

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

**Hon. Mr. Upshall:** — I just want to wish them a safe trip home.

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

(1600)

## COMMITTEE OF FINANCE

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**Mr. Hillson:** — Welcome to the Minister of Agriculture's family, and if I may continue. How often are we using collection agents for delinquent student loans. Do you have any numbers on that, Madam Minister?

**Hon. Ms. Crofford:** — Yes. Once the banks start administering these programs, other than all the guidelines and the opportunities that students have to get assistance if they're having difficulty, once it reaches a point that those remedies have been exhausted, it's really up to the bank whether they use a collection agency. It's not us.

**Mr. Hillson:** — Madam Minister, when the Plains Health Centre ceases to function as a hospital, we understand that it is going to be used for administration. And I would ask you what programs are going to be moved into the Plains Health Centre in terms of teaching and administration, and whether or not these will all be from the city of Regina or if they will be from other communities as well?

**Hon. Ms. Crofford:** — Just the Wascana programs will be moving into there. And of course, it's eight campuses moving into there, so there'll be everything from ABE (adult basic education program), nursing programs, automotive technician — I mean the full range of what Wascana delivers will be delivered all at that one site. But to say "administration" is hugely misleading; these are the students that'll be there.

**Mr. Hillson:** — Can Madam Minister give her undertaking that no programs will be removed from other communities, such as Moose Jaw, into the Plains Health Centre and that it will only be a consolidation of Regina programs and administration?

**Hon. Ms. Crofford:** — The most excellent MLAs from Moose Jaw have already had the jump on that one and we have assured them, as we assure you today, that that is the case. We won't be moving any of the programs.

**Mr. Hillson:** — Thank you, Madam Minister.

**Mr. Belanger:** — Thank you, Mr. Deputy Chair. Just a few questions for you, Madam Minister. In a perfect world we would have training institutions in every community and every region to try and impact what their needs are to develop an economy, and I understand clearly that we haven't got a perfect world.

One of the biggest challenge in northern Saskatchewan, as you are aware, in the province as a whole with the aboriginal population being what it is and certainly the projections within the next 10, 15 years, would suggest that we have to have, with all due respect to the other minorities and certainly the general population of Saskatchewan, we have to have an aboriginal specific initiative when we talk about trying to incorporate some of the aboriginal people into the workforce.

And I would like to take it a step further, Madam Minister, that we look at the whole option of a geographical specific initiative as well. And of course being a representative from northern Saskatchewan, that's the focus of some of my conversation and my discussion here this afternoon.

I guess the one factor I want to point out is that in northern Saskatchewan many students do finish grade 12 and post-secondary aspirations may be in their plans, perhaps maybe even immediately entering the workforce. Something certainly has to be done.

Many of the common concerns that we have out there in northern Saskatchewan is because of the isolation factor, some of the challenges of being an aboriginal person; and certainly, the cost of relocating to other centres from your home community to achieve extra studies in the post-secondary field certainly adds to the challenge of northern people.

And I was just wondering, has your department ever done any in-depth study of some of the northern communities in terms of what some of these young students and young people are going to do after they've achieved their grade 12?

**Hon. Ms. Crofford:** — Probably the briefest way to answer that is you of course would be familiar with the multi-party training agreement which is with the mining sector where that's definitely what the purpose is there, is to identify the opportunities and to make sure that people have access to them.

But as well, I think some of the more historical programs — the NORTEP (northern teacher education program), the NORPAC (Northern Professional Access College) — are trying to access people to the jobs available in those areas.

And in the regional colleges, both I guess Northlands and Woodland that affect that area, as part of the *Bridges to Employment* training strategy, there's a couple of things really that I think are fairly significant for the North. One is the attempt to have the colleges work much more with the economic development groups from their area to make sure that the training that they're providing is relevant and useful and helps assist the economy and the people in moving forward.

But as well, we're doing a lot more in the distance education front so that people don't have to leave their communities and incur the dislocation and the expense of travelling to a southern institution to get their education. And certainly people like SIFC (Saskatchewan Indian Federated College), GDI (Gabriel Dumont Institute), SIIT (Saskatchewan Indian Institute of Technologies), are all trying to develop distance programs so that even things like Cree, various technical programs, math, a whole range of things that people may want is accessible at a distance.

So I think as these distance education efforts, the changes to regional colleges, you'll certainly see a much more responsive system for the folks in the North to get what they need without having to go out of their communities to do it.

**Mr. Belanger:** — Thank you. And just to elaborate on that point, the reason why I bring it up, Madam Minister, is that of all the programs I've seen . . . every program of course has an immediate benefit and impact for the students and many times you see that that of course is hard to measure in the period following your training — I being an example of that. Many people did not believe that the business administration program I took through GDI in Buffalo Narrows in 1988 would have some benefit today, but it certainly has.

I think the key point that we talk about when we talk about community development in a local sense is that the one program I did have some hope that would eventually have some immediate impact and benefit from would be the economic development officers that we spoke about behind the bar. And the key strategy there is to try and have these people out there trying to develop packages, programs, and employment opportunities, and profits for the communities.

And I would suggest to you that there's got to be some way, shape, or form that we can develop an overall strategy — if it's through the university system, if it's through distance education, if it's through our regional colleges — in which we could look at the employment creation, economic development, social development scenario of focusing efforts at the local level. Because as long as you've got these communities far removed, sometimes even distance education and the best efforts and the best intentions will not hit the huge majority of people.

And I was just wondering if . . . would you care to elaborate on that?

**Hon. Ms. Crofford:** — Well whether we're talking about the North or the South, probably community development and community economic development is one of the hardest areas to get people who have a skill and a talent for it — because I think you need a bit of talent for that as well as a skill — and such



individuals are in great demand and very costly. So I think you're right, we're going to have to develop them if we're really going to see much movement on that front. And we do have a pilot project out of the P.A. campus with young people from the North — who the community selected them to train as economic development, community economic development workers for their communities.

I was very encouraged to see the mixture of both young male and female people from the North selected by their communities to do that training. And I haven't checked recently on the success of that, and if you wish we could provide you with the contacts for that program. But certainly if that pilot goes well — it's also experimenting with the use of new technology so you know there's a little extra piece there that has to be seen whether that is a viable way to help deliver that training and networking — But there are efforts being made in that direction and I agree with you that we need to expand that.

**Mr. Belanger:** — Thank you and certainly when people come to visit some of our communities — if it's Buffalo Narrows, if it's Ile-a-la-Crosse, or if it's Pinehouse — the common question we get from visitors is, what's here? What keeps people here? What keeps people in some of these northern communities? And the question we have is that there's a lot of potential and opportunity that has not been yet tapped by a lot of local people.

And what we have to try and do, Madam Minister, as I mentioned before, is try and make a connection between some of the local aspirations that people have to create their own jobs versus what's happening out there now. And unfortunately I don't see a concerted effort to try and accomplish that.

And clearly when we talk about community development, you look at any of these communities and you see what they're spending in social services, you see what they're spending in health care, what they may be spending on infrastructure, and what they may be spending on maintaining offices and staff and so on and so forth. Then you begin to ask the question, after all these dollars are being, as some people say, pumped into northern communities, why is it we have a continual 80 to 90 per cent unemployment rate? And there's very little success and very little progress made at the local level.

The primary reason for that, Madam Minister, is that we have not made the concerted effort and we have not taken the next step higher to try and make a relationship to the amount of money that we have spent in these communities — to the creation of a self-sustaining, independent economy developed by the local people.

And so when I give that response to some of these visitors when they ask what's in Pinehouse or what's in Buffalo Narrows or Ile-a-la-Crosse, they're kind of taken aback by it. And the reason why I believe they're taken aback by it, stepping back from it, is they still don't completely understand that the people out there do have a lot of opportunity associated with the land.

So I think the key point that I'm trying to make is that there is a lot in these northern communities and what we have to do is awaken that spirit to try and get people to understand that they can indeed develop their own economy. That there's a lot of opportunity, and all that it takes again is a thorough plan, a plan

in which you really begin to mesh with people who are familiar with the whole plan to develop themselves and their economy.

We talk about the mining sector, Madam Minister. And certainly there's been a lot of positive work being done in that area and we've stated many times before we support the mining sector. But the mining sector is, of course, one particular part of the industry of northern Saskatchewan.

And as long as we begin to focus our development of the economy on one industry . . . an industry I might add, Madam Minister, that it's a non-renewable industry. After 20, 30 years, once you've finished mining for gold and uranium and so on and so forth, that industry's gone.

At this point in time, 1998, what people of northern Saskatchewan are saying to government is that we must make a concerted effort by all the departments to try and develop an economy that we could be familiar with and that we can develop and we can benefit from. And some of those economies don't just involve mining — they involve tourism, they involve fishing, they involve agriculture, they involve manufacturing, they involve agriculture. The list just goes on and on and on as to the ideas. And I don't believe that we should say at any time — this is how your economy should look. What we should do is give the complementary sources of professional training and also give the complementary and coordinated approaches of the different departments of government to accomplish that.

So as the minister responsible for Post-Secondary Education, you should take the opportunity to talk to the minister of housing and say, if I put a program in place in Pinehouse to teach somebody to become a self-sustaining business person, can you make an effort to try and diminish the disincentives associated with housing?

So in essence, when I talk about community development, Madam Minister, there's a lot of factors that really influence a community and, quite frankly, limits their opportunity to create their own economy using the post-secondary opportunities available through your office.

So I guess my point, Madam Minister, is that there's got to be some heavy coordination and some heavy concentration and some heavy involvement by the community people to really take advantage of the post-secondary commitment of your department. And we look at the whole scenario and again, it's such a complex science. It's not a simple solution nor is it a singular approach to this whole challenge.

And I was wondering if you'd be able to offer me some response on some of these points I'm making.

**Hon. Ms. Crofford:** — I think the best concise answer I can give to that is if the CREDOs (community regional economic development organizations) work closely with the regional colleges, that will give us the link we need to accomplish the work that you've identified.

**Mr. Belanger:** — Thank you, Madam Minister. That pretty well wraps up my comment. I just wanted to stress to you today that your department certainly plays a role.

And I want to say as well on behalf of the people of Buffalo Narrows and certainly the west side communities, when the Northlands College was set up in Lac La Ronge, that had a significant disadvantage to the people on the west side. And you can go into every community and talk about how the Westside Community College had some positive impact and benefit to the region and they'll tell you it certainly has had.

When the PC (Progressive Conservative) administration come and amalgamated the Northlands College into one, they done another disservice to the people of northern Saskatchewan — not only put this province deep in debt, but they also limited a lot of people's potential. So in northern Saskatchewan, again the damage has been lasting.

(1615)

So as the Minister of Post-Secondary Education, what I would highly recommend to you, Madam Minister, is that you revisit that amalgamation. It did not save the government any money; what it done was it limited our opportunity to access post-secondary, concentrated dollars to accomplish our own objectives to our own Westside Community College.

So I would encourage you, Madam Minister, to really look at this whole thing so that once again the people of Buffalo Narrows don't have a shell of a facility, to have some real programs, real commitment, their own community college apart from Lac La Ronge, and certainly are able to help their own people do their own thing.

And I'm looking forward to your response to try and undo the damage of the Conservative government of the 1980s because that damage has been prevalent. It has been felt for many years and it will continue being felt for years unless you make a plan to stop that.

Subvote (PE01) agreed to.

Subvotes (PE02), (PE05), (PE04), (PE07), (PE03), (PE06) agreed to.

Vote 37 agreed to.

**Hon. Ms. Crofford:** — I just want to thank the members opposite for their excellent questions, and we certainly have got some things we need to follow up on here. And I'd like to thank the officials for coming today, and just let them know that the opposition has offered to take you out for a lobster supper.

**Mr. Toth:** — Thank you, Mr. Chair. On behalf of the official opposition, to thank the minister and her officials for the timely answers, responses that were offered in the debate on Post-Secondary Education. Thank you.

**Mr. Belanger:** — Thank you. I would also like to thank the staff and the minister for taking their time.

And certainly, Madam Minister, we were looking and listening to what your plans are in reference to the Westside Community College concept we spoke about. And again, thank you very much.

## General Revenue Fund Finance Vote 18

**The Deputy Chair:** — I invite the Minister of Finance to reintroduce his officials.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. With me today is Mr. Bill Jones, immediately to my left — he's the deputy minister of Finance; and to his left is Terry Paton, who is the Provincial Comptroller. Behind me immediately is Glen Veikle, who is the director of intergovernmental affairs and . . . taxation and intergovernmental affairs I should say, in the Department of Finance. And to his right is Jim Marshall, who's the executive director of economic and fiscal policy.

Behind Mr. Jones is Mr. Len Rog, who's the assistant deputy minister of the revenue division; and to his left, behind Mr. Paton, is Bill Hoover, who is the director of the financial services branch in the administration division.

### Subvote (FI01)

**Mr. Gantefer:** — Thank you very much, Mr. Chair of committees. Welcome again, Minister and officials. There were a fair number of points we've already covered in previous discussions under the review of the Finance department's estimates. There's a couple of issues that I'd like to touch on today.

Minister, can you tell me what is the revenue generated for each 1-percentage point of provincial sales tax?

**Hon. Mr. Cline:** — Mr. Chair, the answer would be approximately \$105 million.

**Mr. Gantefer:** — Minister, a year or so ago you reduced the provincial sales tax by 2 percentage points. Can you tell me what the reduction of income to the provincial budget was in effect after the reduction of 2 percentage points?

**Hon. Mr. Cline:** — In 1996-97, Mr. Chair, to the member, the revenue from sales tax was \$810 million, approximately. In 1997-98 it's forecast, and the *Public Accounts* of course will come out at the end of August, beginning of September, to be about \$707 million. So that would be a difference of about \$103 million.

**Mr. Gantefer:** — So the two points of drop in the provincial sales tax rate resulted in about the equivalent of 1 percentage point of decreased revenue. Would that be a fair generalization?

**Hon. Mr. Cline:** — I would answer the question this way. That certainly when the two . . . I don't think that is a fair generalization, Mr. Chair. But not to be argumentative, I would agree with the member, if this is where the member is going, that the 2 per cent reduction in sales tax undoubtedly has an effect on the stimulation of economic activity. There's no question about that.

I don't believe that the fact that the value of 1 percentage goes up is only attributable to the fact that the sales tax comes down. And I'd explain that this way. When the sales tax was increased

in the early '90s to 8 per cent and then 9 per cent, we also saw at that time coincidentally, economic activity increasing. In other words economic activity may increase whether the sales tax goes up or down.

That has been the history of Saskatchewan since 1991 in the sense that our retail sales in Saskatchewan since the early '90s have been very high in growth each year, including years when we increased the sales tax.

So I don't know if this assists the member, Mr. Chair, but I would agree with the member to this extent, that the increased revenue will partially be due to the fact that the sales tax has been cut, but I believe it is also due to the fact that the economy generally performed very well in '96-97, and hopefully will continue to do so.

**Mr. Gantefer:** — Thank you, Mr. Minister. Can you tell me what the total provincial taxable income would be on our income tax returns . . . each of us have a certain box; I don't know what it is — 105 or whatever — where it's taxable income. What I'm asking is what's the sum total of that for all people that file tax in Saskatchewan?

**Hon. Mr. Cline:** — Individual income in Saskatchewan, which would be taxable, would be approximately \$16.1 billion per year.

**Mr. Gantefer:** — Thank you, Minister. Minister, you've undoubtedly seen, and I don't want to use a prop, but in the *Star-Phoenix* for example on May 30 of this year it says, "Commodity prices fizzle." And there's an article on the various changes in economic outlook made I believe by the Toronto Dominion Bank where it says that commodity prices have dropped to a five-year low, there's an economic slowdown predicted, wheat prices are low, mining prospects have diminished, and retail spending has begun to stall. And while it says, I believe it quotes someone from your department saying there's mild anxiety stage, not worry stage.

(1630)

Minister, I wonder what mechanism you use to, you know, track all these different things. Oil prices are down from the seventeen and a quarter, and as time ticks on, you know, it gets increasingly difficult for the average price that you used from the forecast to recover. Do you do an ongoing review process of all of these various factors that have some impact, maybe major, on the provincial economy?

**Hon. Mr. Cline:** — Madam Chair, to the member, yes indeed there are people that work in the Department of Finance who spend a great deal of their time simply tracking these things both on the expenditure side and the revenue side because they're concerned about what may be happening in the budget.

The member is quite correct, that oil prices since the budget was delivered, I believe have been an average of about fifteen and a quarter, which is \$2 off the yearly estimate of seventeen and a quarter, but better than the thirteen sixty-eight or whatever it was on March 19, budget day. So they do seem to be going in the right direction. But in any event, to answer the member's question, yes we certainly track that on a daily basis.

And to anticipate where the member may be going, the department also does a review, a forecast of where prices may be going up, where they may be going down relative to what was estimated in the budget. And I think it's fair to say that while some things like the oil prices will be down, or could be down, other things will be up this year perhaps. And the Department of Finance continues to feel that we will meet our revenue target notwithstanding the problems on the oil side that may occur, and some other problems.

And I might say to the member also that I took the opportunity to put this same kind of question to the investment dealers association when they were here. And I said, well you know, we've made these projections but we're worried slightly about the oil situation and also the farm side. And they said, well yes, but your economy is quite diversified now as well so that you may do poorly in some areas but do better in others, and certainly you have more strengths than you used to.

And I noticed that Moody's Investors Service which is going to review our credit, made the same comment in response to some reporters' questions, that yes, you may lose a bit on the oil and the farm side, but your economy is more diversified. So they also felt, or seemed to indicate that they felt we could meet our projections.

The advice I received from the officials in the Department of Finance, who I might say have a pretty good track record the last number of years in being pretty close on these things, is that they feel that we can meet our revenue projections for this fiscal year. Some things will be down, other things will be up.

**Mr. Gantefer:** — Thank you, Minister. Minister, when these things occur . . . And hypothetically looking at, say, at the end of the year the price of oil is off a dollar a barrel, and I appreciate other commodities might be up. Where I'm going on this is, is how does this impact on the equalization formula?

Last year I believe you predicted 300-odd million dollars — or this year — coming in from equalization. If we lose a dollar on revenue from the oil and gas sector, for example, does the equalization formula pick up some of that so that we end up with . . . What I'm trying to ask is, the question I'm getting at is how does the equalization formula figure in with the changes in commodity prices across the piece to cushion the impact of a dollar loss or a two dollar loss?

**Hon. Mr. Cline:** — Generally speaking, when the oil revenues go down below that which we projected, equalization would largely pick that up and we would receive more money on the equalization formula.

I should say, as the member probably knows, Madam Chair, that the equalization formula is a very complicated formula. And it also is sort of a rolling, not average, but that kind of thing. And some of the money that you might be entitled to, you would not receive in the same fiscal year. You might receive that in a subsequent fiscal year. And so that would occur as well.

Having said that, I do believe while we are cushioned significantly with respect to oil prices by the equalization program, equalization will also be affected by areas where we

do better than we had anticipated. So that if sales tax revenue goes up more than we thought, then that will pull equalization down. But certainly equalization will assist us if our projections or estimates with respect to oil revenue turn out not to be correct.

I would like to add, just for certainty, that our preference would be not to rely upon equalization certainly. Our preference would be for the price is up and we have more activity here.

I might add in that regard the activity this year while down from '97, I believe is exceeding '95 and '96 if my memory serves me correctly, because 1997 was such an extraordinary year.

So even though the price is down and there's some downturn relative to last year in the oil patch, the year to date I believe may actually be up to standard for some of the years prior to 1997.

**Mr. Gantefer:** — Thank you, Minister. Another area I'm sure that you're aware of is at least causing mild anxiety at this stage is the whole agricultural area in terms of many areas of the province are experiencing pretty severe drought conditions this spring. We've had a good area of the province that has experienced frost, and the farmers' input costs have continued to at least rise somewhat while the commodity prices, as I've indicated in that article, are diminishing.

That has had an impact or will have an impact on the farms, the farm corporations, the farms themselves, taxable income as the margin or the profit if you like, is squeezed. But it also seems to have an impact on the farmers' buying patterns.

So for example in my neck of the woods, Bourgault Industries has initiated a fairly major stopping of production for three or four months. I understand that most of the implement manufacturers are doing the same things with some lay-offs. That kind of thing — how does that impact into your projections of meeting revenue, because I would think potentially it has a very great potential of diminishing it fairly significantly.

**Hon. Mr. Cline:** — Well as I said, Mr. Chair, to the member earlier, there are some negatives such as the member has referred to but there also are some positives. And I would answer the question in general terms this way. When I put this same question myself to some of the experts who look at the economy and what may happen in it, like the investment dealers, you know, you say, well what about the farm sector and the oil side? They say, well yes, those things may be down a bit, but your economy is more diversified, and looking at the whole economy, you will still have real economic growth somewhere, you know, around 2.7 per cent I think they're saying, which is consistent with what we projected in the budget.

So in other words, yes, in the farm implement sector, if there's fewer jobs there this year than last, then your revenues are going to be down from last year in terms of income tax from those workers and so on. But on the other hand, if you have some growth in other sectors, then your revenue may be higher than anticipated and we have seen higher than anticipated growth, I think, in some sectors.

So we're still, like the investment dealers and others, anticipating that we'll have real economic growth this year. And I think every commentator, whether the Royal Bank or the investment dealers, the economists around say much the same thing. So that is our hope and we continue to believe that we will meet the revenue target that we set and that we will have economic growth in the economy about the same as what was projected in the budget.

**Mr. Gantefer:** — Thank you, Minister. Minister, another area . . . I guess before I finish in that area, do you have contingency plans in your budget? Do you have the ability to respond to the unforeseen? For example, if there is a major downturn in the agricultural economy because of a drought or things of that nature, how do you adjust or how do you respond to unforeseen, significant changes in the provincial economy in order to assist those sectors that maybe aren't doing as well as you've admitted?

**Hon. Mr. Cline:** — Mr. Chair, to the member, yes. I should say that notwithstanding things that may happen in the economy throughout the year, we expect that people will adhere to the budget. In other words, that the government departments and agencies, boards that are funded by government will spend the amount of money that is allocated to them by the legislature.

Now we know that sometimes extraordinary things happen and extra money has to be spent. But in general terms we would say to them first of all that if you have some problem that arises and you have to spend more money doing something than you anticipated, you should try to arrange your affairs within your department so that you try to find that money from another area and live within your budget. So that's the first and foremost expectation.

Now I agree with the member, Mr. Chair, that isn't always possible because things can happen, and we've seen them before. You can have too many forest fires, although I think the Department of Environment by the way is doing a very good job in terms of how they fight fires now. They're doing it much more effectively. And you can have, you know, spotty crop conditions or drought in some areas. We hope that that doesn't happen, but it could happen.

The member asks, well do we do contingency planning. Well certainly we don't announce any contingency plans until events actually transpire that would make that mandatory. But in the event that things become very difficult, the province always has a reserve which is, as the member will know, the liquor and gaming fund. And if there were difficult circumstances in any given year I suppose that fund is drawn upon, and that would be one area where the province would look to draw on its reserves, which is really what that kind of fund is for.

**Mr. Gantefer:** — Thank you, Minister, and I think you also addressed another concern I was going to raise about the forest fires. And I expect that if the season stays particularly dry and volatile, then the process you've outlined is how it would be used.

Minister, do you have a department or section of your department that . . . I don't know what the right word is — the blue sky, the dreamers, the what-if scenario people that sit there

and use different economic maps or formulas or spreadsheets — that say what would be the expected impact on the economy if we took this kind of an action, if you reduced the provincial sales tax by two points, if you raise the income tax, or you remove the high income surcharge or, you know, that kinds of things that are the what-if scenarios that give you the kinds of choices that you may use in order to determine what's the best direction for your department to go.

Is there any of that forward-thinking, you know, what-if scenarios that go on, and is someone specifically responsible for that?

(1645)

**Hon. Mr. Cline:** — Mr. Chair, certainly that should be the job of many people in the Department of Finance to consider the implications of various policies and alternatives. But I would refer the member to, in the *Estimates*, page 61 under budget analysis, there is money allotted to the budget analysis division which develops and analyses revenue expense and economic policies to assist the Treasury Board and cabinet in developing and implementing the government's fiscal plan.

**Mr. Gantefer:** — Thank you, Minister. Does that department or sub-group, do they also review what's happening in the rest of Canada and the rest of North American and the common market in the Commonwealth? I think particularly New Zealand, Australia, some of the changed methodologies of approaching the fiscal challenges throughout the world that governments are using. Does it include that kind of outward-looking searching for workable solutions that can be applied to Saskatchewan's situation?

**Hon. Mr. Cline:** — Yes. Certainly they engage in that kind of outward-looking approach.

**Mr. Gantefer:** — Thank you very much, Mr. Minister, and I would like to thank your officials for participating in this. That concludes our questions in your department. Thank you.

**Mr. Hillson:** — Yes, Mr. Chairman, and Mr. Minister. Welcome to your officials this afternoon. Does your department continue to be of the view that the provincial budget is on target for a balanced budget this year?

**Hon. Mr. Cline:** — Yes, we certainly do.

**Mr. Hillson:** — So the reduction in resource prices that have been reported have not caused your department to think that there is a need for revision to the forecasts that were published with the provincial budget earlier?

**Hon. Mr. Cline:** — As I said earlier, Mr. Chair, to the member, we anticipate that some sources of revenue may not be what we thought they would be. They may be lower but we anticipate that others may be higher. And certainly we are supported in our view by some objective organizations like the Investment Dealers of Canada and Moody's, both of which say that because we've had diversification in our economy, our economy is stronger than it once was and we're not totally dependent upon fluctuating commodity prices.

So my answer to the Liberal questioner is the same as my answer to the member from the official opposition, which is that some things are down but other things will be up. We continue to anticipate that we will have economic growth in the range of about 2.7 per cent, and we have every confidence that our budget will be on target as indeed has every budget presented by this administration since we assumed office.

**Mr. Hillson:** — Are the lending requirements of SaskTel higher this year than last year? And if so, can you tell me what are the reasons for that?

**Hon. Mr. Cline:** — Mr. Chair, to the member, yes. As indicated on page 68 of the budget booklet, the borrowing requirements of Saskatchewan Telecommunications are up over last year. And according to the budget document, this year they will be about \$99.8 million — almost \$100 million. And I believe that this relates to both increased capital requirements and to refinancing.

**Mr. Hillson:** — Can you give any indication as to what the new capital requirements are as opposed to simply the requirements from bond issues maturing?

**Hon. Mr. Cline:** — Mr. Chair, to the member, yes, as indicated in the *Estimates*, pages 14 and 15, the \$30 million is refinancing and \$69 million or thereabouts would relate to capital requirements.

**Mr. Hillson:** — I understand, Mr. Chairman, that we experienced a 5 per cent increase in retail sales in the province last year. I wonder if the department did any work to try and ascertain to what extent that increase represents expanded economic activity in the province and to what extent it represents the decrease in the provincial sales tax leading to fewer people making purchases outside the province.

**Hon. Mr. Cline:** — The department certainly has considered that matter. And I've had the opportunity to speak to the officials about that and to other people outside the department. And it's very difficult to quantify to what extent the increased retail sales result from the lower sales tax that we have — the 7 per cent versus 9 per cent.

Certainly we think that that is a contributing factor to increased sales. But as I pointed out to the member with the official opposition, sales also increased during times when the sales tax was going up. So we think it's positive.

It's difficult and perhaps impossible to quantify how much of the increased sales result from the lower tax. And we don't have any figures with respect to how many fewer people may be purchasing goods outside the province now versus before.

But I would suggest to the member, Mr. Chair, that probably the biggest factor in that regard may be the low Canadian dollar relative to the American dollar, in that there's much less cross-border shopping into the United States now, I would surmise, than before, because it isn't very economical to go there. That may be a bigger factor in terms of cross-border than the actual change in the sales tax.

**Mr. Hillson:** — Mr. Chairman, is there any attempt to track

cross-border shopping as between provinces? Do we have any idea as to how much money Saskatchewan residents spend in Alberta versus how much money Alberta residents spend here?

**Hon. Mr. Cline:** — We do not keep track of those figures. We don't have the capacity to do that and never have engaged in that.

**Mr. Hillson:** — At one point a former colleague of yours, Mr. Anguish, suggested that one of the problems of cross-border shopping and the lack of retail sales in the western strip of the province especially, could be addressed by greater enforcement of Saskatchewan residents shopping outside the province.

Are you saying that there simply is no attempt to track that or to enforce that?

**Hon. Mr. Cline:** — No, I'm not saying that, Mr. Chair, to the member. There's attempts to enforce the sales tax with respect to larger items where tax evasion may be attempted. And certainly some revenue is recovered by the revenue division of the Department of Finance through enforcement activities.

What I'm saying to the member in response to the previous question was, the member asked whether we had figures as to the amount of money people spend in other provinces and the amount of money people from other provinces spend here. And I'm simply saying we do not have those figures and I don't think we've ever had those figures.

But if it is reported to the Department of Finance or if the Department of Finance conducts an audit and discovers that someone has evaded the provincial sales tax then an attempt is made to collect the sales tax and throughout the year some millions, I think, of dollars are recovered each year through those activities. So an effort is made but undoubtedly, I mean we do live in a free country, we don't look in everybody's trunk or vehicle every time they cross the border so we don't want to get into the kind of constant surveillance of people and I don't think people would accept that. But when it becomes reported or known through an audit that there's tax due and payable, an attempt is made to collect that tax.

**Mr. Hillson:** — Mr. Chairman, I understand one of the areas in which we do monitor out-of-province purchases is house packages. I wonder if you could indicate in what other sorts of areas there is some attempt to monitor out-of-province purchases and for which the sales tax has not been paid.

(1700)

**Hon. Mr. Cline:** — Yes. Ongoing field and desk audits, Mr. Chair, are conducted to ensure that tax is remitted properly by firms with head offices outside Saskatchewan but which carry on business in the province. And this includes retailers, construction firms, and the oil industry, so that for example if a construction firm comes in or an oil rig is going around that is from outside the province, we try to assess tax with respect to that activity. And specifically, if you have equipment that you haven't paid sales tax on because you're an Alberta company for example or Manitoba, a certain assessment would be made. Not the entire amount of the tax but pro-rated with respect to the life of the equipment used in Saskatchewan relative to its

useful life or something like that.

And in 1997 about 550 field and desk audits were completed on non-resident firms and \$11.4 million was assessed.

**Mr. Hillson:** — I understand this past year that SGI (Saskatchewan Government Insurance) was considering no longer carrying snowmobiles because of the poor experience with snowmobiles. They do not have to be registered unless they're being . . . that registration is virtually voluntary and that snowmobiles purchased outside the province were generally not being registered, and the surprising percentage of those that were registered resulted in insurance claims shortly thereafter.

Is that in fact the problem with the licensing of snowmobiles? And if so, where is the Department of Finance at — are we losing a lot of money still over snowmobiles purchased outside the province?

**Hon. Mr. Cline:** — Mr. Chair, to the member: I think the major concern with respect to the snowmobiles and the change that was made by SGI, or is being proposed by SGI, relates to pay-outs on the insurance side — I suppose from the Auto Fund— as distinct from concerns with respect to people purchasing snowmobiles outside the province.

But having said that, certainly where that occurs that is a concern for the Department of Finance and we would want the sales tax to be paid on an out-of-province purchase of a snowmobile, whether it was registered or not.

But in specific answer to the member's question, the changes being proposed by SGI are not driven by the Department of Finance. They relate to insurance costs that have been paid out.

**Mr. Hillson:** — The attempt earlier this year, Mr. Chairman, of the Department of Finance to make art donations to public galleries in the province the subject of the provincial sales tax, I understand that has been suspended. Can you confirm today whether that is still being contemplated or has that been permanently scrubbed?

**Hon. Mr. Cline:** — Well there's been some misunderstanding in that regard in that I can tell the member, Mr. Chair, that the policy that the tax should be collected on donated works of art from outside the province is not something that has been brought in by this government. In fact I believe that has been the policy since 1937.

And I don't want to be partisan with the member because the member knows that I don't like to be political. But the fact of the matter is that in 1937 when this policy came in, the member's party was in power — that was 1937. But we won't hold the member responsible for that because the member wasn't very old in 1937. But in any event, the statute has been in place since 1937. But then I'm told no tax has ever been collected on art donations by non-residents.

But to get specifically to the member's specific question, is this going to be the policy? No it is not going to be the policy. I wrote the gallery in North Battleford, the Allen Sapp Gallery — which I might add I've had the pleasure of visiting, and it is certainly not only a wonderful building, but full of wonderful

art in the city of North Battleford — and advised them and the other art galleries that that certainly is not the policy and we don't intend to levy any such tax, nor has it been levied since 1937.

Although I do understand that in answer to some inquiry, there was advice sent out that that was the policy of the government since 1937. But I have made it very clear that we don't intend to levy any such tax.

**Mr. Hillson:** — Mr. Chairman, will the minister advise if there are at present negotiations being conducted with first nations' governments regarding the issue of provincial sales tax and whether there's any possibility of an amicable resolution to the issue of provincial sales tax.

**Hon. Mr. Cline:** — Well I think, Mr. Chair, to the member, there's every possibility of an amicable resolution. What form that resolution would take, I'm not able to advise the member because of course there is a process of negotiation going on right now that involves the first nations people, the federal government, and the provincial government.

We call it a fiscal table and the intent of that table is to try to discuss and hopefully resolve issues of mutual concern including not only matters of taxation but matters of responsibility for first nations people, the role the federal government should play in terms of funding band organizations, first nations' governments, and so on.

So as the member can appreciate, those discussions will continue. And the member asks the question, is there a possibility of an amicable resolution? That is not only a possibility but that is our hope. So we hope that at some point, but this isn't today or next week, but perhaps in the next few years, we will achieve a resolution of these issues.

But I want to take the opportunity, while I'm on my feet, just very briefly to say that there is a lot of misunderstanding, I might add not on that member's part because that member from North Battleford I happen to know from personal discussions is very familiar with these issues, as are some of his colleagues. I know the member from Athabasca has written a very good letter in some of the media, dealing with this issue.

But I want to say this, that we have people that will go around saying that "Indians don't pay taxes." And I like to point out to people, and I know the member does too, and I think it's good to point this out to ourselves and to anyone watching today, that we have in Saskatchewan three groups of aboriginal people. We have the treaty Indians, the non-status Indians, and the Metis people.

The non-status Indians and the Metis people pay every tax just like anybody else does. And people will often say that Indians don't pay taxes; it's really not true. The treaty Indians pay just about every tax, but sometimes they get a break on sales tax, sometimes they don't pay income tax if they worked on reserve for a reserve organization. And it is very, very rare that an Indian person actually doesn't pay taxes. In the vast majority of cases they pay all of the taxes.

I was at a meeting of one of the uranium companies and they

were explaining how many Northerners and natives they're employing in the uranium mines in the North. And the woman making the presentation made the point, and I remarked to her afterwards that this could be stated more often, that they had many first nations people that worked in their mines. And then she said, and contrary to popular belief, every one of them pays income tax. Of course a treaty . . . these are treaty Indians she was talking about. A treaty Indian person working in a uranium mine or anywhere else off reserve pays income tax to the province and the federal government the same as everybody else.

So I'm going far afield from what the member asked, but I know the member probably doesn't mind, in the sense that we've got to start having a factual debate about this issue, so that we can have a reasoned and reasonable debate in our society as we try to resolve the issue and other issues that exist around Indian taxation.

**Mr. Hillson:** — Mr. Chairman, I thank the Minister of Finance for that explanation and I certainly realize that negotiations can not all be made public and there is some delicacy in them. But I do want to raise one specific issue surrounding negotiations and that is, that as you know, some people are proposing that first nations people be, quote, "forced to pay the sales tax off reserve but that all on-reserve purchases would be tax-exempt."

And it strikes me that because of the establishment of urban reserves, that it would in fact be very damaging to our communities to have that sort of agreement. And I'm wondering whether part of the framework of an agreement would be a universal application of taxation even if . . . say the taxes collected on reserve would then in turn be remitted back to the appropriate first nations' government, or if the government is in fact contemplating what is being suggested by others, that this province would have a patchwork whereby tax would be applied in some communities and not in others, or some parts of our communities and not in others.

**Hon. Mr. Cline:** — Well, I would say, Mr. Chair, in answer to the question, that I think that we all have to proceed very carefully so as not to create false economies or to set up competitive . . . to put some people at a competitive disadvantage if I can put it that way.

And what will be the outcome of negotiations remains to be seen. And we don't have any specific solution in mind. We approach the table with an open mind and we want to discuss the issue. Certainly we feel that we have to arrive at a solution that is reasonable and seen by all of the people of the province to be reasonable as well. And I suspect that that solution is not necessarily a simple one, that there are some complications and implications involved, and we have to look at those very carefully, proceed in good faith, but certainly with a view to arriving at a fair resolution of these concerns.

And I have every confidence that if various parties approach the matter in good faith, that in due course we will have a reasonable solution to outstanding issues related to not only taxation but financing of first nations' activities in our province.

**Mr. Hillson:** — Mr. Minister, I believe the MLA for Athabasca would like to ask some questions in this area.

**Mr. Belanger:** — Thank you, Mr. Minister. Again welcome to your officials and we hope that the answers that we get here are not politically driven but certainly factual in nature, and looking forward to your responses on some of these matters.

On the issue of Indian taxation of course I take a special interest, and I certainly appreciated your comments on the difference of the aboriginal people in general, that there's non-status, that there's Metis, and that there's first nations or treaty people that make up the mosaic of the aboriginal people in the province. And just out of curiosity, of course, the party you referred to of course is the party to my far right in terms of the silly notion and political games they play when they say Indians do not pay tax. They should pay tax. And of course right away you put the people that we're dealing with in a defensive mode. And that certainly doesn't do anybody any justice, especially the people of Saskatchewan.

So I really in essence support and endorse the position that you're taking that we have to sit down and we have to talk these things through. We have to provide factual information. And we certainly have to present a fair picture to the people of Saskatchewan.

And as a counterbalance to the whole argument we're talking about, if in the event that you say okay if that's the way you want to go, have you got any basic assumption as to what you could collect if you did charge the status Indians' tax on all non-reserve purchases? And how many years would that take if we enforce that collection to eliminate the \$15 billion deficit that the Tories left this province in?

(1715)

**Hon. Mr. Cline:** — Well I wish to say, Mr. Chair, to the member, that in my remarks earlier with respect to the reality of Indian taxation, the fact that most Indians pay most taxes, I certainly did not wish to be heard to say that there are only some people or one political party where people hold this view. I think there are a number of people in our province that hold this view and I wouldn't say that any one political party or any one group necessarily subscribe to this view. I don't see it as a partisan issue in that sense and nor would I want to be seen to be critical of any particular political party in that sense.

I'm not able to give the member an answer to the question of how much money might be involved if treaty Indians began to pay PST (provincial sales tax) on purchases off reserve. It's very difficult to answer that question because there might be a situation where the purchases would be moved to reserve over which the province has no jurisdiction. So there might not be any net gain in that event or certainly the amount of a gain would be difficult to assess.

I would also point out that we have had a long-standing arrangement with treaty Indians whereby treaty Indians pay fuel tax and tobacco tax for purchases that they make on reserve which is not the case in other provinces. And they remit that money to the provincial government so that we are being paid by treaty Indians taxes that in other provinces are not collected from them and at the same time they're not paying the PST off reserve.

So it's a matter that has several sides to it. We shouldn't over-emphasize it in the sense that we're not dealing with the majority of taxes not being paid by first nations people. I don't think the situation is as simple as some would say it is. What we've got to do is realize I think that in the long run we're all members of the same community. We're all part of the same province. We've got to cooperate with each other, proceed in a reasonable fashion.

And certainly it's my hope that as we sit down with the federal government and the Indian bands to discuss these matters, that we will be guided by good faith and an attempt to resolve any of these matters in a reasonable fashion, in a fashion that would be seen by all the people of our province to be reasonable as well.

**Mr. Belanger:** — Thank you, Mr. Minister. I think the key point that you're trying to stress here is that we have to certainly give this whole process fairness. We have to give this process some thought, and above all else we have to make sure that the process we speak about when we talk about this whole matter is that it be responsible. And I certainly agree with you that we don't bring the political scenario in there because that puts everybody in a defensive mood.

But certainly the big question that we have as a province is that of course everyone has to contribute. I think that's a general feeling and everybody has contributed. So in saying that and certainly alleviating some of that stress and responding to your comments, I also want to advise you that there may be a few students watching this particular part of the Assembly proceedings. Of course as you're aware, we have this channel back in Buffalo Narrows, La Loche, and Ile-a-la-Crosse, and a number of people have taken an interest in this. And just out of curiosity sake, Mr. Minister, what are the five top expenditures of the province?

And secondly, is interest being paid one of those high priorities? And how much in interest do we pay per day on our provincial debt? And where does this provincial debt come from?

**Hon. Mr. Cline:** — Mr. Chair, in answer to the question, the top expenditures of government . . . first of all, number one is health care. Health care we spent \$1.72 billion higher than we've spent before and it's about 38 per cent of everything we spend. So that's very high.

The next highest is — if you combine post-secondary education and K to 12 education — we spend approximately \$1 billion. So that's the second highest is Education. And then the third highest would be servicing the public debt, \$725 million per year which is about . . . almost exactly \$2 million a day, that's interest on the accumulated debt of the government.

And that, I'm happy to report, has been going down. Last year we spent 756 million and I believe at one time it was \$860 million — just interest on the debt — \$2 million a day today. Going down because we've been paying the debt down. So that's the third highest expenditure.

The next highest expenditure of government would I believe be Social Services, which is \$540 million. And lest anyone thinks



that Social Services only means social assistance, it does not. Social Services encompasses more than just paying social assistance costs, although those costs form a big percentage of what Social Services would pay out.

The fifth highest expenditure of government would be Highways and Transportation. And this year we will be spending \$218 million, which is an increase over last year, which last year was an increase over the year before.

So the big expenditures would be Health, Education, interest on the debt, followed by Social Services, followed by Highways.

**Mr. Belanger:** — Would you be able to explain the top five sources of income that the provincial government has at their advantage?

**Hon. Mr. Cline:** — Yes. Well, I'd refer the member to page 66 of the budget address. I appreciate the fact that the member is concerned that the public watching this on TV have the information too, and I agree with the member that that is valuable.

Looking at this — the largest source of revenue for the province is individual income tax, that is about \$1.26 billion per year, followed by sales tax which is \$768 million. Those would be the top two.

The non-renewable resources — oil and such — bring in about \$611 million, which includes 367.5 from oil, anticipated. We'll see what happens there, given the price.

The fuel tax brings in \$375 million, and transfers from the Government of Canada will bring in approximately \$835 million.

So those would be the five largest sources of revenue, although there are many other sources of revenue that I haven't mentioned. But those would be the largest ones.

**Mr. Belanger:** — So, in essence, if we look at the scenario of what you pay on your debt — which is \$2 million per day, roughly 700-and-some million dollars per year — plus the fact that on your provincial sales tax you really have, in essence, you have the same amount coming in through the provincial sales tax.

So in a scenario in a perfect world — not saying it's perfect — but you could ultimately say today that if you did not have this huge debt hanging over your head, that you could actually operate this government without a provincial sales tax revenue base coming in. Is that a correct assessment to make?

**Hon. Mr. Cline:** — Yes that would be generally correct.

**Mr. Belanger:** — So in essence the \$2 million per day is primarily because of the debt that was accumulated, which a huge portion of that came in during the 1980s. And in Saskatchewan we could in essence be PST free, had it not been for that huge debt hanging over our head.

And that's the point I'm trying to make today, is that as a province we certainly want to participate in the economy and

have as many people come to the province and the creation of many jobs as you possibly could have. And you look at our neighbouring province of Alberta, where they seem to be booming, the economy is moving, and who knows how much longer it will take to reduce their debt, so that's generally a threat to our well-being as a province. But primarily the debt is something that's hanging over our head and at the rate that we're going, Mr. Minister, how many more years do we have to look at this debt? Given the scenario that we have today with the low interest rates and relatively . . . take into account the commodity prices in terms of their up-and-down swings, what year would you suspect the province on this current track to be out of debt?

**Hon. Mr. Cline:** — Well I certainly agree with the member, Mr. Chair, that debt is a serious issue and the interest charges are a serious issue.

In terms of paying off the debt, that's a difficult question in the sense that whatever period of time we're talking about is more than the term of any one government or even a couple of terms. It's probably, you know, somewhere in the realm of 15, 20, 25 years, in that kind of range. But so many things can happen in that time period, depending on how the economy performs, the variety of changes that can occur in the world, that it's very difficult to be more specific than that.

But I also would say that, although the level of debt that we have in Saskatchewan is too high, the level of our public debt, there is some level of debt that is quite appropriate. I'm not able to say exactly what that would be, but it's, I think, sort of like running a household. We all think it's reasonable to have a home and have a mortgage on our home that we can pay off over time. And similarly it's okay for the government and the Crown corporations to have some level of debt and perhaps we'll never be debt free, perhaps we'll get our debt down to a reasonable level.

But certainly we all know that our debt at this point is too high, so we need to still reduce it somewhat. But it would take quite a long period of time to pay it off entirely. Perhaps to get to a more reasonable level of debt would take a shorter period of time than the period I've talked about. But we'll be talking about well into the next century certainly.

**Mr. Belanger:** — Thank you, Mr. Minister. And I guess the final point I want to make — and you can keep it a simple yes or no — Alberta has a significant advantage over us being PST free. There's no provincial sales tax and that has all kinds of extreme positive benefits for that particular community, the business community, and the working class. Everything seems to work when you have this provincial sales tax being eliminated.

And I guess my point — again, a simple answer yes or no — that if we did not have this debt, we could in essence afford to be PST free in Saskatchewan. Thereby giving our long-term health as a province a greater chance of success and certainly being on an even basis with Alberta in terms of competing for a good show of the western economy, so to speak.

**Hon. Mr. Cline:** — Well looking at the sales tax issue alone, the answer would be yes. If you didn't have a debt and you

didn't have interest charges, you could afford to eliminate the sales tax.

**Mr. Hillson:** — Mr. Chairman, last year we were experiencing some positive improvements in the employment situation and the number of persons working in this province. We seem to have stalled now. And I understand we're moving at a significantly slower level than both of our adjoining provinces.

I wonder if the Minister could explain for us what the reasons behind this are? And what prospects he expects in the next several months?

**Hon. Mr. Cline:** — Well in answer to questions earlier, I indicated that not only I and the government but others — the banks, the economists, the investment dealers, and Moody's financial house — believe that there will be economic growth in the range of 2.7 per cent this year in Saskatchewan.

So, notwithstanding any negative aspects of our economy, the positive aspects of our economy mean that more people will be employed in the sense that when you have economic growth, generally speaking you will have some increased employment.

(1730)

I can tell the member, Mr. Chair, that according to officials in the Department of Finance, in the first four months of 1998, Saskatchewan created 13,450 net new jobs — that's probably compared to the period in the previous year — mainly full-time employment. In fact part-time employment decreased. So that's good news.

Youth employment was up 3,725 in the first four months of 1998 compared to 1997. Retail trade was up 5.8 per cent in the first three months of '98 compared to '97. Wholesale trade was up 21 per cent in the first two months. Housing starts jumped 48 per cent in the first three months. And the population increased 2,743 people, January '98 compared to January '97.

So in the first four months, actually when we look at what happened, what we have statistics for, a lot of the indicators were very positive. And you know we're all hoping that it will rain that we won't have any more frost that things will go okay in terms of commodity prices. And the fact is that we still anticipate, and most people agree with us, that we will have economic growth. Things are actually going fairly well in Saskatchewan.

And so all I can do is repeat what I said earlier, that we expect there to be economic growth. We expect to meet the projections we set in the budget.

**Mr. Hillson:** — But can the minister explain though why we are doing significantly poorer even than Manitoba on employment growth and of course only a small fraction of the figures we see coming out of Alberta? Presumably the oil downturn has hit Alberta worse than us and yet our increased employment in this province is I think a quarter or a fifth the figures from Alberta and say . . . and less than Manitoba.

Can the minister explain why we have not been able to keep pace with our sister provinces?

**Hon. Mr. Cline:** — Well, Mr. Chair, I would point out to the member that in May of 1998 the number of people employed rose to 485.4 thousand people, so more people than have ever been working before in the history of our province. Now that was an increase of some 17,000 people working over the previous month so the job growth has continued. Certainly there are more people employed in May of '98 than were employed in April of '98, and more people employed in May of '98 than were employed in May of '97. The figures aren't necessarily as dramatic as the '97 figures over '96, but my point is the trend line continues to be that more people are employed.

With respect to Manitoba, I know that in 1997 Manitoba's job growth I don't believe was what we had in Saskatchewan. So looking at longer periods of time and looking at the trends, Saskatchewan has been doing relatively well in terms of job creation. And as I said there are more people working in the province of Saskatchewan today than ever before in our history. Our economy continues to create jobs and we want to simply continue to go in that direction.

**Mr. Hillson:** — Mr. Chairman, we seem to be doing as good a job at educating our young people as any province in Canada, but what we are not doing is retaining our educated young people. And this has led, apparently, to us having the lowest retention of university graduates of any province in Canada.

Now this might be understandable to compare ourselves to Vancouver or Toronto, but when you compare ourselves to Manitoba or the Maritimes, it seems more difficult to understand why the low retention rate. And I wonder if the minister could comment on that.

**Hon. Mr. Cline:** — Yes, historically that has certainly been the case in Saskatchewan. But I would like to point out that there are some positive indicators suggesting that there is some change occurring in our economy. Specifically, for three years running, Saskatchewan has created more jobs for young people — that is, people between the ages of 15 and 24, described as youth — than any other province. We're rated as the best place for opportunities for youth to obtain work.

The youth unemployment rate, which is still too high at, is I believe, about nine and a half per cent. I think three years ago it was about 15 per cent. And we have reduced the youth unemployment rate quite significantly. So when you look at the number of jobs being created for youth, the figures are good; the number of youth unemployed, the figures is better than they've been.

Saskatchewan, relative to other provinces in the last three year — the independent forecasters say that we are doing the best job for young people. And in 1997, I'm happy to report, more youth moved into Saskatchewan than moved out, I'm advised. It's the first time that's happened in a long time.

So we could do a lot better as a province, not only the government but the business community, all of us, to create opportunities for young people. But the good news is we're doing a better job creating opportunities for young people than we've done in a very long time in Saskatchewan.

**Mr. Hillson:** — Thank you to the minister and his officials.

Subvote (FI01) agreed to.

Subvotes (FI02), (FI04), (FI03), (FI06), (FI05), (FI07), (FI08), (FI09) agreed to.

**Supplementary Estimates 1997-98**  
**General Revenue Fund**  
**Budgetary Expense**  
**Finance**  
**Vote 18**

Subvote (FI09) agreed to.

**General Revenue Fund**  
**Debt Redemption, Sinking Fund and Interest Payments**  
**Votes 175, 176, 177**

Votes 175, 176, 177 — Statutory.

**General Revenue Fund**  
**Finance**  
**Servicing the Public Debt**  
**Government Share**  
**Vote 12**

Subvote (FD01) — Statutory.

Vote 18 agreed to.

**Hon. Mr. Cline:** — Yes, thank you, Mr. Chair. I'd just like to thank the official opposition and the members of the third party for their cooperation and their participation in this discussion.

And I'd like to thank the officials from the Department of Finance for all the hard work they do, not just today but each and every day.

And they do a very good job. And I think we all appreciate the work they do and thank them as well as the other members of the legislature.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I'd like to thank the minister and his officials for coming in today and for the previous days that they were in, for answering our questions. Thank you.

**Mr. Belanger:** — Thank you, and, Mr. Minister, your staff, again thanks for sharing the information. I'm sure the information and the exercise we've done this evening will be a benefit to some of the students watching. I know they may have a thousand other questions, but we certainly have access to you, so we'll pass them on to you. And thanks once again.

**The Chair:** — There are two statutory votes that we just have to read into the record too and we'd like to do it while you're here.

**General Revenue Fund**  
**Lending and Investing Activities**  
**Saskatchewan Telecommunications**  
**Vote 153**

Vote 153 — Statutory.

**General Revenue Fund**  
**Lending and Investing Activities**  
**SaskEnergy Incorporated**  
**Vote 150**

Vote 150 — Statutory.

**General Revenue Fund**  
**Environment and Resource Management**  
**Vote 26**

**The Chair:** — Before we start I would ask the minister to introduce his officials, please.

**Hon. Mr. Scott:** — Thank you, Mr. Speaker. I have with me, Deputy Minister Stuart Kramer. On this side, Dave Phillips, assistant deputy minister of operations. Behind me, Shelly Vandermeij, executive director of corporate services; Dennis Sherratt, director of fish and wildlife; and Dave Tulloch, corporate development unit.

**Subvote (ER01)**

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I would like to agree but we have to ask you some questions first. And whether we agree or not will, I guess, depend on the answers.

Mr. Minister, I'd like to thank you and your officials for coming in again this evening. I know that we've had this opportunity to discuss some of the issues once or twice. The minister says four times. Well I know that some of those times were extremely short.

So, Mr. Minister, I'd like to start off with one of the things we hadn't dealt with previously and that was forest fire fighting. I believe you're budgeting somewhere in the neighbourhood of \$28 million for forest fire fighting so it's obviously a major expenditure in your department. It has a very grave economic impact to this province when there are forest fires.

If you look in 1993, where one fire burned over half a million acres, that covers a lot of territory, Mr. Minister. It means a lot of economic losses for . . . directly for the timber that's lost but also for the future for those areas, for the tourism, for the hunting, for the trapping — all those side services that one doesn't necessarily think of initially when you talk about forest fires.

So, Mr. Minister, I wonder if you could describe for us exactly how your forest fire fighting operations operate. What are the procedures? What happens when you receive a call that there's a fire?

**Hon. Mr. Scott:** — Thank you, Mr. Speaker. Certainly forest fires, at this time of the year, are gaining a lot of attention not only here in Saskatchewan but in neighbouring provinces as well. We've had about 414 fires to date, which is almost four times the normal amount for this time of the year.

You indicated that our budget is around \$28 million for forest fires. That is based on the long-term average. Last year, for an example, I think we spent about \$22 million but we're already approaching our budget figure at this time of the year, and of

course we can use the extreme case of 1995 when we spent over \$90 million.

We have changed the way that we attack fires in recent years. We've focused on initial attack which does take more upfront investment but in the long run it does save time and money and forest. And by getting at the fires quickly, we are able to put them out quickly. For an example, we only have three fires burning out of control as of today out of 1,414 fires.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. When you talk about initial attack, how do you do that? Do you have people riding around in airplanes looking for fires? Are you using spotters on the ground, in towers? Exactly how do you find the fire initially to do the spotting? Are you using lightening strike detectors? What's the mechanism? Then when you've found a fire what's the procedure to go in to fight it?

**Hon. Mr. Scott:** — Mr. Speaker, we have a very sophisticated way of tracking lightening strikes which is a cause of most fires; and we're able to pinpoint them with accuracy through use of computers. And we can keep our equipment — mostly helicopters and bombers, water-bombers — ready to go. They're loaded and ready to go at the first call.

**Mr. D'Autremont:** — Well do you have people in the helicopters on patrol? Do you have fire-fighting crews in those helicopters? Or what happens? Are they located at some base relatively close or spread across the province, the northern half of the province? How do you do that?

(1745)

**Hon. Mr. Scott:** — We have bases scattered across throughout the north. And we have people manned at these bases 24 hours a day so that no matter what time the call comes in we are ready to dispatch equipment and manpower. And this is a great improvement over the way we used to deal with forest fires.

**Mr. D'Autremont:** — So you don't actually have people in the air roaming around looking for fires, you wait for a lightening strike detector to indicate that there is a potential problem?

**Hon. Mr. Scott:** — We do have some patrols in the area. If perhaps . . . if it's a very dry area we also still have some towers which are manned as well to locate the fires.

**Mr. D'Autremont:** — When there's an indication of a lightening strike on your equipment, do you send a crew out to that spot? Do you send a spotter plane out to that spot? How do you detect whether or not there's actually a fire on the ground after there's an indication of a lightening strike?

**Hon. Mr. Scott:** — We do have fixed-wing aircraft available all the time to check out lightening strikes. But if it's in an extremely dry area — which it has been this spring, in the north-west in particular — we dispatch loaded patrols, which is helicopters and a crew and the water bombers, as quickly as we can.

**Mr. D'Autremont:** — So every lightning strike then results in a fire, does it?

**Hon. Mr. Scott:** — Every lightning strike, Mr. Chairman, does not necessarily result in a fire. But again if conditions are very dry, we're in the area, we follow up on them all. If it's a wet season, of course the fires are not as prevalent. We check for smoke following such storms. But if it's a dry lightning storm and a dry year, we're sure that there will be fires following.

**Mr. D'Autremont:** — Well, Mr. Minister, it would seem to me that there is technology out there available that would perhaps assist you beyond the lightning strike indicators. Certainly that's a worthwhile project. But you can detect heat sources on the ground using infrared equipment and other surveillance techniques.

Why not use that kind of technology before you send the men in onto the ground to indicate whether or not there is actually a problem there? You simply fly one of your spotter planes over with this equipment to detect whether or not there is a heat source. That would save you the necessity of sending men and your bomber equipment to a location where there may not be a fire, therefore keeping them available to the locations where there actually is a need for them.

Are you using infrared detectors at all in the North to look for fires after you've had an indication of a lightening strike?

**Hon. Mr. Scott:** — Mr. Chairman, we do use infrared equipment to go out and check an area after a storm has gone through. And the technology in this is very well, but on a hot day we do get false alarms and such like. But we do use infrared equipment to try and detect if there is something smouldering down on the ground level in the forest.

**Mr. D'Autremont:** — Well, it would seem to me, Mr. Minister, that the appropriate time to use an infrared detector would be at night when those kind of heat sources would give a greater indication compared to the surrounding terrain which would have cooled off a bit under normal circumstances. Do you use the infrared equipment at night?

**Hon. Mr. Scott:** — Mr. Chairman, we appreciate the member's observations, but because of the remoteness of the area and no traffic control, air traffic control, it would be simply just too dangerous to be out at night, on a dark night especially, with the use of helicopters. But we do get out at first light and certainly cool weather results in the infrared equipment working better but we do use it, we get good results; it helps us to get at the fire quickly.

**Mr. D'Autremont:** — Well, Mr. Minister, it would seem that you're not going to be doing this flying around O'Hare airport when you're looking for forest fires in the north. I'm not sure that concern over . . . a great deal of concern over air traffic control situations is appropriate. If you have one aircraft up looking for your hot spots with an infrared detector, I think it would be very little likelihood of any problems with conflicting aircraft unless you're sending out a whole herd of them to run in a line to do a sweep. But surely you don't need that many. I don't know how good this equipment works, but from 1,000, 1,500 feet you should be able to make a fairly significant sweep, cover a large amount of territory. And simply using satellite guidance, GPS (global positioning systems) you could make a good track and determine all the problems.

**Hon. Mr. Scott:** — Mr. Chairman, this time of the year it's light up north by 3:30, 4 in the morning. We are able to get out at that hour and go until 11 at night using natural light. And we have no problem in keeping up with checking out areas with the infrared, so probably we simply don't need to fly those few hours of darkness up there, and for safety reason, we prefer not to.

**Mr. D'Autremont:** — What kind of aircraft do you use for these kind of patrols, for both the fire spotting, for the infrared, and what other kinds of surveillance you're doing?

**Hon. Mr. Scott:** — Mr. Chairman, for the loaded patrols we use the larger Bell helicopter to get people and equipment into a site. For the scanning with infrared surveillance we use smaller helicopters and also some fixed wing. And for the infrared we use smaller helicopters.

**Mr. D'Autremont:** — Thank you, Mr. Minister. What is the cost of operating a helicopter versus a fixed-wing aircraft?

**Hon. Mr. Scott:** — The fixed-wing aircraft fee is about \$200 an hour; smaller helicopter is about \$600 an hour; and you get the larger helicopters — the Sikorsky's which are loaded and can carry a lot of equipment and people — you could be up to \$2,000 an hour.

**Mr. D'Autremont:** — Well, when you're using the infrared equipment to do spotting with, wouldn't it be more economical to use the fixed-wing aircraft? Some of these aircraft can fly at relatively slow speeds. I'm not sure what speed you're flying your helicopters at, probably 100 miles an hour or thereabouts. Fixed-wing aircraft can do that also, and wouldn't it be certainly more economical? They can in general get to the site quicker. You can spend as much or more time on site using a fixed-wing aircraft and while you may have to do some more manoeuvring to pinpoint the location, you could spend a third . . . three times as much time on the site and still end up with the same dollar cost.

**Hon. Mr. Scott:** — Our fire patrols choose to use the smaller helicopters, Mr. Chairman, because they are more efficient to get around, to make short turns, stop, and in fact drop markers down to assist the ground crew in locating the fire. So just through experience and costs, our people believe that the smaller helicopter is more efficient and more equally cost efficient as well.

**Mr. D'Autremont:** — Well, Mr. Minister, if it comes to putting down markers, surely if a large water bomber can drop their load within a hundred feet of initial point of attack, with a smaller aircraft they should be equally accurate if not more so because you're flying at a lower speed.

I think the idea — just because of markers that you're using the helicopters — would be an inappropriate excuse for that particular area. There are other types of aircraft? What kind of aircraft are you specifically using? Are you using 185's, Cessna 206's? What are the kinds of aircraft that you're actually using up there for a fixed-wing?

**Hon. Mr. Scott:** — For the fixed-wing aircraft we basically use what's available. It's quite often a Cessna 185 or 310.

(1800)

**Mr. D'Autremont:** — Thank you, Mr. Minister. I used to be a pilot. I wouldn't want to say I am any more. But there are other kinds of aircraft available that give you better sight pictures than what the Cessnas do even though they are a high-winged aircraft. You have limited visibility over the nose . . . if you have bubble windows in them, reasonable downward side vision. But there are other types of aircraft available that actually have bubble noses in the front that allow you to get a very good visibility of what's in front of you, what you're flying over, as well as the sides. Have you been using any of those types of aircraft?

**Hon. Mr. Scott:** — Well we have used aircrafts described as you have suggested there, but basically we're up North, we contract who we can, and we will use what we can and what's available. And we're not certainly set in just using Cessnas for an example.

**Mr. D'Autremont:** — Well if you've used the other aircraft — I'm not even sure what kind they are, I don't remember just what the names were in the magazines that I saw. But, if you have used them, what were they and what was their cost in relationship to the other — both helicopters and fixed-wing? And what was their efficiency in light of both helicopters and other fixed-wing?

**Hon. Mr. Scott:** — Again, Mr. Chairman, one of the makes of the planes the member describes is a Partonavia. We used to use one of them and for whatever reason we don't use it any more, probably just simply not available. But again going back to the small helicopters — quite often these fires are just smouldering and we have to hover over a site to exactly pinpoint it through the GPS system because we need to be within a few yards in order to direct the fire crew there, especially if smoke and an obvious fire is not available.

So as I say, our experts chose to use the smaller helicopters rather than the fixed wing in using the infrared to locate a fire.

**Mr. D'Autremont:** — If, I don't remember the name again — Pan something or another — that you had available, you mentioned . . . If those were available, would you be using them?

And secondly, on the helicopters, when you send up the larger ones with the men on board, have you already pinpointed the fire by that time to send them, or are they sort of on a hunt for a fire?

**Hon. Mr. Scott:** — The loaded helicopters will head for an area maybe 100 miles away if smoke has been reported in an area and we know there's obviously a fire. But the loaded helicopter would not go out after a lightning strike and with no signs of a fire. We'd send a surveillance crew out first.

**Mr. D'Autremont:** — Okay, thank you. You mentioned that your fire fighting takes place from dawn until dusk. It would seem to me that if you've been fighting a fire for half a day or longer, and you're starting to get it hopefully under control in that time, why would you stop at night? That would simply allow the fire to regenerate itself at night. With the cooler

temperatures it would be easier to fight the fire. If you have a higher humidity, which would keep the fire suppressed somewhat, would that not be the time to carry on and continue fighting that fire, to get it under control quicker?

**Hon. Mr. Scott:** — Mr. Chairman, the member is certainly correct. The ground crews, the caterpillars, the ground crews, continue to work through the night in order to bring fires under control. It's just for the safety that the water bombers and some of the aircraft is not used. With the combination of smoke and clouds, it's simply not safe.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. I was under the impression that the ground crews weren't fighting at night either, so I'm glad you corrected me on that.

When the ground crews are out there fighting and you're using . . . not so much the water bombers, is what I'm thinking, but the helicopters, do you re-supply the ground crews with water using the helicopters?

**Hon. Mr. Scott:** — Yes, if water's not readily available for the ground crew, helicopters will take what we call water bladders — it may be sort of a plastic container with about 400 gallons — we're able to pinpoint these and put them down for the ground crew to use.

**Mr. D'Autremont:** — So the ground crew then has to travel back and forth from wherever the fire was at to wherever this bladder may be situated. Is this bladder situated within hundred yards, 200 yards of the fire, or is it back a mile or five miles — what's the situation?

**Hon. Mr. Scott:** — Again if a natural supply of water is not available, these bladders are put as close to the fire as possible, pinpointed in consultation with the ground crew where would be the best place, the handiest place, to set this pad down.

**Mr. D'Autremont:** — So in a situation of rough terrain, it may be some distance away from the fire to find a level location to put it down. The reason I'm asking is because it was in a movie sometime I saw where the helicopters were actually dumping the water into the fire-fighting equipment from the air. Do you use those kind of facilities at all, or is it available?

**Hon. Mr. Scott:** — I think, Mr. Chairman, the member saw this in a movie, and it's only done in the movies.

**Mr. D'Autremont:** — Well, Mr. Minister, if your helicopters are so good they can drop a marker within a few yards of the fire, surely they could dump a couple hundred gallons of water in the back of a vehicle of some kind that you're using to haul fire-fighting equipment around with. You may have to have filters on the top of it or something to screen out any debris that may have been in the water on the pick-up, but it would seem to me that would get your water there where it's needed as quick as possible.

**Hon. Mr. Scott:** — Well, Mr. Chairman, our helicopters certainly can take buckets and dump the water on the fire, and as I say, we find these bladders to be more efficient; we're able to pinpoint them where we want them to go, and we don't risk drowning somebody on the ground so to speak with a big

bucket of water.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. I'm sure if they are busy fighting a fire they wouldn't mind getting a little water on them once in a while; it would probably be somewhat refreshing.

Mr. Minister, when you're setting up your programs to fight fires, who do you work in consultation with? Do you work in consultation with the local governments? Do you work in consultation with the local administrators — with the farm community; the fishing camps; the hunting camps; the people who are living in the area? Do you work in a coordinated effort or is it simply the department doing it's own thing up in the North?

**Hon. Mr. Scott:** — Well, Mr. Chairman, that is a good question. And the only reason our fire patrols are as successful as they are is because we work very widely with a wide cross-section of people. We work with the communities, the forest companies, the Indian bands; we work with other government departments when there's a fire in an area or fires in an area. We have Emergency Measures Organization, Department of Health, Highways, Social Services in these communities and it's a community effort, and certainly with the mayors of the villages. We work with everybody that we possibly can in an area.

**Mr. D'Autremont:** — One of the areas that was pointed out to me as a problem — and you can perhaps enlighten me on this — is farmers along the forest fringe pushing brush piles and then burning them. Does that create a fire hazard for you? Does it create a problem? Have there been any fires started in this manner? And do you work with the farm community to control these kind of burns so that they are a controlled burn and that they don't get away and start any forest fires?

**Hon. Mr. Scott:** — Mr. Chairman, the member is amazing with coming up with good questions here today — as usual I might add.

What we do along the forest fringe, especially in the spring and fall when burning might be looked at by adjacent landowners, is we issue permits. And of course, if conditions are very dry, we simply do not issue the permits, or a permit may be issued under certain weather conditions. But we do monitor that and continually in the spring and fall especially.

**Mr. D'Autremont:** — Do your crews ever assist in these kind of burning? Just because you need a piece of paper to throw the match on to the brush pile doesn't necessarily mean it always happens. So, do you work with the farmer so that they can solve their problems while keeping your problems to a minimum?

**Hon. Mr. Scott:** — Well we do look for cooperation with the landowners along the forest fringe, and certainly if somebody ignores a permit we are able to lay charges if a fire is lit and escapes into the forest or onto other property.

**Mr. D'Autremont:** — Well have you had any fire start from the brush piles that have been lit by farmers along the forest fringe?

**Hon. Mr. Scott:** — Yes, spring is the time when burning does occur, and with a dry spring like this a few fires along the forest fringe were lit, with or without permits, and escaped. And as you well know, in your area as well as my area, fires got away whether stubble fires or whatever. It was a very bad spring. And I think most people will take into consideration the dryness of a situation before they do light a match, and again we're looking for cooperation.

**Mr. D'Autremont:** — Well have you issued any summonses this spring or over the last year for people who started fires in such manners without permits?

**Hon. Mr. Scott:** — Mr. Chairman, we're not sure on that answer. We would be glad to get back to the hon. member with the response on that.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. It's sort of like one of your other areas of responsibility — the local garbage dump. In a lot of communities you're not supposed to be doing any burning there but there sure seems to be an awful lot of lightening strikes. And you can drive past almost any town dump and there seems to be some smoke rising from it, or the garbage is freshly burned off because of lightening when there hasn't been rain for a month.

So you know those accidents seem to occur and I think it'd be a lot better to work in cooperation with the people along the forest fringe to deal with their necessities, to protect but still dealing with your needs to protect the forest. And I think, in those areas, some cooperation might help everybody out and particularly when you have your crews already in place, perhaps they simply need to . . . they could use some experience in fighting some of these fires, and simply deal with them in the brush pile if you have new people involved.

**Hon. Mr. Scott:** — I'd like to use this opportunity to commend our forest fire fighters. We've spent about \$28 million this year on 400-and-some fires, Alberta has spent \$62 million on 500-and-some fires — so we're quite impressed with the job our people are doing.

**Mr. D'Autremont:** — Thank you, Mr. Minister. You say you have your aircrafts spotted at various locations across the north when it comes to fire-fighting. Are these at central locations? Do you have strips that you use outside of those central locations? I know that in previous years — going back 10 years, 20 years, 30 years — there were a number of strips put in along the north to use for fire-fighting. Are those still maintained and used or are you simply using a few central locations?

(1815)

**Hon. Mr. Scott:** — Mr. Chairman, the strips the member refers to are still in use and, of course, with an example this year the north-west is a hot spot whereas the north-east is not so bad. We've focused most of our crews in there and we've positioned our crews wherever there is an air strip and a community that we can work out of. So we do move around, depending upon where the pressures are.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Have you used any of the agricultural spray planes — some of the larger

air tractors and those kind — that could carry water that aren't used normally in the spring for agricultural spraying? This is the time of the year they start to get real busy. Have you used any of those in the past to fill your needs that you've had with fighting the forest fires in the north in the early part of the season?

**Hon. Mr. Scott:** — Mr. Chairman, we have found that the volume of material that can be transported by the agricultural spray planes for an example does not offer much service to us. We may use DC-6 planes as water bombers which have a much better capacity than the smaller planes from the agriculture area of the province.

**Mr. D'Autremont:** — Thank you, Mr. Minister. How much water would a helicopter be able to deliver on site if you were using it to supply water?

**Hon. Mr. Scott:** — The helicopters we use can deliver about 150 gallons of water.

**Mr. D'Autremont:** — Well, some of the larger agricultural sprayers could deliver a lot more than that. Now they can't sit it down right in one spot obviously, but some of the large air tractor units could deliver probably up to 500 gallons in a load. I don't know how practical they would be? That's why I'm asking. But have you looked at those and given some consideration to using some of the large spray equipment that is available in southern Saskatchewan early in the season to fight forest fires in the north?

**Hon. Mr. Scott:** — Mr. Chairman, we find greater efficiencies with the DC-6 planes that can carry 1,200 gallons of water in one trip. And we just simply have not got into contracting farmers' spray planes, for an example, to help us with the fires.

**Mr. D'Autremont:** — Thank you, Mr. Minister. That's my questions on forest fire fighting, although perhaps I should ask one more. What is your estimate going to be this year for the cost? You say you've already spent approximately what you budgeted, \$28 million. We're a month, to a month and a half into the season. We have a long time to go yet. What is your projected cost for fighting forest fires this year?

**Hon. Mr. Scott:** — Mr. Chairman, as I indicated, we are away above average, almost four times the number of fires than a normal year, and we are approaching our \$28 million budget. If it turns wet, we could be close to budget. If it stays dry, we could be over. So we have really no idea of predicting where we'll end up.

**Mr. D'Autremont:** — Well thank you, Mr. Minister, although I can't say that was a very comforting answer.

It's been dry. The forecasts that I've seen do not project us to get a whole bunch more rain — storms basically. So I think it might be safe to work on the assumption the weather we have is the weather we're going to have. And so perhaps you better start talking to your colleague a couple of . . . well normally who would sit a seat and a half behind you there, and dig into his wallet and come up with some more money for you, because I think you're going to need it.

Mr. Minister, one of the other areas you deal with is parks and tourism. I wonder if you could give us some indication of what your priorities are this year for parks; what your projections are for tourist visits; and how the tourist visits compare from out-of-province visitors to in-province visitor . . . what you're projecting for this year and how that compares to last year?

**Hon. Mr. Scott:** — Well, Mr. Chairman, the member is correct in identifying parks as being a very important part of people's lives here in Saskatchewan. Last year we had about 2.2 million visitors to our parks. This year the May long weekend showed an 84 per cent increase in the visitors to our parks, largely because of the weather.

Our parks are very important and a year ago we increased the funding for capital structure replacement by \$1.7 million, and this is for roads, essential buildings, waterworks, and a number of these projects are underway this year.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I wonder if you can give me some indication of a breakdown of in-province and out-of-province visitors to our park system. And while you're on your feet, and since you know my area fairly well, I wonder if you can give us some indication whether you're actually going to ever do anything with the Christopher trail running through Kenosee . . . Moose Mountain Provincial Park.

**Hon. Mr. Scott:** — Well, Mr. Chairman, about 80 per cent of our park visitors are from in province and especially along the Alberta border — Meadow Lake, Cypress Hills — we do get a lot of visitors from Alberta. But of course we get visitors from all over the world to our parks.

And, as the member indicated, there's a number of trails and facilities that have gone . . . sort of been allowed to deteriorate, and that's what we are trying to do is fix, first of all the most essential services — the water, sewage, roads, buildings, power — and by all means we want to certainly look at the other recreational facilities as well, and we will do that as money becomes available.

**Mr. D'Autremont:** — Well those are the issues for the summertime, but how about some of the winter trails — the ski-doo trails and the ski trails — that take place in the parks throughout the wintertime. Are you carrying on with providing winter trails, ski-doo trails, in the parks or is that something that's being dropped by the wayside?

**Hon. Mr. Scott:** — Because our winters are usually so long, winter recreation is very important. We are committed to maintaining our winter activities — snowmobiling, cross-country skiing — and we work with the local snowmobile clubs. On a provincial basis we work with the Saskatchewan Snowmobile Association in maintaining longer trails which go beyond the parks.

**Mr. D'Autremont:** — Are you continuing to provide grooming for those trails and providing those trails, both ski-doo and for skiers?

**Hon. Mr. Scott:** — Well we have winter activity such as snowmobiling and cross-country skiing; we do groom the trails. Again the type of winter would dictate whether the trails are

groomed satisfactorily or not, but we do certainly pay attention to this and do the best we can.

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. I'd like to move on to another area, since you also deal with wildlife mitigation projects and some of the government lands in that way, dealing with elk breeders and some of the exotic animals such as . . .

I know that your department is having some discussion with the farmers in the Alameda area, I believe, dealing with the mitigation lands around the Alameda dam. Mr. Minister, they have a concern there that the wildlife officials want to reduce the access of cattle to those lands. And fact is the proposal is to allow . . . I believe it is 10 animals per quarter section once every three years. They have a great deal of concern with that, Mr. Minister.

They believe that that will: (a) restrict the number of animals that they can carry over from year to year. Two, that those lands that are left for that two-year period with no grazing will simply become a fire hazard, and that on the third year when the grazing does become . . . the land becomes accessible to grazing, that the grasses there will not be of the kind that the animals particularly want and so therefore won't be good grazing.

Is there some way that this type of policy can be mitigated to allow perhaps better access — to restricting smaller parcels to that kind of a policy — rather than the entire watershed that Environment has access to in their dealings with the mitigation lands at the Alameda dam?

**Hon. Mr. Scott:** — Mr. Chairman, as the member well knows, 10, 12 years ago when this project was being brought in, part of the licensing agreement would be that X number of acres of land would be purchased and planted for wildlife values and set aside for wildlife. And what we are doing is certainly working with the community and using grazing as a management tool. And we certainly don't want to move too quickly.

At the same time we appreciate the concerns that the landowners had — probably the same ones that used to own this land at one time. So we're prepared to work with the landowners and community.

**Mr. D'Autremont:** — Mr. Minister, are you prepared to meet with the landowners from that area? They have met with the Minister of Agriculture on this very issue. Are you prepared to meet with them to discuss some possible arrangements?

They have a number of issues that . . . changes they want to see made to increase the, not even necessary to increase the numbers of cattle allowed on a quarter section at a time, but to allow access more often rather than once every three years. That, you know, some portion be set aside so that grazing could still carry on on other portions of the quarter section, and those types of scenarios. They have an . . . I don't remember what it is 15, 20 different items that they would like to discuss. Would you be prepared to meet with them at some point to try and ease some of their concerns?

One of the items that was of concern to them — there is



approximately 20 or 25 landowners that are involved in this and they're going to be restricted down to six landowners having access to these parcels of land.

**Hon. Mr. Scott:** — Mr. Chairman, our door is always open. We'd be happy to meet with the representatives from this group of landowners. If you want to have them call my office, we'd be glad to set up a meeting.

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. One of the other agricultural issues that involves your department is the elk breeders. And there is some tension between your department, the elk breeders, and agriculture. The elk breeders want their animals classified as domesticated animals, falling under agriculture, whereas your department seems to want to retain them under your classifications as wildlife. They have some concerns and how that's going to impact with their industry?

It's obviously a growing industry; it's a high-dollar industry. More and more people are getting involved in the elk programs. In fact it's just not elk, but the elk breeders are the ones that are expressing their concerns right now because bison are also involved. They would like to be regulated under the Agriculture department as domesticated animals. What is the reason that your department wishes to retain that type of administrative control?

**Hon. Mr. Scott:** — Mr. Chairman, I certainly concur with the hon. member that the game-farming industry is expanding very rapidly. The number of animals on game farms is increasing by about 20 per cent a year, which is a phenomenal growth for any industry. Elk, deer, and other native wildlife species in the province, there can be conflicts. And because of this, sir, my department will remain involved, and I would like to let the hon. member know that we've had a very good rapport with the executive of the Saskatchewan Elk Breeders Association. We've come up with a new policy. And certainly what the elk rancher does with the animal on his ranch is under the purview of the Department of Agriculture, but when there's conflicts between escaped animals or wild intruders up against a game farm fence, we will be involved.

And also the export-import protocol, we will be involved, as is virtually every other jurisdiction in North America. The Department of Natural Resources monitors the import-export, and of course that is because of the ever-present threat of disease coming into the province and this would be devastating to not only the wildlife, but to the game farming industry as well.

(1830)

**Mr. D'Autremont:** — Thank you, Mr. Minister. We certainly want to carry on with a healthy industry in this province, but we don't want to unduly restrict it so that it doesn't have the opportunity to grow. I wonder if you can give me some sort of indication as to how many wild elk there are in this province and compare that to the number of domesticated elk that are in enclosures operated by farmers?

**Hon. Mr. Scott:** — Our best estimate is we have about 12,000 elk in the wild. And this spring there was around 14 to 15,000

elk on game farms, and with the offspring we could be up to 18,000 elk on game farms by this fall.

**An Hon. Member:** — Haven't heard of too many hunters finding them.

**Mr. D'Autremont:** — Yes. As my colleague said, maybe your estimates on the wild elk are a little high. Nobody seems to be able to capture any in the fall. It seems that the farmers are doing a better job than the wild animals are at reproducing and maintaining the economy of this province in the matter.

I have some disagreement though with you when you use the term game farm. In my mind it conjures up a farm in which somebody goes hunting. And I know that a number of people have expressed concerns about that, not in the way that you're using it to describe elk farms, but have some concerns about the idea of being able to go to a farm and shoot an animal. So perhaps some other type of terminology would better describe the farms that raise domesticated elk or fallow deer or bison or some other types of things that we normally think of as being wild animals but are actually in enclosures and being farmed and raised in a production-type manner.

Mr. Minister, one of the other areas that you're also involved in is recycling. And we've seen a number of initiatives in that area — finally paying money for Tetra-Paks, which you had collected money on for a considerable period of time but had not provided any return on those deposits. You're also now charging for oil, you're charging for filters, you're charging for tires.

I wonder if you could give me some indication of . . . where are the recycling depots for oil, for filters, and for tires? Nobody seems to know where they are or how you get a hold of them. Quite a few people, both in industry and agriculture, are saving their oil, are keeping the things that they have to pay these deposits on, and yet they have no idea where they return them to or what happens to them. They're just simply piling up on their farms and in their businesses.

**Hon. Mr. Scott:** — Mr. Chairman, I would like to clarify the hon. member's opening statement. We are not charging consumers for oil, filters, tires, and what have you. It is the industry that is doing that. And we appreciate the industry taking the responsibility to get this recycling up and running.

And what we have is, with tires, the groups like the automobiles association, Canadian Tire, and others are actively collecting this \$3.50 a tire and are processing tires. We processed hundreds of thousands of tires already and we haven't got to the stockpiles, but we will be getting there.

With the oil, the program came into effect last fall and the industry has only two depots set up, at Outlook and Weyburn so far. But they are actively setting up more depots and we are discussing with them the idea of collection trucks going around to farms and collecting the used oil and filters, which will be very handy to farmers.

**Mr. D'Autremont:** — Well it would be nice if they were coming around doing that, but I don't know of any that are actually doing that. And I'm sure if they show up at my

doorstep they're going to want me to pay something for that. When I've already paid once for that issue, now I'm going to have to pay again to dispose of it.

It seems to me, Mr. Minister, you're saying that industry is doing this. Well I see the heavy hand of government behind it also, pushing — that either you do this or we're going to make you do it, and here's the rules under which you're going to do it if we do it. So while you may say that industry is taking the lead role in this, I think they're doing so with the carrot-and-stick approach, with a very small carrot and a very large stick — that either you will do this or we will regulate it and you will be forced to do it.

Because, Mr. Minister, I had a phone call from one of my communities here earlier this spring where the person was complaining that his competitor in town wasn't charging the \$5 fee for tires — he was charging it, but his competitor was not. So he said either this changes or I'm not going to be able to afford to do it either.

So you're collecting the fees, and yet when I visit or drive past the dumps in my constituency, there's tires there and lots of them. So the consumer is being taxed \$5 on this tire, or 3.50, whatever it is. There's no disposal of it. It simply goes to the dump. So where does the money go? And who gets the tires? And where do they go?

**Hon. Mr. Scott:** — Mr. Chairman, with respect to the Saskatchewan Scrap Tire Corporation, this is a group of industries that have got together to recycle tires. When you pay that \$3.50, that is to cover for that tire to be recycled.

As I said we haven't got enough money in the coffers yet — or at least the corporation hasn't — to deal with the backlog of tires, but we will be. And as far as being critical of recycling, I'd like to remind the hon. member that we have 20 million litres of used oil which is disposed of improperly.

And as the member may know, when property changes hands, often an environmental audit is being conducted before a lending institution will loan money. And I think that everybody wants to get these products out of the way. Many communities have banned the disposal of tires in their dumps.

And we are making good progress. And through cooperation — I realize we're just getting started up — but hopefully within a matter of a few months or a year or so, we will have much better success rate and quicker responses to the people who pay these levies.

**Mr. D'Autremont:** — Well, Mr. Minister, far from being critical of the actual recycling, I'm being critical of your department for charging the fees and not doing the recycling.

You've been collecting the tax money off of it, but you haven't been providing the corresponding service. Because obviously the tires are still lying at the town dumps and around the province. The oil is still sitting out in businesses and farmers. It's not being recycled.

We're being charged for it — but it's not happening. And your department obviously did not have the programs up in place and

running when you started to collect the fees. That's what I'm being critical of, Mr. Minister.

When are we going to be able to recycle those tires? When are we going to be able to recycle that oil? When are we going to be able to recycle those filters? The Tetra-Pak, the deposits on that have been in place for just about five years. Only this year — and they're not even being recycled yet — they're being collected, but I'm not even sure they're being recycled yet. So when is the program going to be available for the tires, for the oil, and for the filters?

**Hon. Mr. Scott:** — Mr. Chairman, as I said earlier, we do not see a penny of this fee on the used filters, oil, tires. It is industry driven. We believe in free enterprise, that the businesses will look after the disposing of their waste products. And as I said, it's got some growing pains but we are making progress and we ask people who have a supply of oil on their farm or whatever to be patient. We want to get to it as quick as we can. In areas like Lloydminster, Canora, Humboldt, there are trucks going around picking up used oil from farmers.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. You mentioned that when land is sold or transferred that it's starting to . . . you need an environmental audit on the situation. And that's certainly the case, because banks are not prepared to lend money now without an environmental audit. But what happens when you can't get a clean bill of health? Who is responsible? Is it the landowner that is responsible to make the determinations? If that landowner doesn't clean the land up, does your department step in and say, here is an environmental concern; you will clean it up. What happens in those situations?

**Hon. Mr. Scott:** — Well the member has come up with another very good issue in who is responsible for cleaning up a piece of property. Is it the current owner? Is it the former owner when that pollution occurred? Is it the local community, who received benefits from, say, a service station with a leaking underground fuel tank? Is it government? And that is something we are grappling with, environmental liability. And it's a big issue and every case is different. And sometimes it's quite simple. If you can pinpoint the polluter, the polluter pays. But when the polluter is gone, it's a much different story and we are working with industry stakeholders to try and come up with a solution as to how we can best deal with these issues which leaves an innocent victim, the current owner, holding the bag.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. But when you know of a situation, do you order it to be cleaned up or do you just let that situation sit there and exist until somebody goes to the bank and wants to transfer title of it?

**Hon. Mr. Scott:** — Mr. Chairman, where there is a clear indication of who the polluter is and the damage is obvious, we can order — and have done so — to have the polluter clean up the site.

**Mr. D'Autremont:** — Well, Mr. Minister, the reason I ask is because I know of a particular case that occurred at Carlyle. There was an order to do a clean-up; partial clean-up was done. Now the land . . . the owner wants to transfer the land. The Environment Department won't give it a clean bill of health, but neither will they issue an order demanding that it be cleaned up.

So in some of these situations, obviously the orders don't happen because this particular landowner is — I would suspect is — an exception, because he wants an order to clean it up. Because he in turn will pass that bill on to the previous owners, but he can't do that until he gets an order to do a clean-up.

So what we need in this particular case — and I'll pass the file over to you — is an order to clean up a site where it was a spill from a leaking fuel tank. And so this is one of those areas where an order is needed. Now I suspect most people who have underground fuel tanks that leak don't want orders; but this particular person does. So I will pass that file on to you, Mr. Minister.

**Hon. Mr. Scott:** — We would be pleased to receive the file.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Go back to the wildlife now. I'm not sure if you're aware of it, but last winter there was some concerns in the area north of Moose Mountain Provincial Park with wolves that were causing havoc with some of the domestic animals in the area. There were a number of beef cattle that were killed. There was some horses that were killed, and I know of at least one domestic elk that was killed.

Mr. Minister, what's the policy on wolves in southern Saskatchewan when they're harassing livestock? Can you shoot them? If so . . . or dispose of them? If so, at what times of the year and under what manner?

**Hon. Mr. Scott:** — Mr. Chairman, the incident the member refers to is a case of four timber wolves ranging far out of their range down to the Moose Mountain Park area. Two of the wolves that we know of were shot, and certainly any landowner can shoot a predator that is harassing or chasing or killing its livestock.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. One of the concerns that were expressed to me was that it's very difficult to actually catch the animal in the act. So is it acceptable to dispose of the animals that are in the neighbourhood that are suspected of causing these problems or do you have to catch the animal in the act? And I ask this not just with wolves, but also with coyotes which are becoming a problem. I had a phone call last week where coyotes dragged down a colt and had eaten the hindquarters out of it and the colt was still alive.

(1845)

**Hon. Mr. Scott:** — The member refers to the control of coyotes. Again, if you're losing chickens and you see a coyote in the yard, you don't have to see the coyote with a chicken; you can shoot the coyote or trap it. So common sense is to be used.

**Mr. D'Autremont:** — Well what if most of these people are operating their livestock operations not just in their yards but in their pastures and over their land. Are they entitled to also dispose of coyotes in a manner on their property even though it may not be within their yard site?

**Hon. Mr. Scott:** — Well, yes, you can control predators on your land but to go on to other people's property it's a different

story. To hunt or trap on other people's property you need to get permission.

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. Outfitters are also under your purview and your responsibility. There is a number of concerns, and we met a couple of weeks ago with an outfitting group that had some concerns.

How many outfitters are there in the province that are operating with licences or certificates, or whatever it is that they receive? And what's the best estimate of outfitters that are operating in the province without the official sanction of the government?

**Hon. Mr. Scott:** — We have about 540 outfitters in the province. This includes both hunting and fishing outfitters. And if somebody suspects somebody is doing illegal outfitting we ask them to give us a call.

**Mr. D'Autremont:** — Well I've been told about areas and people that complaints have been laid against, but you've got to catch them red-handed. And the department doesn't have a lot of personnel to go into these kinds of investigations, therefore it seems to be of limited success in actually trying to pursue these types of operations.

One of the areas though that might be . . . that the department could work on, would be in the issuance of recreational permits in the North, where you're allowed to have a cabin on a particular lake and to operate out of those areas. This seems to be sort of an area where people have an opportunity to perhaps stretch the rules a little bit there and rather than just simply the individual and the immediate family — it all of a sudden becomes all of the aunts and uncles and neighbours and friends and anybody you went to school with 50 years ago that can use these facilities.

What does the department do to check up on these, that they're actually operating within their permits, and what do you do when you find they're not operating within those permits?

**Hon. Mr. Scott:** — Well, as the member knows, the law is only as good as the people respect it. With reference to two things: the illegal outfitting, we have carried out undercover investigations and laid charges. With reference to the recreational outfitting, or lease, and money is changing hands, we rely on people letting us know if there's a problem. We will investigate, and we may not be able to solve everything, but we certainly will try to.

**Mr. D'Autremont:** — What are the restrictions placed on a recreational lease? Who can use it? Can any number of people utilize those facilities or are they restricted in some manner?

**Hon. Mr. Scott:** — For recreational use, Mr. Chairman, discretion is used. Basically your guests, your family, your friends, can use the recreational lease but there shall be no money changing hands for profit.

**Mr. D'Autremont:** — Well that's pretty hard to regulate, if you can allow anyone in on that lease. That transfer of any funds, if that's what's happening, could occur 500 miles away and not anywhere near Saskatchewan or near that location, so it would be very difficult to track that.

Has there been any consideration given to limiting the number of people who can access these recreational leases? Not the lease itself, but rather the number of people that can access the wildlife resource out of those locations during any particular year.

**Hon. Mr. Scott:** — Well again common sense is required here. The individual has a recreational lease for his personal use and to invite family, friends to come and share the natural values of the area. Obviously if it is overused there is going to be impacts, but these people require licences for hunting and fishing like everyone else. And again we rely on people to use good judgement. Rather than bringing in 500 people, we may suggest 15 to visit a remote area in the North, for an example.

**Mr. D'Autremont:** — But if you have no method of control or tracking, or there are no regulations in place, I've heard of situations where an outfitter is on a particular location and may be allowed to have five people in or ten people in a season. Whereas a recreational leaseholder on the same area can have two dozen people in there during the season, be that hunting or fishing — depending on what the circumstances are. If there is no control on it, then your regulations are currently not being observed, and it doesn't seem that the department is doing a whole lot to try and deal with the situation.

**Hon. Mr. Scott:** — If overuse of a recreational lease is causing impacts on fish, for an example, we can change to catch-and-release policy. But I guess it's similar to you renting a hotel room, and you might invite two or three people to come and visit you, or you may invite a hundred. I mean, there's some common sense required, and obviously as the number of people is impacting the site, there's a problem, whether it's a hotel room or a site as you're referring to.

**Mr. D'Autremont:** — Well Mr. Minister, if I had a hundred people in my hotel room, the manager would soon step in, and we'd all be gone that day. He wouldn't wait to the end of the season to say; well no, you've been a naughty boy, you shouldn't have had that many people in your hotel room.

So Mr. Minister, that's the problem. That kind of on-site management is not taking place. And because you don't have the number of officers out there to actually do that, I don't expect them to visit every recreational site every day. But if you had some regulations in place to deal with the number of people that were allowed to utilize the site, the amount of game that was to be taken out through that particular location, be it fish or big game or birds as the case may be, I think some of those kind of things would mitigate some of the problems that we may very well be facing. Have you given any considerations to those kinds of regulations?

**Hon. Mr. Scott:** — Mr. Chairman, like the hotel manager, if we get a complaint, we investigate it.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Again, still with outfitters but on a different venue. You're talking about changing the structures for outfitting — that you'd go into partnerships with the outfitters though the SOA (Saskatchewan Outfitters Association) to do some certification . . . professional body sort of in place. When that happens, Mr. Minister, if it does happen, who would be setting the fees that would be

charged to a licensed outfitter?

**Hon. Mr. Scott:** — The province would be setting the fees in consultation with the outfitters.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Would the entire amount of those fees be remitted to the province or would the administration be taken out by the SOA or the organization that would be dealing with the certification?

**Hon. Mr. Scott:** — Mr. Chairman, we are just in the process of working with the outfitters to come up with policies, fees, and ways that we can better operate the outfitting industry. Our goal is to consult with all of the outfitters, not just the SOA, and we will certainly do that.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Hopefully you will do that because obviously the SOA does not represent the majority of outfitters.

If this proposal does go forward, who would be enforcing the bylaws that would affect the certification of outfitters and what kind of penalties would be in place to deal with those? Would the penalty simply be the withdrawal of the certificate, therefore the outfitter would no longer be entitled to carry out an outfitting operation?

**Hon. Mr. Scott:** — Mr. Chairman, we have not got to that stage yet. It's certainly one of the obvious issues we need to deal with, and we will be working with the outfitters, the government departments, and other stakeholders to see how we best develop this policy.

**Mr. D'Autremont:** — Thank you, Mr. Minister. One of the concerns I would have with this policy would be that you would end up with a limited number of outfitting permits or licenses. Sort of end up in a situation like marketing boards with milk. Where — while it's not legal to sell the permit — with marketing boards and milk you can't sell your quota, but you sell the cow for an exaggerated price which reflects the actual market value of the quota. And I have a concern that this move may head down that road in that direction.

And I think it would be important to make sure that that doesn't happen, that there not be a limit to the number of outfitters that have legally licensed operations in this province. Because there is a number — and I don't know what that number would be — of illegal operations in this province. So we have room for expansion of the legal outfitting operations in this province.

So if a limit was to be placed on there at some time, because people being people, they're going to want to maximize their returns. And by limiting the number of outfitting operations, or the legal outfitting operations, increase the value of that asset. So I think it's important that we not get into that area of quotas, that there be a fixed number of licences. Rather it simply has to be if you can make your operation work within the requirements — and I understand that we have blocks that you set aside for people to outfit out of — within that requirement, that there should be no limits on the number of licences that are available.

**Hon. Mr. Scott:** — We appreciate your comments and it's

something that we're well aware of and we'll be working with the industry on.

**Mr. D'Autremont:** — Thank you, Mr. Minister. One of the other areas that you're somewhat involved with, and I'm not sure just to what extent, are the drainage situations. I'm thinking particularly of the Langenburg area where over the last number of years there's been some concerns of draining some of the wetlands in that area on farmers' lands and sloughs and that, and draining it into the Assiniboine River and on into Manitoba so we run into a conflict of interprovincial jurisdictions there. What is the status of those proposals and does your department deal with them?

**Hon. Mr. Scott:** — The member has raised another, yet another, very important issue and that's the whole issue of drainage of wetlands. And with Langenburg east, the province of Manitoba has raised the flag as well as some citizens and there is a basin-wide study going on there to see how we best might manage water, which is often a very scarce and precious resource.

**Mr. D'Autremont:** — Well, thank you, Mr. Minister. It seems whenever anybody's talking about water, Manitoba always raises a flag until they run a little bit short and they want a whole bunch. That's what happened on the Rafferty-Alameda projects, with the Garrison Diversion, with the proposals of Darling Lake in North Dakota. It seemed that Manitoba had concerns until all of a sudden they were short on water and they wanted North Dakota to open the taps up.

So what is the situation along the Assiniboine River with the drainage from the Langenburg area? There is some drainage already taking place. It's been indicated to me that some of it's not legal drainage but that those people don't want their neighbours further upstream to be allowed to drain because then that would impact on their drainage operations that they already have in place. Is this being held up by Manitoba or is it a national thing that's holding it up? And if so, how long is it going to take before those are resolved?

(1900)

**Hon. Mr. Scott:** — Certainly the people downstream in Manitoba have concerns. Because it's an inter-provincial river, the federal government's involved and we expect the study to go on for at least another year or two. And meanwhile there's a freeze on drainage in the Assiniboine basin.

**Mr. D'Autremont:** — Mr. Minister, there's also some concerns about land use studies going on up in the north-east area dealing with some of the provincial lands. Is there a study going on up in the area to determine land use policies, whether hunting camps can be placed in that area by individuals to use as such?

**Hon. Mr. Scott:** — We have a stakeholder group of over 20 individuals representing various interest groups to come up with the land use plan for the Pasquia-Porcupine, and we're making great progress. And this is a way of doing business. We want to have everybody's input into an area and develop a land use plan before one industry walks away with everything.

**Mr. D'Autremont:** — Well according to a letter I received here, this study started in June of 1995. How long is this study going to take, because obviously people are waiting for decisions to be made and for things to happen up in that area. That's three years now, surely some determinations have been made and some plans have been finalized as to what's going to happen with this area.

**Hon. Mr. Scott:** — Good news for the hon. member. This particular land use plan should be finalized within the next couple of months.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Hopefully that part of those land use decisions will be to allow the area to also be used for recreational use, such as hunting and fishing. I don't know if there's fish in that area, I've only hunted up in Pasquia Hills. Besides, I'm not much of a fisherperson anyway so it wouldn't do me any good to go fishing. So hopefully hunting will be a part of that.

I know that some of my colleagues want to ask you a couple of questions. Thank you, Mr. Minister, and officials.

**Mr. Heppner:** — Thank you, Mr. Deputy Chair. The question that I have come to mind about a day or two ago and there was an ad on one of the Saskatoon radio stations where the WWF (World Wildlife Fund) was pleading for funds to get involved in Saskatchewan. And I'm wondering what your position is as head of the department, on having some international organization come in and tell us what to do, and if you're aware of what their intentions are?

**Hon. Mr. Scott:** — The World Wildlife Fund is a national organization with many members here in Saskatchewan, and we certainly work cooperatively with all interest groups, provincially and nationally, that have some interests or relationship with SERM.

**Mr. Heppner:** — I guess I have some considerable concern about some of these international organizations that have some very strong directions that are fairly contrary to most people in this particular province coming in and telling us what to do. They do have some . . . And the ad went on to say that they will have some ideas for the Smoothstone-Dore Lake area. And I'm wondering what information you have on that and whether you're onside with what they want to tell us to do.

**Hon. Mr. Scott:** — We are working on a land use plan, Mr. Chairman, for the Dore-Smoothstone Lake. We believe the end result will be: there will be room for logging; there'll be some areas which should be set aside; there will be some recreational opportunities. Again we want to accommodate as big a variety of interests as we can.

**Mr. Heppner:** — Because these organizations tend to be able to create some very vivid and colourful and effective advertising programs, and they do this on any issue where they want their point of view brought into place. Are you prepared to put the Saskatchewan people's position ahead of their position, or are they going to be telling you what to do?

**Hon. Mr. Scott:** — We certainly consider the views of groups like the World Wildlife Fund, the Canadian Wildlife

Federation, etc., when we're doing business. Now, for example, some people would like over a billion acres set aside around the Dore-Smoothstone area. This simply will not happen. And what we will do is come up with a balanced land use plan which will contain some protected areas to meet the concerns of a number of people in Saskatoon who frequent that area and appreciate the wilderness in the area.

**Mr. Heppner:** — And I guess I'm one of those people that use that area, because I shot my first moose there some 25, 30 years ago and have had many good times in the area over there both fishing and hunting. So I have some definite concerns there as well. What happens to an outfitter that happens to have territory that overlaps or coincides with the area the you want to set aside or that the WWF is going to ask you to set aside?

**Hon. Mr. Scott:** — Certainly groups like outfitters will be grandfathered into a land-use plan. And just because an area is set aside from say logging or mining does not mean that hunting and fishing will not be allowed in the area. That should be determined by the land-use committee.

**Mr. Heppner:** — The ad goes on to make statements that there's all sorts of critical game groups there and that what they want to accomplish is change those members and they have examples, such as I think they have the cormorant, that they said is basically endangered out there and they're concerned about it. Is that particular bird in trouble over there?

**Hon. Mr. Scott:** — The example of the double-crested cormorant, they definitely are not endangered. There are some in the Dore-Smoothstone Lake area, but we're not worried about protecting them necessarily.

**Mr. Heppner:** — Thank you, and I think that underlines exactly what my concern is. There is no problem with that particular bird and yet that organization is holding that up as a bird that's in difficulty and so people are supposed to send their money in and support their programs. And I think as soon as we start to listen in Saskatchewan to those organizations, making those kinds of statements that aren't valid as you've just underlined, I think we're in trouble of managing our own resources as the people of Saskatchewan want it.

I do have one other question, and this one was brought to me by one of my constituents, and it deals with hunting regulations and maybe a crossover of hunting regulations and traffic regulations.

I believe when you're riding an ATV (all-terrain vehicle) you're supposed to wear a helmet. But you're travelling in a hunted area and you are going out there to hunt so you're wearing your white or your red cap and this sort of thing. What do you wear? Do you wear the red cap or do wear the helmet? Who's going to win that one — SERM or SGI?

**Hon. Mr. Scott:** — Well, Mr. Chairman, first of all you're not able to hunt from an ATV. You'd be travelling to or from a particular area. If you want to pursue this with us we can get a more detailed response back on that.

**Mr. Heppner:** — Thank you. It's not quite as simple as that because under the statement and the situation we've created,

you could legally have on a white helmet which is totally dangerous because that's the same reason that you're not allowed to wear a white toque or a white hat in hunting season. So you create situations in there that are very difficult. But as you said you're giving it some thought, and I'll check with you sometime when you're sure what could happen in that situation or which department would win that one. And that concludes my questioning. Thank you.

**Ms. Draude:** — Thank you, Mr. Deputy Chair. I just have a couple of questions, Mr. Minister. One of them, I . . . And the Department of SERM, how many women are working in that department?

**Hon. Mr. Scott:** — We will take notice, Mr. Chairman, and get that answer for you.

**Ms. Draude:** — I thank you, Mr. Minister. I had a number of calls lately in this area. I understand that SERM has been taken to Human Rights by some women in this department and it seems to me that there is an unusually large number of complaints from women in this department. Have you been talking . . . have you got any knowledge of this?

**Hon. Mr. Scott:** — We certainly disagree with that observation, but if you have some examples we'd appreciate hearing from you.

**Ms. Draude:** — We will discuss it later then, Mr. Minister. Would you give me some information on the Porcupine Pasquia forest management area. There was some discussions and some actual surveys or meetings held around the province about this area when they talked about Arran area. Has there been a final decision made on that area, and has there been discussions with the outfitters and groups in that area once the decision was made?

**Hon. Mr. Scott:** — Mr. Chairman, as I indicated earlier the plan will be completed in a couple of months. Outfitters have been a very important part of this process and they will be grandfathered into the land-use plan and all of the other components will be built in as well.

**Ms. Draude:** — Mr. Deputy Chair, at the time there was discussions about bear-stands and that type of concerns from outfitters. Has the final decision been made on that?

**Hon. Mr. Scott:** — Existing outfitters that use bear-stands will be grandfathered in. The stands can remain.

**Ms. Draude:** — Thank you, Mr. Minister. Mr. Deputy Chair, this winter we discussed snowmobile trails across Crown lands, and the fact that there was a fee charged to clubs to actually put signage up on Crown lands. Has there been further discussion on that item?

**Hon. Mr. Scott:** — We have met with the Saskatchewan Snowmobile Association as late as last month; we will continue to do so. And of course the issue is keeping the trails up and we're working cooperatively with the organization using various avenues to maintain these trails.

**Ms. Draude:** — Mr. Minister, I'm not sure if this is the

question that should be directed to you, but with the new rules about licensing snowmobiles there has to be . . . people have to actually take a test to be able to operate one. The information isn't available to people yet to find out where they can go to actually get this licence or have their test. Is this something that's going to be looked at by your department?

**Hon. Mr. Scott:** — Certainly safety of recreational equipment, the operating of them is very important. That is an SGI issue and the information will be coming out I'm sure as the program develops.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Mr. Minister, just a few short questions, but I think it's a follow-up to what we've talked about other years.

The first thing I'd like to know about is — you've had ongoing meetings with the liability issue of underground tanks. Could you maybe fill me in on whereabouts you are, what stage that is in?

**Hon. Mr. Scott:** — As the member knows, Mr. Chair, this is a very complex issue and as we discussed with other members, every case is different. We are still developing, after the report was brought in by the stakeholders, some details and guidelines. We haven't got them completed yet.

**Mr. Bjornerud:** — Well thank you, Mr. Minister, but I believe that Bill Albert, president of the EFA (Environmental Fairness Association) and people like Greg Rushka, vice-president, and a number of the members are very disappointed that nothing is happening. It seems like this is going on and on and on and I believe they're starting to get to the point where they feel that you're just giving them the run-around, Mr. Minister.

Do you not even yet at this point accept as government some responsibility for the costs incurred with and the liabilities that go along. Does the government itself have any liability in your mind?

**Hon. Mr. Scott:** — Mr. Chairman, the government may end up with some liability, but we believe, and the group believes, that the polluters should pay. Now if the polluter is no longer around, then we have to look at other alternatives. So we have not ruled out government being totally out of the picture as far as the money goes.

**Mr. Bjornerud:** — Well thank you, Mr. Minister, but I guess when you say the polluters should pay, I agree with you, but then who made the money off the gas when it was sold? The service station owner at that time probably made the least money of anyone involved. The oil company made a fair dollar. The government of the day made as many dollars as they wanted to tax, whether it was federal or provincial. And the person that was running the service station . . . probably lucky if he made a meagre living out of it.

And in some cases that's passed on many times, as you're well aware of, Mr. Minister. We might be four or five generations past, completely different people, and in some cases, unless things have changed, these people are still responsible for those pumps. I know a number of businesses in this province, and so do you, that have closed down; are not in business. There's

towns in this province that do not have service stations for no other reason . . . because they're scared of what could happen with these underground tanks.

(1915)

And I would hope, Mr. Minister, and I would, you know, I would like a reply, why the hold-up? I know it's complex but it isn't going to get any easier the longer we go. These people need to know. And our little towns, I can think of Togo and I know there's a number of them in the province, I believe about a quarter of them in the province have shut down.

And when you know . . . Mr. Minister, you're from a small town; you know what happens to that town when we don't have service stations there. It's another nail in our coffin in rural Saskatchewan. So we just can't have that happen, Mr. Minister, and I think by delaying this . . . every day we delay it is costing us in rural Saskatchewan.

**Hon. Mr. Scott:** — Well you're certainly correct, and one of the beneficiaries of the service station over the years is the oil companies. And we are still negotiating, trying to get the oil companies to come on side and pick up some of the liability costs, especially on orphan sites.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Are the oil companies, any of them at all, at the table discussing this? Are they receptive at all to the idea or are they just shutting you out completely?

**Hon. Mr. Scott:** — The petroleum association is meeting with us ongoing and recognize the problem, and we're hoping that some dollars will come across the table.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, are we still digging tanks up in the province at a fairly heavy rate? Where has that tapered off a bit, or where are we with the clean up of the underground tanks?

**Hon. Mr. Scott:** — Mr. Chairman, there's still many underground tanks out there, abandoned or out of date. We have categorized these: (a) pose a great environmental hazard — we've dealt with all of those; (b) are intermediate — we're working on those; and the (c) which are no immediate problem — we're not too worried about those yet.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Well that brings me kind of to another question I had then. Do you have ratings for the service stations that are left out there — like (a), (b), (c), (d), and so on? And if so, how do you get to that rating?

**Hon. Mr. Scott:** — Yes, we do have a rating. And it is based on risk, closeness to the community, water lines, type of soil, etc.

**Mr. Bjornerud:** — Okay, thank you, Mr. Minister. Now I want to go to the other subject of leakage. And I've had a number of complaints from service station owners over the cost to them, the people that come out and check them, and I have a lot of other complaints I've had. They definitely do not agree with some of the numbers that are coming out.

Who pays — let's start this way — who pays, and how much do they pay for having their tanks checked?

**Hon. Mr. Scott:** — The service station owner is expected to pay, and to have a year-round monitoring system installed, it's about \$200 a year. We believe, most communities believe, that this is not too much to pay to ensure that the leaks are not occurring.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Is there any appeal process then? If the service station owner feels that his tanks are in very good condition, and does not agree with the numbers — and I've had this happen in a couple of cases, probably you have too, where the service station owner also keeps track, because there's a fine line out there for our small service station owners. They don't have money to waste. And they would pick up quite quickly if it was any sizeable amount of leakage out of those tanks. And yet whoever is coming out to check them, whether it's a firm that's hired by whoever, comes up with a great amount of leakage, or whatever the word would be, Mr. Minister. Is there an appeal process that they come back with? Or is that set upon them and said no, this is exactly . . . what we're telling you is the way it is even though that many service stations owners, I think, don't agree with your numbers?

**Hon. Mr. Scott:** — We are in constant communication with service station owners. If you know of anyone that would like to us reconsider their circumstances, have them get in touch with us.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Mr. Chairman, I would like to ask a few questions of the minister.

Minister, I draw your attention to the Cypress Hills Provincial Park first of all. So if you want to get your mind set in that direction. I know that you have been suffering from a cold so I don't need long answers — just honest ones.

We are faced, of course, with having a meeting up in the Cypress Hills this coming Friday where I'm sure that people will be asking me some of these specific questions. And if you can help me with the answers tonight, it'll be really good if I could deliver those answers to those folks that day.

Now in the park, as you will know, the forest stand is in excess of a hundred-and-some years old. There is a high risk of fire in that stand of forest. We have an awful lot of cabin owners that have cabins in the area. We have a lot of people that visit every year and stay in the campgrounds. There is some serious concern that if a fire were to break out, there isn't a proper exit program. Sort of an EMO (Emergency Measures Organization) approach is what we're looking at here. And one of the things that the people are asking for, and have asked me to inquire about, is whether or not you would grant them the opportunity to put in another fire exit so that they could evacuate the area in the event of a fire.

**Hon. Mr. Scott:** — We would be happy to discuss with the people of the park another fire exit. I gather we are working on one. We would be pleased to hear their comments.

**Mr. Goohsen:** — Well, I think you heard their comments, Minister, and they do think that they already need to have this.

They've had meetings. They've had discussions. They're quite sure that they need to have this. But what they need from you is an assurance that you will work with them to provide an exit that will work, and one of course that will continue to enhance the beauty of the park as well. They're very concerned about that as well. But they will need the assistance of the department to get authority to be able to do that. Could you commit to something like that?

**Hon. Mr. Scott:** — We will provide a written answer very quickly with the commitment that we are working on this.

**Mr. Goohsen:** — Thank you, Minister. Also in the park of course you may be aware that they are at the present time working on improving the golf course, and one of the suggestions that will be discussed on Friday is about the use of the water from the lagoon to irrigate the golf course. Some of the ranchers and people there are expressing concerns about the quality of that water. Can you assure us that you have done the necessary research and that your department or someone will be doing the necessary checks on this water to make sure that it in fact will be environmentally safe and safe for human beings?

**Hon. Mr. Scott:** — The water will be fully treated and we will be at this meeting as well to explain in more detail. We'll also look forward to public comments.

**Mr. Goohsen:** — I appreciate your commitment to being at the meeting, Minister, and certainly we'll be glad to see you there. And hopefully we can resolve some of these problems. I just want you to comment as well on the park. As you are aware, just to bring you up to speed with my line of questions here, that in the Cypress Hills there have been leases to cattle producers for many, many years. In fact, I think since before the park was started cattle were there. And of course the leasing program has worked very well. It has served to use in a harvesting method some of the grasses that otherwise would become too tall and provide for a serious fire hazard. By having this type of grazing we have protected the natural flora of the ecosystem, as well of course as providing the opportunity for people to raise those cattle and to have some income.

They need to know, though, what your policy is towards fencing, because some of the fences are starting to fall down. And they're having trouble getting their fences into good enough shape so that they can keep the herds separate from one ranch to the other. And so do you have a fencing policy that you would like to briefly describe, or do you have a new policy that you're considering? Or how can these ranchers provide a method of keeping their cattle home?

**Hon. Mr. Scott:** — Fencing is the responsibility of the rancher and we ask that it be done in full consultation with the park staff.

**Mr. Goohsen:** — We understand that the fencing would be the responsibility of the landowner or the land lessee, Minister. Unfortunately there have been some problems in agreeing with the park staff as to how these fences should be built and where they should be built, and under what circumstances. Ranchers have a different idea about how it should be done and it's more, I think, related to the way cattle look at fences and whether or not they're going to stay in them.



Parks people, of course, would like to have them hidden or not there at all, I suppose. And I'm glad that we have that kind of concern. However, we need to know whether or not there's a policy that will directly spell out a way to prevent confrontation between the ranchers and the park people that are presently in charge.

**Hon. Mr. Scott:** — We have a parks advisory committee, which meets with the park manager frequently. And again we are prepared to work with the ranchers and each situation will be different, the terrain, the vegetation. This is a park, but grazing is an important management tool. We're prepared to work with all of the ranchers.

**Mr. Goohsen:** — Now just to get away from the park for a minute, Minister. We understand that in recent days there has been a bit of a gas leak in the town of Maple Creek. I don't know if anybody's contacted your department about it or not. My understanding is that they're not sure where the leak came from but what has happened is that some of this gasoline may have leaked into the drinking water system.

I guess my question on behalf of the people of Maple Creek is: would there be some assistance in that type of clean-up, and have you been working on monitoring the water supply to make sure that it is safe for human consumption?

**Hon. Mr. Scott:** — We are aware of the problem in Maple Creek. We are working with the community and we will endeavour to get it cleaned up as quickly as we can.

**Mr. Goohsen:** — Thank you, Minister, I have a letter here from Mary Jane Saville. She is the Saskatchewan Stock Growers' Association zone 4 director. And she writes on behalf of concerned people in zone 4 with regards to the ecosystem again in the Cypress Hills, on a larger scale than just the park area, the entire Cypress Hills range.

I think I'll quote just a paragraph or two from her letter so that you can understand where she's coming from:

It is with concern and regret that I learn of the intentions of the Government of Saskatchewan to allow, and even encourage, the exploration and development by the Oil and Gas Industry of the Cypress Hills native grasslands area within the R.M. of Maple Creek #111. I am also, in light of the announcements made February 20, 1998 by the Premier . . . with regard to the . . . (preservative) Areas Network, and the Prairie Conservation Action Plan for Saskatchewan, surprised by the news of such development intentions.

Mr. Minister, what action is your department taking to preserve the natural grasses and to, I guess, serve the needs of Mary Jane, the stock growers, and the people of the grain area to make sure that the ecosystem is not destroyed in this way?

**Hon. Mr. Scott:** — We appreciate the support and cooperation of the Saskatchewan Stock Growers' Association. I would like to, Mr. Chairman, respond in writing to this particular letter and we're certainly prepared to discuss the issue of concern with the local ranchers out there.

**Mr. Goohsen:** — Thank you, Minister. I'll be more than happy to table this letter so that you can have a copy of it to respond to. I have just a couple more questions. I'll quote another paragraph from the letter to make sure that you know what you're committing to. She goes on to say here that:

The . . . (mix of) prairie and fescue prairie habitat of the Cypress Hills area are a large contiguous block, and have been . . . (the) domain of cattle ranchers for the past one hundred eighteen years. This area has very few roads, (and) very little development of any kind. This area is to a high degree in a very natural state, thanks in no small part to the traditions and management practises of the local ranching community. Consequently, this area is also the domain of numerous native floral and faunal species, many of which are in status threatened, or even endangered, elsewhere.

The letter, Minister, goes on with that kind of approach to the problems and as you can see it's a very lengthy letter and has a lot of concerns worth taking note of. One of the more important ones that I would like to paraphrase for you is the fact that these people are not interested in making a lot of profit. They're quite happy to take care of the natural beauty of the hills, to take a living simply from the cattle industry, which is very meagre, compared to the profits that could be taken out of oil and gas, even the rents and the leases. So their concern is not money; their concern is to preserve the natural beauty and the species that are in that part of the world.

(1930)

We know from past experience that scientists have come in and discovered that there are species in the native hills, the Cypress Hills . . . that are only found in Saskatchewan in that location of the province, in the Cypress Hills. So I think she has a valid point in asking for your assistance to preserve this area. And as she says:

The natural beauty of the area will be greatly affected as well, and significant land-formations and natural features are in danger of unnatural disturbance. Ranchers fear as well the disruption of natural springs and other water sources, which are essential both to themselves and the area wildlife. This area is also replete with heritage resources. Archaeological resources, taken together with this area's unspoiled beauty and its association with the traditional cattle ranching, effectively make the whole area a Heritage Landscape. Its value to the people of this province in its current undisturbed state is unestimable.

Now, Mr. Minister, I think that paragraph really says it all. And I think that if you take a look around the world, at some of the places that had pristine, natural areas destroyed by industry, we have to come to understand that economies are important, paying off deficits is important, but if we destroy all of our natural habitat there won't be any natural habitat in the years to come.

And so while you've committed to answering the letter, I appreciate that, but I would appreciate a comment on your commitment to preserving these heritages and these archaeological structures and all of those things that were

mentioned in this letter.

**Hon. Mr. Scott:** — We certainly are committed to protecting representative natural areas, unique features such as archaeological sites. And Cypress Hills is well known, as you say, as a very unique and important area.

**Mr. Belanger:** — Thank you, Mr. Minister. I've just got four or five points I wish to make in terms of SERM. And I'd like your support in developing an industry that you're probably primarily responsible for, although there may be some overlapping from Economic Development.

And of course that area, Mr. Minister, is commercial fishing. There's a number of people in the North that still view commercial fishing as a very viable industry and that's some of the reasons why we asked you throughout this session various questions on Doré and Sled Lake, for example. Some of the trade subsidy and also some of the fish farming activities that are needed.

And of course, what are you doing to put some of these lakes . . . to build them back up in terms of restocking lakes?

And one of the areas I wish your support on as the minister responsible for SERM that could have some impact and bearing from other areas is in reference to the farm plate eligibility problem that some commercial fishermen are having a problem with. There's been some changes in which commercial fishermen are not being allowed to classify their vehicles as farmers and this of course was apparent a couple years ago. And I got a letter from a gentleman from Ile-a-la-Crosse, Charles Buffin, dated May 13 in which Mr. Buffin states:

I see fish farmers are eligible, that we as commercial fishermen should be on there too because we harvest the fish for the summer months during the spawning periods, spring and fall.

And the quote that he also made, Mr. Minister, is, "commercial fishermen are being cut back by quotas."

And what Mr. Buffin is trying to say here is that commercial fishermen should be given as much opportunity as the fish farmers are in the province to classify their vehicles as farmers in that sense. What he wants to do is try and make the commercial fishing industry a viable industry and this is the reason why he has written this letter to us to ask for your support.

And of course you take it on to cabinet and certainly get the minister responsible for CIC (Crown Investments Corporation of Saskatchewan), the minister responsible for Economic Development, to see some of the challenges related to the commercial fishing industry of northern Saskatchewan. Can I have your opinion on that for a minute?

**Hon. Mr. Scott:** — Well I do know that commercial fishermen and farmers fill out the same income tax. This is an SGI-specific issue, but if you would forward a copy of the letter we'll certainly look into it and find an appropriate response.

**Mr. Belanger:** — Thank you. And, Mr. Minister, in the old

days in the '60s and perhaps even the '50s, there was a lot of talk around Buffalo Narrows that the commercial fishing industry was really quite frankly taking off. I think there was three commercial fish plants, there was a number of people working . . . there was a number of people working at the plants, and certainly out harvesting fish.

And now it seems that many of the commercial fishermen are having a tougher and tougher time trying to make ends meet. You see the fish prices staying pretty well the same while the cost of fuel and the cost of help and all the different costs of supplies, they're all going up as we speak.

So I guess the question I have is, as the Minister of SERM, what are you prepared to do to assist in the establishment or re-establishment if you will of the commercial fishing industry of northern Saskatchewan so it could be a proud industry? It could be a vibrant industry, and it could be a big industry for northern people once again. I think it's a very, very crucial industry, Mr. Minister, and you do have some authority, you do have some power, to put in legislation or put in certain aspects involving government support to try and develop and build up this industry. Could you respond as to what you are prepared to do as minister to help that happen?

**Hon. Mr. Scott:** — Well, first of all, the commercial fishing industry, Mr. Chairman, is very important to the people of the North. To respond to your request we, last year, stocked 54 million fish in 212 different water bodies in the province, many up in the northern part of the province. Unfortunately as you indicated the price of the product just isn't what it used to be and this is largely due to the dumping of off-shore fish on our markets and also the distance to get the fish out of the North to a processing plant. But I can assure you we're working with Alberta and Manitoba to try and come up with more answers for the commercial fishermen.

**Mr. Belanger:** — Another thing as well, Mr. Minister, in terms of the actual sites in northern Saskatchewan perhaps — and I certainly commend your effort to try and develop the tourism industry — and that there may have been some concerted effort in trying to develop the lakes and restock the lakes that have tourism potential.

The other point I'm trying to make is that — in two good examples is that Dore Lake and Sled Lake situation — where we posed questions to your written questions, the fact that some of these beaver dams and the overgrowth along the rivers that feed into Dore Lake are blocking the water from coming in thereby the Dore Lake levels are dropping. And of course Dore Lake has a tremendous amount of support and benefit to the people of Beauval, Dore Lake, and Sled Lake, and as a result of this blockage there's little water coming in.

But I was very surprised to see, Mr. Minister, there's nothing being done that's pro-active to correct the problem so that you know the Dore Lake levels could start climbing again and the fish stock could begin to rebuild. And certainly that could help the commercial fishing industry of those three particular communities. So would you respond as to what plans that you have in the event that northern people or certain groups bring forward concerns to you as Minister of SERM to help them address some of their long-standing issues such as developing a

proper environment for fish to thrive in and grow for both the tourist users and certainly, especially for the commercial fishermen.

**Hon. Mr. Scott:** — Mr. Chairman, water levels of course are dependent upon the rainfall and snowfall and everything goes in cycles. I would suggest that Sask Water may be contacted to look into Dore Lake water levels.

**Mr. Belanger:** — I think basically, Mr. Minister, I think the people of the North deserve a more comprehensive strategy than what you just offered here today. Again there are some problems that they can identify. And many fishermen's co-ops have regular meetings and they have discussions amongst themselves and with various SERM officers.

And I would suggest that perhaps we would make a greater effort and place a higher priority on how we can develop the fishing industry. Especially for the commercial fishermen, it is a big concern. And Mr. Minister, we're certainly looking for a more proactive and more comprehensive strategy to the problem that I address this evening.

**Hon. Mr. Scott:** — We, as I say, view the commercial fishing industry as very important. We offer \$25,000 to the fishermen's co-ops to help organize, get together, and exchange ideas with us. We also provide a \$240,000 subsidy and transportation of the product to the markets.

**Mr. Belanger:** — Okay, thank you, Mr. Minister. What I'll do is I'll forward the letter from Mr. Buffin to you so you're able to address this particular problem. I'll have a page come pick it up in a few seconds.

But nonetheless, it is a problem in northern Saskatchewan . . . that we have to do all we can to develop the commercial fishing industry because it offers a tremendous advantage. And I know a number of families in northern Saskatchewan, especially in Buffalo Narrows . . . that commercial fish. They've had a long history of commercial fishing. They've had a number of industries that have benefited from that. For example, the Hanson family certainly have a long history with fishing. And you also look at Waite Fisheries— that has a history of 70, 80 years in the making. So commercial fishing does offer a tremendous value and benefit to northern Saskatchewan. And we quite frankly, Mr. Minister, have to pay more attention and place more focus on that industry because it certainly needs it.

Now just bouncing around the map . . . and I'm quite pleased to see that you are taking a proactive position and I certainly hope that you're open to ideas and suggestions on how we can accomplish that. And we'll certainly forward that offer from you — if I'm to understand that's an offer — to the commercial fishermen on how we can help accomplish what they all want us to do, and that is to develop a more competitive and attractive commercial fishing industry in the North.

Again bouncing around the map, I'm going to the northern hamlet of Missinipe. And I want to read this out, a few excerpts from this May 7 letter. And it's in reference to the Megan forest area, and I think it's very important I stress this today, to show them that we have made you aware of the problems and that certainly you can't say well we weren't totally aware.

So I'll quote from the letter, various parts. Quote:

Our community's economy is based almost entirely on tourism, particularly tourism activities which rely on an intact ecosystem in order to remain viable.

Another quote, Mr. Minister:

A recent resource use study done in Alberta showed that in the long term, tourism generated more economic activity and benefits for local residents, as well as the provincial economy than did logging.

And we go to another extended quote here, Mr. Minister, in a letter, and it states:

Unlike logging in regions to the south of the pre-Cambrian shield, clear-cutting on the thin soil in the proposed area will result in extreme erosion and very slow regenerative growth. In the meantime the thousands of visitors who have been coming to the area to experience some of the most highly rated wilderness in the world will go elsewhere, a disaster for those who depend on tourism.

As well, traditional land-use, particularly trapping, will be disrupted entirely.

Finally, the Heritage valley, with many historic canoe routes through the area, will be lost. And unexcavated fur trade and aboriginal archaeological sites will disappear forever.

And then certainly they put their final touch on the letter with these last two quotes:

At present, no area co-management plan exists for lands in question, due largely to the failure of the province to consult with stakeholders.

And the second quote:

Consultation after having already sold logging rights to a company is unacceptable. Our solicitor has informed us that once a contract exists between the province and a logging company, we will have little or no ability to act nor to save the integrity of this section of the Churchill River basin ecosystem.

Now, Mr. Minister, that's a letter from Lewis Layton, the mayor of Missinipe, and these are some of the concerns that he had in relation to the region around Missinipe. And I was just wondering what action has been taken to date to hear the voices of concern on this matter. And have you had meetings with a group that has been impacted by this decision?

**Hon. Mr. Scott:** — Thank you, Mr. Chair. I have been up in La Ronge twice this last few weeks to meet with the people — as well as my staff and officials. I am happy to hear what the local people have to say. As a result we have cancelled any logging opportunities in the area until a complete land use plan has been developed which we'll be getting within a month or so. So the logging is off and there'll be a land use plan developed where everybody will have an opportunity for input.

(1945)

**Mr. Belanger:** — Okay, thank you, Mr. Minister. Just to wrap up here. Again I want to thank you and your officials for your time, and I must say again that the key point that we're trying to make in this presentation to SERM is that certainly during the forest fire fighting season we know that many of your men are out there working and doing their very best. And unlike some of the questions that you fielded today, every heart of that fire-fighting team is necessary, right from the man that shuts off spot fires, to the chopper that transports people in and out of danger, and supplies in and out of the fire-fighting area. And that part we certainly understand.

And I want to publicly commend your employees, the people certainly in our area, that have done a tremendous job. And I also want to publicly show our appreciation for the fact that the huge majority of these people are local native people that have a lot of experience, and we certainly hope that you continue on with that trend because once you have that experience and you hone their skills with further training, it does nothing but please the people and certainly give our forest fire ... a fighting chance at trying to stop these from damaging communities and homes and affecting people's lives.

And a second major point, Mr. Speaker, is we've got to do something about the particular problem with the commercial fishing industry. It's an industry that, as I mentioned before, that the people of the North are familiar with. They've lived with it for many, many years. They've created thousands of jobs and created dollar upon dollar for their own use and they control the industry and thereby benefit the most from the industry.

So you look at the balances between logging, look at the balances between tourism in terms of fishing, then you throw into the mix the commercial fishing industry. And of the three, it appears that the commercial fishing industry is simply not getting its due diligence and due attention that it needs.

So in closing, Mr. Minister, I would highly recommend and encourage you and will continue monitoring the situation that you do something for the commercial fishing industry. It desperately needs it and it'll have a lot of benefit for many years to come. Thank you very much.

**Mr. Hillson:** — Mr. Chairman. Mr. Minister, may I first ask you what plans the department has to commemorate the officials of your department who were killed in the plane crash in January of 1997?

**Hon. Mr. Scott:** — Yes, the hon. member refers to the tragic plane crash of a year and a few months ago. Last fall we dedicated a campground, the Kevin Misfeldt Campground at Blackstrap Provincial Park near Saskatoon where Kevin resided. And later this month we'll be dedicating a quarter section of wildlife development fund land with a cairn for Wally Kost, the other employee who was killed. And this will be in the Blaine Lake area and the families will and have attended both of these functions.

**Mr. Hillson:** — Do you have a date on the dedication of the land near Blaine Lake?

**Hon. Mr. Scott:** — Mr. Chairman, that will be Friday, June 19. Please contact my office, we'll give you the details.

**Mr. Hillson:** — Would the minister indicate if an exemption for Ducks Unlimited is being contemplated under The Saskatchewan Farm Security Act, and what the situation is in terms of Ducks Unlimited regarding The Saskatchewan Farm Security Act.

**Hon. Mr. Scott:** — Ducks Unlimited is a very important organization working in Saskatchewan. We've got a very good working relationship with DU (Ducks Unlimited), and this is one issue surrounding the Farm Land Security Board that we are still working on, to resolve with a number of government departments as well as Ducks Unlimited.

**Mr. Hillson:** — With the advent of large scale elk ranching, does the minister foresee a division in responsibility for elk, as between the wild population falling under SERM and the farm population falling under Agriculture? Or do you foresee that elk will continue to be considered part of our wildlife resource?

**Hon. Mr. Scott:** — We believe that any component of game farming, elk farming, that may impact on wildlife — we will be involved. Certainly the processing and the fencing in of captive elk will be under the purview of Department of Agriculture. And as I said, we've worked with the executive of the elk breeder's association and they seem to be fairly comfortable with this solution.

**Mr. Hillson:** — Do you have any concerns, though, that in the relatively confined spaces where elk are farmed that disease is more of a problem because of elk ranching and could escape into the wild population?

**Hon. Mr. Scott:** — Disease is certainly always a major concern and that is why we have import-export protocols. And disease to captive elk will be more of an impact on the rancher than it will on the wildlife. So by working together we want to ensure that we have the strictest and the best situations for game farming in Saskatchewan.

**Mr. Hillson:** — Would the minister indicate the situation with the Bronson Lake recreational area, and what plans there are for that area?

**Hon. Mr. Scott:** — On the Bronson Lake rec. site, we've had a treaty land entitlement by the Thunderchild First Nation. They've had two or three opportunities to acquire part of this recreation site. They have come back to us requesting a smaller portion of the original parcel — less than half — about 14,000 acres versus 32,000.

And we've given them an extension, another 18 months; to try and settle third party interests, as they are required to do so in this smaller portion.

**Mr. Hillson:** — So is the Minister saying that a significant part of Bronson Lake recreational area will continue to be in private hands, as well as that portion that will go to the first nation for TLE (treaty land entitlements)?

**Hon. Mr. Scott:** — Yes. The significant portion, Mr.

Chairman, will remain in Crown land, which will be available for everyone to experience and enjoy. And if the land entitlement is settled, agreed upon, a portion of the site will be removed from the Crown package.

**Mr. Hillson:** — What is the situation with Meeting Lake? How much of that is anticipated to go for treaty land entitlement?

**Hon. Mr. Scott:** — I'm sorry, Mr. Chairman. We'll get you a written response, hon. member, for that question.

**Mr. Toth:** — Thank you, Mr. Deputy Chair. Mr. Deputy Chair, I've got a couple of questions for the Minister before we move on here.

Mr. Minister, just recently I've had a number of calls, and I think maybe your department has had calls. Certainly last fall we had a problem with wolves in the area that I represent — just north of the Kenosee Park — a problem with some elk. Elk breeders had brought it to our attention. We've raised them with you back last fall.

And then again this spring now we're running, wolves not necessarily, but certainly coyotes have been a major problem. And I just had a call from a couple of cattle producers along the Pipestone, just south of Broadview . . . have actually lost some calves to coyotes.

And the question comes up, that arises is, what is your department doing to deal with the concerns? It seems they've called department officials but basically have been . . . while officers have taken the calls, no real attempt has been made to help the farmers address the problem.

One of the issues that one of the farmers suggested was baiting stations. I think the comment was, well go out and shoot the coyotes. But it's not all that easy unless you happen to be right there. And I'm not sure what we did in the past.

So there's two questions I want to raise here — one in regards to coyotes. What's being done to address that concern? I think it was kind of restricted to the south-west last year but it's certainly moved into our area. And another one is a significant problem with the gopher population and the inability to get access to the strychnine poison that used to be available. As I understand, that is now pulled off the shelf. And if that is — I'd like it clarified.

**Hon. Mr. Scott:** — We are jointly working with agriculture groups — sheep growers, cattle producers, and the Department of Agriculture — to come up with ways and means. We may consider bringing in trappers. We will not go back to the widespread use of 1080 baits as it was in the '50s. And with respect to the gophers or ground squirrels, most indications are that the numbers are down. But if there's pockets where there are ground squirrels, we urge people to get in touch with us.

**Mr. Toth:** — Thank you, Mr. Deputy Chair. Well, Mr. Minister, that may have been the case last year. And I have no idea where they come from. At least they're good sport for some young fellows who want to go out and pop some gophers off. They had a good . . . my sons had a good time yesterday afternoon just clearing some off. And it was amazing what was

out there. And you're right — the last couple of years they haven't been a problem, but they're a major problem. And of course, with the dryness, we find a lot of pastures are fairly bare. There isn't a lot in them.

With the gopher population out there, some producers really have some major concerns. They've indicated they've gone to the RMs. I forget what's available right now but what they're putting out really isn't doing the job. And the old 1080, certainly, mixed with oats, did a lot better job than what we have here, when it's in the hole. So I guess they're disappointed and they'd like to know what do they really do to address this problem. Because as it stays dryer, the gopher population is going to . . . Certainly they seem to do better when it's dryer. Just as we're going to have problems with grasshoppers, is the next thing in our area.

Mr. Minister, another question, and it comes from a response you sent back to a letter I'd sent you back in January in regards to big game damage. While you've announced an increase and an agreement with the federal government in regards to better big game damage, this question is basically asked in regards to shelter belts and the damage to shelter belt trees and livestock feed. And I think your response here is that . . . I believe you're saying that certainly shelter belts are not covered under the big game damage program. And I think, Mr. Minister, there's a lot of work and effort goes into trying to build, especially when you start getting into ornamental trees, types of trees that, if there's some damage to them, you lose that tree completely. Caraganas, there's no big problem; they'll just keep going. But, Mr. Minister, what is your department doing to address some of the concerns being raised in that area?

**Hon. Mr. Scott:** — Mr. Chairman, there simply is not a program in place. We are always looking at new ideas but there's no program in place to cover the cost of shelter belts and trees in farmyards. And I appreciate the concern . . . that people have that experience, damage.

**Mr. Toth:** — Mr. Deputy Chair, Mr. Minister, coming back to a question that my colleague from Cannington raised a few moments ago in regards to tires and the fee on tires, the 3.50 environmental tax that is currently being charged on tires by . . . and I'll say some. Because I checked with a couple of dealers tonight and a couple of small tire retailers who have just decided they're not going to charge because they find the retailer down the road, their competitor, is not charging. But they all . . . every once in a while someone shows up at the door asking them if they can pick up all the tires and if they'll pay them to haul them away.

Mr. Minister, what is the department doing to address this concern: (1) if indeed we want to recycle tires, why isn't the department building a program in; and (2) why have we got a recycling fee being charged by some retailers and not by others?

Now you're saying it's retailers themselves. Is someone taking advantage of this and where's the money going? And how much money has come to date out of that \$3.50 charge?

**Hon. Mr. Scott:** — With regards to the scrap tires, we are aware of the problem of some people being in, and some not, and we are dealing with that. We're working with the

association; we want to fix it. We want to have everybody complying. We thought we'd try the voluntary approach first. And I don't have the figure of how much money has been brought in, but over 600,000 tires have been recycled under the program.

**Mr. Toth:** — Mr. Minister, exactly what is the program? I think that's one of the major concerns out there. I just see retailers just . . . they're starting to build up tires because they can't deliver them. In some cases some communities are still allowing storage at their waste disposal sites, but most communities aren't now. So the retailers are left trying to pile these tires up. One community, they're building a fence around the property, that's how many tires they're starting to collect.

So what's obviously happening out there, Mr. Minister, is while you're talking about a program to recycle, there's nothing really in place to address this. It's almost a hit and a mess . . . a miss. And at the end of the day, you get to the point where you're saying; well what do we do with these? And maybe you'll find somebody who comes along and says, well I'll give you two bucks, take them off my hands, and they leave. And next thing you know they're in one big tire pile that by accident, by lightning strike, is up in flames.

Mr. Minister, this is going to be a major problem unless the department establishes a clear-cut policy, and to say it's voluntary — you're saying it's voluntary. Basically, what you're saying then is the department is initiating it but hasn't really got a program in place because you don't know how to handle it. Is that what's happening?

(2000)

**Hon. Mr. Scott:** — No, I believe the program is working very, very well. As I said, we've recycled over 600,000 tires. Any tire, where the \$3.50 is paid on, is picked up and recycled. And as I mentioned earlier, we have not got to the stockpiles. There's lots of tires out there, but we look at getting all of these tires out of the environment and recycled eventually.

**Mr. Toth:** — Mr. Deputy Chair, one more area I'm just going to follow up on. I listened with note to Mr. Roger Phillips, and I tend to agree. I chatted with . . . in fact, I've heard another person make the same comments. Again out of the *Monetary & Economic Review*, there's a couple of major headlines in here. This is February 19, 1998, going to the Kyoto treaty: "Should America be forced to submit to the Kyoto treaty?" I'm beginning to wonder, Mr. Minister, if this whole idea of the ozone layer and the environment is not one big hoax that we're all getting caught up in . . . so that we're just jumping on.

And we're talking . . . the gentleman here who has done a lot of scientific study and he's talking about, I think, one of the things we hear about is global warming. Well, if we've got global warming, it certainly was nice to have a nice winter this past winter but I think the last couple of winters previous to were . . . there were some fairly cold temperatures. But I want to read something from this article. It says:

Do you believe that the world's climate is actually changing?

And the comment is:

It is a fact that during the first half of the century, the temperature did increase slightly as a result of a warming period that began back in the mid-nineteenth century. Then about 1950, the temperature began declining and has been declining slightly through the last half of this century — the net effect of the entire century is an increase of about .3 Celsius degrees.

It even goes on to talk about carbon dioxide; the fact that while carbon dioxide emissions were increasing, the temperature was actually cooling.

Mr. Minister, I think we're . . . while I agree we need to protect our environment, I agree also it's good to recycle. There's nothing wrong in recycling. Sometimes I begin to wonder if government's elected representatives and bureaucrats don't start falling into a trap where someone else has created a scenario, where they're building their own little world and livelihood. And I think, Mr. Minister, we jump at things before we've actually got a full solution in place. And that's what I come to when I talk about the tire recycling and what have you, Mr. Minister.

So, I'm not going . . . while I'd like to get into this in more depth and I think there are lots of individuals who would like to talk about it, I think some of these articles like the *Monetary & Economic Review*, February 19, 1998 and January 19, 1998 might be interesting reading material. Maybe even some of your department officials who are looking, who have some real concerns in this area, might be interested in picking up that information, reading it through, and seeing somebody else's perspective rather than always listening to the Greenpeaces or the do-gooders of this world.

Mr. Minister, while I said I'd like to get into further depth I just wanted to make you aware of this and bring this to your attention as well. And I think I would suggest that the department of the environment in this province as well — when we're jumping to conclusions and asking people to do things — that we really begin to set up programs in place that will meet the needs rather than saying, we want to set up a recycling program but we really haven't figured out how to do it yet . . . have the program in place before we start charging and asking people to start recycling.

Give them something because I believe people will involve themselves in recycling if they know exactly how the program is being administered, where the tires or the plastic bottles or everything are going. And the argument that I get on a daily basis, especially when I drop into the service station, we hear about the environmental tax and everyone's . . . that's one thing that nobody really appreciates because they've had so many problems trying to decide okay, what do we really do with this, Mr. Minister. Thank you.

**Mr. Goohsen:** — Thank you, Mr. Deputy Chair. Minister, talking about those tires jolted my memory about a constituent that called me just the other day asking if there is a used oil collection depot in the south-west part of the province that they could access. This would be used motor oil that farmers are collecting from their tractors and that sort of thing. Is there a

depot or any place that they can drop that off or take it to in south-west Saskatchewan?

**Hon. Mr. Scott:** — Mr. Chairman, there is no depot yet but there are private companies which will take oil. If he wanted to get in touch with us we'll see if there is anybody in the south-west in the oil collecting business.

**Mr. Goohsen:** — Thank you, Mr. Minister. I think what I heard you say was that you'd be prepared to give us a list of the private people that you're aware of so that we can search them out, and we will take you up on that commitment so that I can pass that list on to the folks that ask.

Mr. Minister, earlier today you would have heard me refer to Perry Anton's environmental problems, which you have dealt with for quite a long time in an attempt to get this problem resolved. There were a couple of concerns in the last letter that Mr. Anton and his wife have supplied to you folks in government. These two concerns as I understand them boil down first of all to wanting to be sure that the judge that might be appointed to this process would in fact have some assurance that the people that needed to be examined or talked to would have committed to being there. And we need to, I guess, alleviate his fears so that he'll take the job — that he will in fact be able to do his job by having access.

We have had suggested to us that a list of names might be added to that terms of reference sheet. The names being of course the people that would be contacted that have agreed that they would show up and testify and give the information to the judge. That way the judge would know those folks are coming because they've committed to it. And Perry Anton of course and his family would know that those are the folks that are going to show up and both sides of course could negotiate, adding names to the list if somebody happens to be missed. And that way we can be assured that the process is fair and that no one that has information would somehow be left out of the process.

Could you give a commitment to attempting to resolve this problem along those lines?

**Hon. Mr. Scott:** — Mr. Chair, we certainly are prepared to continue working and trying to resolve the concerns that Perry Anton has. And Poco Resources, the oil company involved here, has indicated that they will cooperate fully in answering and providing any information that they can.

**Mr. Goohsen:** — Well thank you, Minister, I appreciate that answer. I'm sure that Mr. Anton will appreciate it, as probably will the judge. Although I think perhaps a judge, being a lawyer from background would say that we should pursue this with a little more definite answer. What we're asking for is a commitment that we would allow a list of names to be attached to the terms of reference so that we can be sure that nobody is missed in the process.

**Hon. Mr. Scott:** — I would suggest, Mr. Chair, that the hon. member get in touch with me and we pursue this potential list of names. We're prepared to work with you on that.

**Mr. Goohsen:** — Thank you, Deputy Chair. Well, Minister,

because I already have had a commitment from one of the other ministers to follow this particular line of compromise, I'm going to say to you that — unless you correct me — we will assume that you will be going along with the commitment made by the other ministers to provide this kind of an opportunity so that we can get on with the process of solving the problems with these pollution things that have happened to the Anton ranch. And that particular list we talked about doesn't seem to be an onerous task to put together. And I think it would relieve an awful lot of stress on the people that are concerned, in this case the judge in question, who probably would not take on a job that he felt he couldn't do right, because he would look like a fool if he were to conduct an investigation without having the opportunity to talk to the principals that are involved.

So I also want to ask you about the other issue that was raised, and that of course is the issue of Mr. Anton, if he did receive from this process a decision made by the judge that someone owed him some money. Whoever someone might be, the government or a gas company or someone else — if that decision were made and the principal who was to pay the money refused to pay it, Mr. Anton's fear of course is quite simply that he's already broke. And the only recourse he would have then would be to pursue this matter through the courts which of course is why he hasn't been able to resolve the matter to begin with, because he's broke. If he had any money he would have pursued this company through the courts.

And quite frankly, when a farmer is broke, you can't do that. So the justice system is denied to this family as it is to many farmers and ranchers and many other people in our society, because they don't have money. Legal aid won't help you in this type of situation because this is not the kind of case that they handle so that's not an option.

And so, Minister, in order to alleviate the fears that this process will simply put him into a position where he has to once again go back to the courts where he doesn't have any money to be able to do that with, what we need is some kind of an assurance that there would be money available to him, either to be able to pursue it through the courts or have somebody else do it on his behalf, or have the money paid by the oil and gas industry if they're found to be responsible, through some other vehicle.

Minister, I suggest to you that the Energy and Mines minister has such a fund which every oil and gas company pays into every time they drill a well in this province. It's an insurance fund. They pay a premium on every well. It goes into that fund to pay for misdemeanours or misadventures or errors or wells that have to be abandoned in case of bankruptcies. Those kinds of things are all paid for from that fund at the discretion of the minister under an Act that clearly states that the minister has that discretion, that authority and that power — the Minister of Energy and Mines that is.

Now, Mr. Minister of the Environment, in order to assure that the taxpayers are not on the hook on this, would you give your assurance that you will work towards using that fund as a backup — not necessarily the payment fund — but the backup fund to be used in the event that some of the players might refuse to pay a judgement made by a judge? If it happens to be Mr. Halvorson, fine and dandy. That would be his decision if he happens to take the job. Would you make that kind of a

commitment to Perry Anton and to the people of this province who are concerned about our environment?

**Hon. Mr. Scott:** — Mr. Chair, there's potential for various outcomes of this review. We look forward to the review getting under way and we will deal appropriately with the results, recommendations, of the report. I personally or this department does not have access to the fund contained in Energy and Mines. I understand that there are many stringent guidelines as to when that fund can be utilized.

**Mr. Goohsen:** — Well, Mr. Minister, would you rather that if there is an award made by the judge in question, if he does decide that someone should pay, is it your opinion that the government should pay for this out of taxpayers' money or what vehicle would you use if there's a judgement made that the government is at fault here, has some liability, which department of government do you think should pay for it? Should the government pay for it out of taxpayer money or should they use the insurance fund that the oil and gas companies have had to put their premiums into? Who should pay for this?

**Hon. Mr. Scott:** — Well again there's a hypothetical question. If the review clearly shows that the government is at fault then we will pay, and that has been indicated. Poco Resources, the company has indicated that they will be cooperating in this review. They have not made a commitment to pay automatically, however if the finger strongly points to them, I would suggest that they probably would be compelled to seriously consider paying for damages.

**Mr. Goohsen:** — Well, thank you, Minister. I appreciate your answer and the fact that you commit that the government will pay if that's what the judge finds. Okay, so suppose the judge decides in his mind that Energy and Mines should use their fund and that is his recommendation. Would you support that recommendation?

**Hon. Mr. Scott:** — Well obviously the Minister of Energy and Mines would have to respond to that.

**Mr. Goohsen:** — Well, Minister, you're here and I'm here and he's not. And you are the minister of the Environment, and this is an environmental problem, and it's a very serious environmental problem. As you will recall, I think I delivered to your office a copy of what we now know in this province as the Louisiana report, some 32 pages of a report done by reporters in the *Wall Street Journal*.

That report of course indicated that the oil and gas basin of Saskatchewan and Alberta is very much similar to the one in Louisiana. And the problems that we have in Louisiana are the ones that we are now starting to experience in Saskatchewan and Alberta. Their oil field having been developed 50 years before ours, naturally the results of that have accrued so that we can study it in order not to make the same mistakes. You will recall, Minister, that we have serious disease problems breaking out as a result of the environmental contamination.

(2015)

So my question to you, I don't think, was out of bounds for you

as the minister in charge of our environment. I don't think my question for you is at all difficult. You have said — and I appreciate what you said — you have said that if the judge finds that the government has responsibility, you support that the government would make that payment. That's the taxpayers' money.

The next question naturally to follow is if that judge made the same determination that somebody owes money but it should be taken out of the Energy and Mines fund, why would you not support that? I give you that question back, as the major responsibility to the environmental . . . necessities that surround us in our fast emerging world of commerce and development and the deterioration of our environment to the point where the natural society of Saskatchewan has presented you with a major brief stating their concerns just as recently as this past winter. Their concerns stated very clearly that all of the water and all of the air and all of the soils of Saskatchewan are now at risk, at very high risk.

And so to make a commitment that you would simply want the people that made the mistakes — if that's what the judge says, that they've made mistakes — that you would want them to be the ones to pay for it as well as the taxpayers? So is that such a hard leap of faith to make, to simply say you would support that the fund be used, that the oil and gas companies have put up as an insurance fund?

**Hon. Mr. Scott:** — Mr. Chair, if the judge recommends that the fund be used to compensate Mr. Anton, and we can legally and appropriately tap the fund to do so, I see that we would probably do so. But I remind you that the next minister up for estimate is following me.

**Mr. Goohsen:** — Thank you, Minister, be assured I will ask him the question, there's no question about that. And I expect a positive response from him too, Minister, because I think he recognizes the seriousness of this problem, and the need to have it resolved, and the need to have closure to what has become a very personal and draining problem for one family but which represents the needs of all of society around us.

And I'm quite sure that when we get to the Minister of Justice and to the minister of SaskPower and the minister of SaskEnergy and the minister of SaskTel, that all of these people are going to start to recognize the need to work harder in the area of preserving our environment and that we have to do that by starting with some of the people that have fallen through the cracks in our society, as the Antons have.

We have examples, Minister, not only in Alberta, now in Saskatchewan, of people who have had similar problems to the Antons. So this is not now an isolated case and it's no longer a precedent-setting case; we actually have documentation of cases where people have been paid by the oil and gas industry for animals that have died as a result of consuming the pollutants that are produced in and around and in association with the industry.

And we shouldn't be too hard on the industry for having had that happen occasionally, because in life we can have mistakes and we can have hazards that will happen. We just have to be sure that we do all of the things possible to minimize those



things so that we don't destroy the very things that we all need to live with. And what we need to live with of course is clean water, clean air, and clean food. And if we pollute our soils and pollute our water and pollute our air, we as a species are the next to be extinct; we will die. Human beings, mankind, will not exist if we continue to do this.

I'm not an alarmist, I'm not even much of an environmentalist, and I can't even believe I'm the guy standing up saying this because I've said for years we shouldn't get too panicky and we shouldn't cause people to be alarmed too much. But it doesn't seem that we can get the attention of governments and officials unless we take an extreme point of view.

So, Minister, I appreciate your answers for the Antons and on behalf of the Antons. Be assured that we will give your answers both to them and to the judge in question. I hope sincerely that this process unfolds as we have worked on it so hard, yourself included. And I compliment your officials and yourself for the hard work you've done to try to bring this to a conclusion, and I know we're not there yet, but I know we can get there. Because if we have a will there will be a way and I know the other ministers in their hearts — deep in the bottom of their hearts — believe that this issue needs to be solved and resolved and will do everything possible to see that that happens. And so I thank you once again.

**Mr. McLane:** — Thank you, Mr. Chairman. Well, Mr. Minister, from crude oil to fish oil; a couple of questions regarding Last Mountain Lake. Mr. Minister, of course as you would recall, in the spring of 1997 we had record water levels on Last Mountain Lake. In fact many cabin owners . . . and what have, you were bracing against losing their property and their cabin. This year you pretty near need a set of binoculars to see the water from the cabins. And I'm wondering if you could comment on what that does to the fish habitat in Last Mountain Lake?

**Hon. Mr. Scott:** — Well, as you well know, the water levels depend on spring run-off largely. Actually the water levels now are more normal. Of course last year they were very high. And the fish have survived through wet and dry cycles before, so we're not certainly overly concerned. But if we do find a reduction in numbers we will adjust our fishing opportunities accordingly.

**Mr. McLane:** — Well, Mr. Minister, the level of Last Mountain Lake does not go by the run-off in Last Mountain Lake. It's affected by the lower Qu'Appelle Lakes and Last Mountain is used as a reservoir to maintain water levels in the lower lake. And a lot of us that live along that lake, a lot of us that irrigate out of that lake, a lot of us that farm beside it, a lot of us that like to enjoy the wildlife habitat including the fish, don't particularly much care for that scenario.

Now you're probably thinking in your mind, well why doesn't he ask Sask Water these questions? Well I do and I have. And I keep hearing that . . . well we'll consult with you. We'll make sure that you're one of the persons that we come out and we will talk to. I think that last spring, Mr. Minister, as I watched the waters rise and I watched the fish at an area in the lake called the Liberty arm where we recently had some money put in from many sources to refurbish a dam there.

And then this spring I watched the fish trying to come up and banging their heads against the boards on the dam, and not being able to get up. And I see last fall after we complained about what was going to happen to the water, they take the boards out, let all the water out of the arm. What happens to the fish then?

And I have a hard time understanding that that kind of poor management does not affect fish habitat in that lake.

And I'm wondering what kind of conversations that you have with Sask Water to ensure that this type of nonsense can be stopped, and that we start looking at Last Mountain Lake as something other than a reservoir.

**Hon. Mr. Scott:** — Perhaps we can get back to you more specifically on the Liberty arm issue. We are aware of it, and we would be pleased to provide a more detailed response to you.

**Mr. McLane:** — Okay. I will take you at your word on that, and I'll expect quite a detailed briefing on that, whether it's in person or whether it's through writing.

I'm also addressing the concerns of the local municipality — that being of Big Arm — who this spring, I know the reeve in particular spent hours on the phone trying to talk to someone in your department about how to solve this problem.

And I'm not sure that they ever did get a satisfactory answer. I think we were referred eventually to someone in Swift Current, which I'm sure would be very familiar with Liberty — which is four hours away — and the problems that we have there.

So I'll leave this one lie for now, Mr. Minister, and I'll look forward to some discussions. And I hope they're a little more . . . your department and yourself are a little more truthful and forthcoming when you say that you will talk to us, than Sask Water has been. And I'll look forward to that dialogue in the future.

Subvote (ER01) agreed to.

Subvotes (ER02), (ER08), (ER15), (ER04), (ER09), (ER10), (ER05), (ER07), (ER03), (ER11), (ER14), agreed to.

Vote 26 agreed to.

**Supplementary Estimates 1997-98**  
**General Revenue Fund**  
**Budgetary Expense**  
**Environment and Resource Management**  
**Vote 26**

Subvotes (ER08), (ER04), (ER09), agreed to.

Vote 26 agreed to.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I would like to thank the minister and his officials for coming in this evening and the other evenings, and for answering our questions.

**General Revenue Fund**

**Energy and Mines  
Vote 23**

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To my right I have Ray Clayton, who's the deputy minister of Energy and Mines. To my left, Bruce Wilson, the executive director of petroleum and natural gas. Directly behind me is Dan McFadyen, who is the assistant deputy minister of resource policy and economics. And to his right, George Patterson, who is the executive director of exploration and geological services.

(2030)

**Subvote (EM01)**

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr. Minister, I have to assume that since you haven't had very many opportunities in this session to be on your feet, that you would be looking forward to this. I'm surprised that your colleagues are already trying to silence you. Perhaps you have something to say that they don't want you saying. So perhaps that's their motivation for trying to button your lip already.

But, Mr. Minister, we do have some, we do have some questions for you. I'd like to start off with dealing with the policies involving oil and taxation, oil and gas and taxation. We've seen a significant drop in the price of oil. Your Minister of Finance is estimating \$17.25 for a barrel of oil, U.S., West Texas crude. This obviously is not the case; has not been the case this year. I didn't catch the prices today, but I believe there somewheres in the \$14 range, significantly less than 17.25.

Now while it may not have a serious impact actually on the budget, because the federal government will pick up any shortfalls maintaining us as a welfare state, it does have an impact though on the other things that happen in the oil industry. If oil stays down below the \$15 level or even just slightly above that, we see a serious decrease in the amount of drilling that happens.

And while that impact hasn't hit yet, in the sense of drilling licences not being used at the present time, now that road bans are off those things start to drop off. In fact I was talking to a fellow today who, while not in the drilling end, is in the production end and contracting and construction. He was saying that one of the people he was talking to had one job left. He has no more jobs lined up for the rest of the summer at the present time because the drilling is slowing down. So those are the kind of impacts that happen when the price of oil drops, Mr. Minister.

So what plans, what proposals does your department have in place to counterbalance that drop in the oil price . . . to ensure that we continue to have the construction, that we continue to have the drilling, the construction, and the production jobs, and all the auxiliary things that spread out from that — so that that continues in this province that that economic activity continues to give the people of Saskatchewan that benefit.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To the member from Cannington, I think what he has recognized this evening in referring to my enthusiasm for

estimates is what my colleagues have recognized, and perhaps that's what you might have been referring to.

With respect to the price of crude, as we all know, there's been a bit of a market downturn, and certainly we're hopeful that that will come back later on in the year. I understand the OPEC (Organization of Petroleum Exporting Countries) countries are looking at their production and where they might head for that. I'm understanding that there's a meeting later this month that might in fact have some bearing on the market, drive the market up hopefully.

With respect to your comments on the welfare state, I want to tell you that this government has worked long and hard to ensure that our revenue flows are in the positive, in the positive end as opposed to downward. We've eliminated deficit budgeting, which you will know — and I'm sure as a conservative, hopefully at least a fiscal conservative would support us in those efforts — balanced budgets year after year.

As well I hope that you'll recognize the fact that we've worked for two years with the oil and gas sector in terms of our royalty and taxation structure. We've made some changes that were partly to anticipate a downturn in the market, which has taken place, to make our industry more competitive. Those royalties vary with the price, but ultimately we're a small player in the market-place and we can't determine or dictate what the markets are going to be paying for oil.

Certainly there will be some impact on the province in terms of jobs, but I guess what we are doing is we're working with industry to ensure that we get our share of the development that takes place and hopefully it won't have a dramatically negative impact on our economy.

**Mr. D'Autremont:** — Mr. Minister, while you certainly don't have the capabilities to set oil prices — that's set by the world market and that reflects the availability of oil, not just in Canada but around the world — but where you do have an impact is in the ability to influence expenses, and expenses are an equal part of the equation to price. If you lower the expenses, that allows for more . . . a better return on the total value of it and that encourages people then to invest. So your government does have a very direct impact on oil, while not on the total price, at least on the difference between expenses and that price.

So that was my question to you. What avenues have you been exploring in your department and what recommendations have you been making to cabinet to deal with that spread between expenses and sale price?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I want to say to the member that we have, as I indicated, been working for two years in anticipation of fluctuations in the market-place and attempting to ensure that we're competitive in the oil and gas sector.

And part of the recommendations that I have already made to cabinet were announced on February 9. And I'm sure the member, coming from an oil-producing area, will be aware of them. I can go into detail in describing them but I'm not sure if the member wants that. Only to say to the member from Cannington that they were very well received by the oil and gas

sector, not only in the area that you represent, but in the south-west part of the province and in the Kindersley-Lloyd area as well, the rest of the oil-producing area.

With respect to competitiveness, there's only so much that can be done with royalties and taxation, and I think the member understands that. There are other external costs that are part and parcel of developing the oil and gas sector. I'm sure he's aware of that as well. But I think what we've been able to do is create an environment where the activity has been and, if the markets are appropriate and the conditions are appropriate, will to continue to take place.

Last year there was, what was it, 3,900 wells drilled — a record year in this province. And I think that speaks very well for the relationship we've been able to build with industry and the costs of operations that we've been able to put together as a package for them.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. While you did make some changes to the royalty structure, your changes were made to what could be considered new oil — oil wells that were drilled from the date of the announcement onwards. They had no impact on those that were already in production. And it's the monies generated by that oil is what drives the drilling programs and the exploration for the next year or two. It's not the new wells that are drilled; it's the old wells that continue to produce, that provide the income to provide for the new drilling. So your changes, I don't believe, had any impact in that particular area.

So while you may talk about competitiveness, you have to also look at what the overall royalty structure is in this province versus Manitoba, North Dakota, Montana, and Alberta. And we continue to have the highest royalty structure of any of those jurisdictions. So when the dollar values — dollars are tight — they look some place else to do that exploration. And it's not in Saskatchewan, I submit to you, Mr. Minister.

Yes, there was 3,900 wells drilled last year when oil prices . . . because they were budgeted for from the previous year. So you don't look at the '97 prices. You look at the prices in '96 to determine how much profit and how much monies were available, and at that point in time there was good money available. And that's why those programs were put in place that happened in 1997. Now for 1998, you're looking at the programs that were put in place based on the prices from 1997. But it's easy to shut the tap off; it's more difficult to start it up again.

And so when oil prices go down, the oil companies can shut off the drilling programs. They have a great deal of difficulty in starting them up when the prices are down. They don't anticipate that the price of oil is going to be \$25 in the year 2000 so because we're only getting 12 or 13 or 14 today, we're going to do that drilling. They do some but they don't do near as much as they would do in the case when the oil prices were \$18 and they're expecting them to be 20. Because they have a wider margin to work with and that's not available today, Mr. Minister.

So when you look at the competitive situation of Saskatchewan for all of the oil royalties, how does that compare with our

neighbours, with Manitoba, with Alberta, with North Dakota, with Montana . . . that we're competing with for those jobs and those dollars? How do we compare there, Mr. Minister? I don't think we compare very well. They have a royalty structure that encourages people to invest in their areas. And it's not just the royalty structure. You look at the price of energy here when you look at the price of natural gas costs, when you look at the price of electricity, when you look at fuel. All of those types of things play a role, Mr. Minister. So it's just not the price of oil. It's just not the royalty structure, although that royalty structure does play a very major role when you're talking about the competitive nature that this business is involved in.

So while you lowered the price of oil, the royalties on new drilling, you haven't impacted that old oil that was being produced which generates the income to go out and do that exploration. What are you doing for that?

**Hon. Mr. Lautermilch:** — Well I guess what I would do is let the facts speak for themselves, Mr. Chairman. So far this year, in 1998, there have been 585 wells drilled in that four months and so I think that speaks for something — 1998, in the first four months, there were 818 . . . in '96, 493; '95, 413; '94, 508; '93, 324. Last year we drilled 3,932 wells. The year before 2,903, the year before 2,149, and so on.

So I think those facts pretty much speak for the fact that the investment that has already happened in this province, and recognizing the activity is going to be based on the price, you know that as well as I know . . . markets that we can't control here in Saskatchewan.

But let me tell you what I think is important for you to understand. The environment that we created with industry has created, in 1997, \$1.75 billion of investment; in '96, 1.436; in '95, 1.045, which shows a very dramatic growth in the investment that's taking place in this province.

The employment figures I think as well speak for themselves — 1997, direct and indirect, just under 20,000 jobs; '96, 17,000 jobs; '95, 15,000 jobs. So I think, as you will have to admit and as much as it might hurt you to admit, that this government has done a very good job in terms of working with the industry to create incremental investment and employment.

But I think as well, you'll have to understand that the royalties and taxation fluctuate based on the price of crude. They go up when the price goes up; they go down when the price goes down. We have anticipated market shifts and there're going to be . . .

Now I don't take a pessimistic approach to the industry at all because I think they want to invest here because they know we've got a resource that's going to develop a good rate of return for them. I think they're very pleased with the quality of workmanship and the people who work in the oil and gas sector; we're a hard-working bunch of people here in Saskatchewan. They find it a very good place to invest.

And I think that's going to continue, but I as well, I take the approach, and I believe that you're going to see an upturn in the markets. I think you're going to see the price of crude increase and hopefully that will help to get our industry moving again.

**Mr. D'Autremont:** — Mr. Minister, even using your own numbers, you've seen almost a 30 per cent drop in the amount of drilling from last year, and the investment correspondingly will drop off. And it'll drop off even more next year because the oil price will be reflected, not so much in this year's drilling, but in next year's drilling. Because the funds allocated for the drilling this year were those funds that were generated in '97.

When I look at the price of oil — this is the RBC Dominion Securities market outlooks. The balance for the second quarter of 1998, according to them in U.S. prices, was \$14.84. They're estimating for the third quarter — \$15.84, fourth quarter — \$16.59. So the prices are rising. But the balance for the entire year is \$15.87. A far cry from what your minister was suggesting what . . . they were going to generate of \$17.25.

(2045)

At the 15-plus dollar mark, you do get drilling. But there are those companies that will not be investing at our area at those prices unless the expenses drop off. If there is some lowering of their costs so that they can expect to make some good returns, they will come and drill under those circumstances. But they will hold off for a year or two or more, as the case may be, in drilling here . . . depending on the land holdings they have if those prices stay down. They will drill in a lower-cost environment than drilling here where there are higher costs, Mr. Minister.

And that's why I'm asking you: what are you doing to ensure that our costs are lowered as far as the cost of drilling, and that being the royalties, that being all the other taxes involved in the energy costs — all of those items — what are you doing to approach the Minister of Finance in the cabinet to get those operating costs lowered?

**Hon. Mr. Lautermilch:** — The royalties and taxation, Mr. Chairman, are certainly part of it. And I remind the member again, as the price of crude drops the royalties drop. It's an automatic. That's already built-in. It's not something that has to be dealt with because we did it when we put the royalty and taxation package together. What we're trying to do and we attempt to do working with industries, is to try and find a balance, a balance that's fair.

**Mr. D'Autremont:** — Well, thank you, Mr. Minister. I can see that you're going to be stuck on one track and not move off of that and that your royalty policies are the only ones that work any place. So we'll move on to something else, Mr. Minister.

One of the areas that always generates some concern is the dealings between the oil companies, the department, and the landowners. And there's always a great deal of concerns with the surface rights associations about access onto the land . . . put in are allowed by the Surface Rights Arbitration Board. A number of people feel that the Surface Rights Arbitration Board doesn't hold particularly the farmers' interests in high esteem, in fact, it seems to try to diminish them as much as possible. That they're mainly a tool of the government to perpetuate the will of the government, whatever that happens to be.

Mr. Minister, because a number of the farmers have a great deal of difficulty in dealing with the Surface Rights Arbitration

Board, are you looking at any measures in which to make that particular board more responsive to the concerns of the agricultural community?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the Act that the member refers to is under the purview of the Minister of Justice and those are estimates . . . it would be more appropriate to ask those questions of him in that he's the minister responsible for that particular Act.

I can tell you that the department takes a very proactive approach with industry. We meet with them, with their land men, to make them more sensitive and aware of the concerns of the agriculture community and the farmers. And as our industry goes and the Act grows and the activity has been increased, I think it's reasonable to assume that there may be areas where there's more conflict. I think that business understands that good relationships with the farming community and the people who are on that land and have been there for many, many years is only good business. I would suggest we probably have some bad apples and some situations where difficulties do occur, but I believe that the Surface Rights Arbitration Board would and should create a good balance between industry and the farming community.

**Mr. D'Autremont:** — Well, Mr. Minister, they should, but it seems that they don't. Particularly the chairman of the board seems to have a very disagreeable attitude towards anybody coming forward and questioning the decisions that are made by that particular board, and that they're simply spending too much time on these issues and that they shouldn't be there in the first place. And there seems to be a great deal of animosity developing amongst those agriculturists who have to go before the board and have the chairman of that board deal with their issues.

Mr. Minister, one of the other areas that your department also deals with of a surface nature is seismic. Are you proposing any or thinking of any new requirements for seismic? The reason I ask that is in a number of areas the seismic operations go down the right ways of the roads, which causes a great deal of concern for the municipalities because then if it happens to be a wet season, the ditches are all rutted up; they can't cut the grass in there. No one is compensated for this; it's simply left up to the RM to deal with.

So surely there must be some manner or mechanism in place that can ask the seismic companies to deal with either the RMs or with the landowners alongside of where they want to run their lines rather than simply giving them access, not on the road, but in the ditches of the road allowance, Mr. Minister, where they carry out their business. I'm not sure if there's a requirement there for a licence or something to carry out a business on a road allowance, Mr. Minister, where they carry out their business. I'm not sure if there's a requirement there for a licence or something to carry out a business on a road allowance, but they certainly are doing their businesses on the road allowance.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, it would certainly be my hope that the companies that are doing these activities in the different municipalities would be consulting and working with the different RMs to ensure that there is as

little conflict and as little disruption as possible. The industry pays an awful lot over a course of a year in terms of local taxation, and assists RMs in terms of road building and road maintenance. And I think for the most part they're very sensitive to a good, positive, cooperative relationship with the municipal governments.

**Mr. D'Autremont:** — Well again, Mr. Minister, it's one of those situations where you would hope that that would be the case, but unfortunately there are too many examples to say the general rule is that they do seek cooperation. I think every . . . just about every RM you talk to has some complaints and some concerns about the seismic operations that happen within their boundaries.

One of the difficulties is, is when the seismic company is doing items on speculation — in particular where there's no paying customer that is already footing the bill — they run the lines up the road allowances on speculation and hope to turn around and sell it at some point, so they want to minimize those costs. If they run them up the ditch they don't have to pay the landowners any fees because it's on the highways or on the roads. If they go out into the farmers' fields, then all of a sudden you're dealing with access rights, you're dealing with crop damages, and other kind of damages such as that. So they run them up the road allowances.

Is there any requirement, Mr. Minister, for permitting, for licensing, or any of those types of government vehicles to regulate where the seismic is actually being carried out?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told that Highways has some regulations. I'm also told by my officials that they have to receive approval both from the landowner and from the municipalities. As well, any disturbance that they make they are required by law to clean up after themselves. If they don't, what we would hope is that there would be an inquiry or a report made to the department and my department would deal with it.

**Mr. D'Autremont:** — Thank you, Mr. Minister. When they go to the municipality, can the municipality set provisions for access or are they simply required to set a standard fee and charge them accordingly?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the department is aware of circumstances where municipalities have denied access to seismic operators so I would want to say that there must clearly be some kind of control in terms of the activity.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Perhaps some of the municipalities aren't aware of the authority they can exercise then because I've received a number of complaints in those areas about the way the ditches have been left and the fact that they've been utilizing the road allowances rather than using the landowner's properties.

Mr. Minister, one of the other areas within your jurisdiction — we've mentioned it earlier — was the royalty changes. You made major changes to potash, the royalty structure there. What kind of a dollar value did those changes generate as a decrease in royalties for the province, or, if production increased, what were the changes there? What would the decrease have been?

What would the increase have been? And how did those royalty changes impact on other minerals such as gold or uranium or some of the other minerals that we produce? And I'm also interested in why there was no royalty change on coal.

We saw a situation develop last year where SaskPower was looking at importing coal from Wyoming because of both the B (British thermal value) value of the coal from Wyoming being greater than the Btu values of our own coal but also because the costs were less. Now if the royalty structure had been changed on coal, perhaps that would have made our coal that we produce in Saskatchewan more competitive with the coal coming in from Wyoming and that Btu level may not have been that significant then.

So, Mr. Minister, can you comment on those please.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'd like to comment on the coal issue and then respond to the potash issue.

I am aware of course of some coal that came into Saskatchewan to do a test burn in some of the coal-fired electrical generation capacities, facilities in the province. That having been done, I can say that the department has been working on a revamp coal royalty structure, but not unlike potash, oil, and gas, these negotiations and discussions take awhile to put together. I'm hoping that we can conclude our review of the coal royalties in the very near future.

What I can assure the member and people who work in the coal sector is that we're going to be burning here in Saskatchewan, Saskatchewan coal and not Wyoming coal. There are hundreds of jobs in that industry. We're well aware of them. We, as a department, will work to protect those jobs along with our Crown sector. It's a resource that we think has a positive value and certainly we're going to ensure the viability of that industry over the long haul.

My officials are putting together the changes to your questions with respect to potash. I can say that the potash royalty structure was a very difficult piece to negotiate. There are basically three companies, three players now in Saskatchewan, with a divergence of interests and concerns. And so it's not simple to put together a package that will satisfy the needs of all three players.

But we, I think, have been able to achieve a good balance. We've reduced the overall rate from 67 to about 62 per cent. I think that it puts us in a very competitive position. The markets have been very strong for potash over the last year and a half, two years. This last quarter was a very positive quarter. We believe we're going to have a very good year for sales in terms of potash.

**Mr. D'Autremont:** — Well while your people are figuring out those questions, Mr. Minister, I wonder if you could give us some indication of how our royalty structure on the potash compares to the royalty structure both in other provinces such as Nova Scotia, or with the U.S. — New Mexico, and the other producers.

**Hon. Mr. Lautermilch:** — Well I think it's fair to say, Mr. Chairman, that we're not viewed as being a low-taxed province.

I think it's fair to say that we have tried to maximize the return for Saskatchewan people because that's what we use to build highways and schools and fund our health care system. And so it's our responsibility to maximize the returns as best we can.

I want to say that the changes that we made to the potash industry, if you were watching closely, very shortly after we made our changes and announced our changes to the potash structures, there was over \$400 million announced in investment in IMC's (International Minerals and Chemical Corporation (Canada) Ltd.) plants in the province. We know that PCS (Potash Corporation of Saskatchewan Inc.) as well is looking at upgrading some of their facilities.

I want to say, as well to the member, we're about 30 per cent of the international market in potash. We have a very high quality of potash. It's received very well by offshore customers in China, Malaysia, and many different countries around the world. And they very much value the quality of our potash. So I think it's fair to say that the quality of our resource adds to our sales.

Our market shares, global market shares, have been maintaining and sustaining themselves. I think we've positioned ourselves to be very competitive in the world markets and I think that's evidenced by what PCS, IMC, Agrium, are able to achieve in the world markets. We're the largest producer in the world; we're going to remain there. And hopefully if new expansion is required in the world market that will happen here, and it's our intention to ensure that it does happen here.

(2100)

**Mr. D'Autremont:** — Well thank you, Mr. Minister. You talk about the royalty structure — us being a high-taxed area or not being a low-taxed area — that's certainly true. I don't know of any individual in Saskatchewan who'd call us a low-taxed jurisdiction.

You went on to say that the money that's from the royalties is used to build highways. Well unfortunately you're not building the highways. You talk about health care — well our health care service is deteriorating tremendously. Most people, if they've dealt with the service, have a complaint at some point or another, Mr. Minister, so I wouldn't exactly brag that we have a high-taxed royalty because you're building highways and looking after health care because most people would disagree with you at that point . . .

**An Hon. Member:** — We are taking care of health care.

**Mr. D'Autremont:** — Well the member from Lloydminster says, yes, you are taking care of health care.

Well, Mr. Minister, if your government is taking care of health care why do we see horror story after horror story on health care in this province? When you're taking care of highways, why do we see chunks of pavement come flying up from vehicles smashing through people's window and harming them? That is not the system that I would think you would want to be bragging about, Mr. Minister, nor the system that the member from Lloydminster should be bragging about. Rather it should be a system where people have access to health care, where they

have highways that go someplace and that you can get there without your vehicle being destroyed.

**The Chair:** — Order, order. I think the member is a little off topic. I think we're on the estimates for Energy and Mines. And I would remind the hon. member from Cannington that we're on Energy and Mines and that you would focus a little more on that.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I'd like to talk about the asphalt industry in this province, which is from the oil industry, Mr. Minister. It's one of the by-products of the oil industry and we can use it in this province, Mr. Minister — we can use it to upgrade our highways — but we don't do that. We don't use our own product here when it comes to building our highways, Mr. Minister. Why, we see chunks of highway flying around going through people's vehicles — but why aren't we using it in this province — why don't we use the oil, the asphalt out of that oil, out of that heavy oil, in this province to fix our own highways, Mr. Minister? You talk about the high royalties — well spend some of it to fix our roads.

Mr. Minister, when I asked the questions about the changes to the royalty structure on potash you didn't provide me yet with the money, nor did you address the concern as to . . . What royalty changes did you make to the other minerals in this province, other than potash; other than oil and gas; other than coal?

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, I want to begin by saying that the two areas we dealt with are potash and the oil and gas sector. We've still to complete our review of the coal royalties.

And the member is right. And I don't want to be argumentative, but when I referred to us as not being the lowest in terms of royalties and taxation on our resources, I make no apology for that. It's our job; it's our responsibility as legislators, as people who represent the people of Saskatchewan, to ensure that we get the maximum that we can in terms of return for their commodity, for their potash and for their oil and for their gas and for their coal. And for that I make no apology.

I don't think it would be appropriate for us to put the taxation in a range where we wouldn't be getting and maximizing our return. In terms of your comments, and again I don't want to be argumentative, but it often hurts me when I see the fact that we spend, servicing Tory debts on \$750 million dollars a year, \$2 million a day that could be going into roads and other jurisdictions.

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

**Mr. D'Autremont:** — Well, thank you, Mr. Minister. Since you brought up the issue of debt, perhaps we could go back and talk about the debt that was in place in 1982, because there was approximately \$6 million in debt at that particular point in time. At an interest rate of 24 per cent, that grows very quickly, Mr. Minister — 24 per cent. That's what the situation was in 1982 when your government left power at that particular point in time.

You'd like to forget that, but even the member from Regina . . .

I was going to say Regina Dewdney, perhaps it is Regina Dewdney, who was the Deputy Premier at one point in time, finally admitted in this House that that debt did indeed exist. Even though a good many of your members across there still don't particularly want to recognize that fact, that a significant portion of the debt that was left there in 1991 was the debt that accrued prior to 1982, Mr. Minister.

So when we start pointing fingers about who created the debt in this province, I don't think there's a political party in this province that can point their finger without having three or four pointed back at them.

So, Mr. Minister, you still haven't responded to the question yet about the other minerals that are mined in this province. Has there been any royalty changes for those minerals?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the answer is no.

**Mr. D'Autremont:** — Thank you very much for finally getting to that answer. Mr. Minister, on another particular issue dealing with your department and dealing with the supervision and the enforcement of regulations within the oil industry. How does your department determine when a new well is drilled? How do you determine when the royalties are due on it? How do you actually physically track it because an issue has been brought forward to me that a particular well — fairly new well in production — that the landowner was not receiving any royalties for it. When he contacted your department they had no record that it actually had ever been drilled. And yet it was a fairly new well and the oil was coming out of it. They were hauling it out by truck. So how does your department track that . . . to ensure that all the wells that are drilled in this province, that the royalties are being paid on them, that the landowner is receiving his fair compensation if he holds any mineral rights?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, there is a process whereby the department tracks every step of a well's development. First of all, a well has to be licensed. As it progresses into production and into removal of oil, the department has to be notified. And if the member opposite is aware of a circumstance where this hasn't taken place, I'd be more than pleased to look into it if you'll notify my office.

**Mr. D'Autremont:** — Well I'll pass the information on to you again because I did talk with your department once on this already.

Now once a well is licensed . . . the permit is given, it's licensed, it's drilled. How long would it take for that information and from production information to work through your system to start collecting royalties? Is it one month, three months, six months, a year? What's the time frame involved there?

**Hon. Mr. Lautermilch:** — Mr. Chairman, there is a requirement to report within 30 days and every 30 days after. There may be a small lag in terms of when the royalties are received. It would not be significant. We find that most of these are very much up to date.

**Mr. D'Autremont:** — Okay. Thank you, Mr. Minister. On a somewhat related issue, clearly dealing with horizontal wells

but the same would apply for conventional wells, how do you make the determination as to whose oil it actually is coming out of the ground when you're dealing with a number of freehold leases and each quarter, or even sometimes in subdivisions, hold title to the minerals? How do you make that determination as to who actually gets paid that royalty?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told by my officials you generally don't see a Crown and freehold mixture. And that the players on a horizontal — the players usually have a pooling agreement that satisfies all of those concerns.

**Mr. D'Autremont:** — Well, perhaps in general, but there are occasions when those unitizations are not in place and that causes a great deal of concern when you're drawing oil from adjacent locations with a different landowner, different mineral right holder.

So is there some requirements that the oil companies have to test the various areas to determine their productivity or is it just, you know, the line is halfway through yours and halfway through mine so we each get 50 per cent? Is there some sort of determination made that way based on the porosity and the pay zones in the landholder's area? Or just how is it determined?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the officials have somewhat described the circumstance in many horizontal wells. Where there is a crossing, it's calculated based on the length of the horizontal portion and how much is in which area. And a ratio would be struck — pretty much a simple agreement.

A unitized area, I'm told the negotiations and the agreements can be very detailed. Each tract . . . if they do an analysis in terms of each tract, and what it contributes to the unit and based on that an agreement is reached.

**Mr. D'Autremont:** — Thank you. In those areas where there is no unitization yet, what role does the mineral right holder get to play in that determination? Do they have input? Can they present argument? Can they veto decisions that may come down? Do they get a role to play in that determination or does the oil company and the government make the determination as to what percentages go where?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told that through the lease those powers are generally given to the operator.

**Mr. D'Autremont:** — So the lease holder or the mineral right holder would have no impact — no input then — on that determination. Once they sign that lease agreement the operator then makes whatever determination they wish to as to allocation of that production.

**Hon. Mr. Lautermilch:** — In determining the conditions of the lease they do have input. But in terms of . . . the operator deals with the rest.

**Mr. D'Autremont:** — Well, thank you, Mr. Minister. Never having had the opportunity to sign one of those leases, I'm not exactly sure what they say on them, but I know I have received a number of complaints from people who believe that the allocations of those resources are being done improperly . . .

that the oil is being allocated to areas that may not have that production when you look at some of the other wells adjoining those particular pieces of property.

Mr. Minister, when it comes to unitization, particularly in areas where you're talking about horizontal wells, what rights does the land owner and the mineral rights holder have in refusing a unitization? Can they be forced into a unit?

(2115)

**Hon. Mr. Lautermilch:** — Mr. Chairman, that would be very much what is written into the lease. It may be that in the lease the operator is given the authority to proceed with unitization as part of the lease agreement. The department is aware of cases where that authority has not been granted and that the owner has decided not to enter the lease. In that kind of an instance, what will happen is the unit will just form around them.

**Mr. D'Autremont:** — What happens though, Mr. Minister, in a case where you have multiple owners of the mineral lease. If you look at a lot of the old Scurry Rainbow leases, they were picked up by the government who now own approximately 80 per cent of those mineral rights with the original landowners holding 20 per cent. That particular landowner would then . . . would they be in a position to state, as far as their agreement with the lease, that there not be a unitization, or would the government, being the majority leaseholder on that particular area, be able to force that issue . . . that unitization would then proceed?

**Hon. Mr. Lautermilch:** — Mr. Chairman, my officials are not clear on the specific agreements as it relates to the issue you raise. What I will do is have the department check that out, and we will get back to you with a specific answer, because we're just not aware of what the lease conditions might be.

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. One question still on oil and gas. There are a number of zones beneath us; what are the provisions for the mineral-right holder and anyone wishing to lease mineral rights from that leaseholder when you come to dealing with the different zones? Is it possible for one company to lease the Mississippian, and another one to lease the Jurassic, or you know, various zones.

**Hon. Mr. Lautermilch:** — I think, Mr. Chairman, two aspects to this: a private owner can do what he or she would choose to do. If they felt it appropriate to lease out different formations, then that would be an agreement they would make with the operator.

With respect to the initiatives of the department, we have just, as you will be aware, implemented deep rights reversion, where the lower formations after the five-year period will come up for re-tendering and go back onto the market.

**Mr. D'Autremont:** — This particular last effort will have no impact though on freehold mineral rights, will it not?

**Hon. Mr. Lautermilch:** — No, there's no impact on freehold.

**Mr. D'Autremont:** — Okay, thank you, Mr. Minister. One of the areas that does have an impact — I had a person in the

industry today talk to me about it — is companies coming in from outside. And perhaps I should have addressed the issue with the Minister of Finance.

But it seems to be prevalent in some areas, more so than others, with companies coming in from outside, using equipment that hasn't necessarily had its sales tax paid on it in Saskatchewan, running licence plates that are outside of our boundaries, and those types of things. What effort does your department make to ensure that all the proper requirements are met for Saskatchewan in that particular matter? What does your department do to ensure that all the safety standards in Saskatchewan are met by operators who come in from outside?

**Hon. Mr. Lautermilch:** — Well I think, Mr. Chairman, one of the tools that we have available to us — certainly this is under the purview of the Department of Finance, in terms of sales tax or percentage of tax paid on equipment — I think the area that we can be most effective in is moral suasion when we're dealing with the industry and the people who are developing that resource.

I think that's one of the conversations that I have as often as any — that you're developing a Saskatchewan resource, it's a Saskatchewan mineral, you're working in Saskatchewan, and we would be expecting you to be maximizing Saskatchewan content.

I can't say that I think we've been yet 100 per cent successful because we've got some difficulties in that regard. But I think as we continue to educate industry, that Saskatchewan people need to be working and developing Saskatchewan resources, and that we want to see a maximum of Saskatchewan equipment on those job sites, over a course of time we're going to be more successful.

It annoys the dickens out of me as well. And I've said this to industry and my department has shared this with industry. I got a call just the other day, an operation around Swift Current, where an Alberta contractor is in doing work on a Saskatchewan job. And it's not a situation that we want to see. We continue to press to ensure that the Department of Finance is enforcing their rules and you know their responsibilities, and I'm sure they do. But our goal is to continue to educate the industry that we want them and need to have them maximize Saskatchewan opportunities.

**Mr. D'Autremont:** — Over the last numbers of years, Mr. Minister, we've seen a problem with the large diameter pipe going through this province with a number of explosions, leaks — what it your department doing to monitor those situations and to minimize their impact?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think the member will be referring to the problems with ageing pipelines and stress erosion cracking. I can tell you that SaskEnergy is involved with the pipeline association working on those areas. Much of that is regulated by the National Energy Board— pressure limits and those types of things.

I think it's fair to say that industry is working very diligently in terms of SCC (Soil Conservation Council of Canada) problems. They're looking for technology to detect . . . they're working



actively on technology to detect potential problems. We all want to see the transportation of this commodity done in the safest fashion possible.

I can say that my department is working with industry on creating an understanding of the problem, developing more knowledge. Prevention certainly is one of the areas that are important for all of us because it can be an area where loss of life can occur, and certainly we're well aware of that. And we're working diligently with industry to ensure more prevention and safe operations of those lines in our province.

**Mr. D'Autremont:** — Thank you, Mr. Minister. What is happening within your realm of responsibility when it comes to mining? The price of gold is down. It's creating some difficulty with the gold mining in the North. I know that Contact Lake was shut down. I don't know if it still is. What's your department doing along that line to encourage . . . Or if Contact Lake isn't shut down, they were right on the edge of being shut down because of the price of gold being down.

What's your department doing to encourage further development of mining in the North and to . . . We hear about Saskatchewan companies doing mining operations around the world, but what's happening in Saskatchewan in that area? Most people, in southern Saskatchewan in particular, never get the opportunity to see the mining in operation or to come in close contact with it, therefore they don't have very much knowledge of that particular area. Exactly what is happening in the North when it comes to mining?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, let me say on the outset, not enough. I think we have geological formations out there that have potential. I think it's recognized, certainly by people within my department. And I think industry is starting to recognize that there are in fact opportunities. In terms of Contact Lake, if there is a difficulty at Contact Lake, it would be the lack of ore containing gold. That's the problem. It was a marginal and a finite resource. The companies . . . (inaudible interjection) . . . they knew that when they started that mine. And, as is the nature of discoveries in Saskatchewan, they are somewhat marginal. So they are very . . . you know that it's very sensitive to the royalty and taxation structure. Hopefully the gold prices will toughen up a little bit and hopefully we can continue to encourage exploration. That's part of the key I think to the success of mining in northern Saskatchewan. There's much more we can do and certainly it's a focus of the Department of Energy and Mines.

**Mr. D'Autremont:** — Thank you, Mr. Minister. One of the other areas of responsibility you have is Energy and Mines, so I'd like to deal a little bit with the energy sector. What is your department doing to enhance the energy production in this province? Not thinking necessarily of SaskPower but if you want to talk about SaskPower, that's fine. But I'm thinking of items such as co-generation, wind, and solar energy, and alternatives to the conventional systems of generation of energy in this province.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, as you will know and as the member opposite will know, that is the responsibility . . . In terms of supplying a secure supply of electrical energy to the people of Saskatchewan, that's the role

of SaskPower. They have been looking at a number of areas. You will know that they have recently announced an agreement with the Bi-Provincial upgrader to generate something in the neighbourhood of 200 megawatts. If our industry and our economy in Saskatchewan continue to grow, there may be a requirement for, in the neighbourhood of 200 megawatts, incremental each and every year.

With respect to alternate energy sources, I can say that my department is working with Natural Resources Canada, with our Department of Environment here in Saskatchewan, and with the federal Department of Environment in terms of CO<sub>2</sub> reductions to work towards compliance with the federal agreement that was made in Kyoto, Japan. In terms of energy conservation initiatives, we're working on modelling the economic impact of those changes in our province and we continue to cooperate with the federal government and other provincial jurisdictions in that regard.

**Mr. D'Autremont:** — Thank you, Mr. Minister. You mentioned the 200 megawatts of generation capacity that's going in with the Husky upgrader at Lloydminster. But it would be interesting to know just how many of those jobs were actually going to Saskatchewan people, where the people were actually living in Saskatchewan, and how many of those people are actually paying taxes in Saskatchewan? I think that would be an interesting number to know and perhaps you would have some indication to what that is?

I know that when it comes to wind generation in this province, while we are certainly in some areas which should have the capacity to utilize that resource, very few people are doing so because of the cost of putting up a tower, but also the difficulties in getting an agreement with SaskPower to pay for any excess generation capacity that might be in place from one of those windmills. I have a gentleman at the south end of my constituency who actually has put up a windmill to generate electricity for his own business and is able to sell power to SaskPower, but only at a limited fee. Less than, I believe, less than what he would normally pay SaskPower if he was buying power from them rather than providing them with power.

So I think we need to take a serious look at the arrangements that are made for those people who want to enter into wind generation so that it's equitable for them and equitable for SaskPower. Obviously somebody has to pay for the transmission lines. SaskPower's the person who owns the lines; therefore, they need to receive compensation for those transmission lines. But that the capacity to generate electricity be also recognized and compensated the same as SaskPower would compensate its generating stations if they were in that kind of a system where the carrier was paying the generation system for the power to provide to their customers.

So I think we need to take a look at doing what we can to increase the amount of alternative energy sources that are available, Mr. Minister. So I wonder if you could comment on what your department is doing that way to try and enhance the development of alternative energy sources?

(2130)

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think it's fair to

say that we would be — as a province and as people and as a government of the province — be looking for a greener source I guess of energy. And the problem I guess with wind energy is the reliability or perhaps the lack of reliability that may or may not be there. In terms of the cost of wind energy, it may be that some people are willing to pay a green rate for electrical energy. That might just be the case.

I know that with deregulation soon to be facing the Power Corporation, they're trying to minimize their costs of operation, their costs of generation, and certainly are looking at the cheapest source of electrical energy that they can find.

It would appear, given the agreement of Bi-Provincial, that that would seem for them to be the cheapest form of incremental electrical energy — hence the deal has been struck. I think there are many opportunities. There are many other co-generation options in this province where you can take your by-product and turn it into a useful commodity.

Weyerhaeuser in my home community has just recently made an announcement of an upgrade to their pulp mill or their paper mill, which paper mill will be generating an incremental amount of electrical energy — pretty much enough to make them self-sufficient. That kind of electrical energy will be getting rid of waste by-product of the pulping process that's been sitting there since 1966. And it's part of an environmental commitment that they made, but it also makes good business sense for them.

So I think those are the kinds of opportunities that industry and the Power Corporation are looking for.

**Mr. D'Autremont:** — Thank you, Mr. Minister. When you talk about de-regulations and co-generation, I'm not sure that they necessarily need to be in the same sentence.

Is your department or is SaskPower looking at the potential for having independent generation of electricity that would simply supply SaskPower with the electricity generated and not be owned or co-owned by SaskPower? If some private enterprise business wants to come in and co-generate that electricity at a lower rate than what SaskPower could do from its own generation or from putting up a new generator of some sort?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think it's fair to say, and with my knowledge of the Power Corporation, they're looking at all forms of electrical energy — whether it be wind, whether it be co-generation, whether it be smaller hydro projects — they're looking at options. They've got all of their options open. And I think that that's a respectable and reasonable approach to take.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Well, if someone came forward with a proposal to generate electricity at a feasible rate that would interest SaskPower, would you and your department be prepared to recommend — providing all of the safety factors and all of those things are dealt with — that it is a good project? Would you or your department be prepared to make the recommendation that this type of a generation system be allowed to proceed?

**Hon. Mr. Lautermilch:** — No, Mr. Chairman. The SaskPower

Corporation is a separate entity, and we don't get involved in that.

**Mr. D'Autremont:** — Well, Mr. Minister, SaskPower has a monopoly in this province. And that monopoly is controlled by you and your colleagues in the cabinet, and the government.

You said that when you come to look at generating capacities that you're prepared to look at all options. So that is one of the potential options, Mr. Minister, that someone would come into this province and be able to generate electricity at a rate that would be of interest to SaskPower to distribute around this province. So I think it's a valid option, that you said SaskPower would look at all of the options.

So why do you just out of hand say no, you wouldn't look at it, Mr. Minister? You said that SaskPower has nothing to do with this. Well they are the distribution system and currently they are the major generation capacity, but not the sole generation capacity in this province. Saskatoon generates its own electricity — or it did; I believe now they're buying it all from SaskPower — but the co-generation with the Bi-Provincial upgrader is an example of co-generation, Mr. Minister.

So why would you not be prepared to take a look at a proposal if it came forward, met all of the safety requirements, all of the things that need to be done in Saskatchewan? Why would you not take a look at that?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think the member misunderstood me. I indicated earlier in my answer that I believe SaskPower is looking at all of the options. And I indicate to you and through you, Mr. Chairman, to the member, that it wouldn't be done by Sask Energy and Mines because that's not our role. That's not a function of this department and that's why we wouldn't make a recommendation as a department. But as I indicated earlier I think SaskPower is looking at all their options.

**Mr. D'Autremont:** — Well, Mr. Minister, I believe you said earlier in dealing with energy that it's your role to ensure that there is a safe and adequate supply of electricity in this province . . . (inaudible interjection) . . . Well I believe you said that it was your role to ensure that.

SaskPower's role is to deliver the electricity to our doors, yours and mine and everybody else's in this province. So, Mr. Minister, I think the idea that to move one step beyond co-generation is not an unreasonable avenue to take a look at, and I would certainly hope that your government would indeed take a look at that if a proposal was to come forward.

Another area, Mr. Minister, is CO<sub>2</sub> (carbon dioxide) usage in this province. I'm not sure what involvement you would have with that but it certainly would fall . . . because it travels through pipelines. It's used for enhanced recovery in the Midale oilfields. What is happening with that particular project?

I know that there was a \$2 billion announcement made approximately a year ago. I don't know what the status of that is now. Is that proceeding? And when will it actually come into production? And when can we start to see the first oil coming out of . . . enhanced oil coming out of those recovery systems?

**Hon. Mr. Lautermilch:** — Thank you. Mr. Chairman, we just went through sort of where this thing has come to from the last time I talked with my officials about it and it was a pretty long list. If I remember all that I'll be doing well.

I can tell you that the National Energy Board is looking at the pipeline for approval and there's no decision to come down. We believe that there will be a positive response to it. As you will know, this project was announced in June of 1997 — capital costs of in the neighbourhood of \$1.1 billion so it's a very large project, the largest that we've ever seen here in Saskatchewan.

The line I understand is to be built beginning in the spring of 1998, to be completed in the fall of 1998, and that production injection should begin in December of 1999.

**Mr. D'Autremont:** — Okay. Thank you, Mr. Minister. One of the areas to ensure energy availability in this province was the SaskPower caverns. I wonder, Mr. Minister, if you could indicate to us what's the capacity of those caverns.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I wouldn't have those answers. Those would be best asked in Crown Corporations Committee when the corporation comes up for review.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair. Good evening to the minister and his officials. Mr. Minister, with respect to the sale of Husky Oil upgrader, could you just outline for us what was your role perhaps in the negotiations that led to this — your role and the role of your officials in your department.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I am a member of the Crown Investments Corporation board and was part of the discussions with respect to the sale. That would be a question that would be best asked when Crown Investments Corporation comes before the Crown Corporations Committee. Their officials negotiated and concluded the sale arrangements and we don't have any of those details here.

**Mr. Aldridge:** — Mr. Deputy Chair. Mr. Minister, if you could clarify: none of the officials or yourself in your capacity as Minister for Energy and Mines had anything to do with respect to perhaps counselling individuals in CIC with respect to the sale of the Husky Oil upgrader — is that what we're to understand here this evening?

**Hon. Mr. Lautermilch:** — That's what you're to understand. That's how the process happened. CIC is responsible for the asset, they had the economic analysis done, and concluded after negotiations that it was in the interests of the province to sell the asset. My department had no role; I did as a minister sitting on the Crown Investments Corporation board.

**Mr. Aldridge:** — Mr. Deputy Chair, and to the Minister, I've got to ask you irregardless, with respect to remissions that have been made to Husky Oil in the past, under The Corporation Capital Tax Act, the remissions there, and also with respect to the freehold oil and gas production tax. These have been some rather significant dollars that Husky has benefited from in years gone by.

What will be the future with respect to that now that Husky Oil

owns the upgrader in its entirety? Are these remissions going to continue, and if so, do they increase; do they decrease? If you could let us know what the situation is with respect to those, please.

**Hon. Mr. Lautermilch:** — Mr. Chairman, there are no changes in those arrangements. They were part of the initial agreement; part of the contract that the government signed with Bi-Provincial. Bi-Provincial is a corporate entity. We no longer own shares in it, but those arrangements haven't changed.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Mr. Minister, I've been looking forward to asking a few questions about the Department of Energy and Mines, and in fact it turns out that in the province of Saskatchewan there are so many concerns with the Department of Energy and Mines one hardly knows which end of the pile to start with.

So, Mr. Chairman, I think you left . . . we need to ask the minister to start with, what is your department doing to control the oil and gas pipeline failures in the province, and what are you doing about restoration of the soils and the environment around these fractures in these lines?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, when there's an activity that's caused pollution with respect to a pipeline or a well-head, we're certainly hopeful that it will be dealt with — cleaned up by the operator or by the pipeline operator, or the oil and gas company. In instances when that isn't the case we would hope that it's reported to the department, and we'll ensure that it's cleaned up.

**Mr. Goohsen:** — Thank you, Mr. Minister. I want to quote briefly from a letter in response to your answer.

On May 18, 1998 I contacted your minister (and this letter is to the Premier and the minister of course is yourself) and indicated to him to come to my farm and have a firsthand look at a pipeline right of way that has sprung a leak. It was my belief that if (yourself) could have looked at the site of the leak, he could then explain to me why the new pipeline Act he is pushing through the House is in the public interest.

The fact that he did not even acknowledge my letter leads me to conclude that public good is available to the government and to the industry but not to the common people of Saskatchewan. I'm directing this letter to you, Mr. Premier, in order to get confirmation that I have arrived at the correct conclusion. As of today, June 1, 1998, the pipeline is still leaking and it looks like, in the public good, nobody cares.

Now, Mr. Minister, this pipeline has been leaking now for two months. It leaks natural gas accompanied by salt water that is a contaminant, along with whatever effluents are placed in that pipeline by the gas company in question.

And so I would like to know, on behalf of this constituent of mine, why your department hasn't done something about this. It has been reported to Energy and Mines. It has been reported to the company. And two months later, as far as I know, as of Sunday night — this past Sunday night, that's yesterday — this

pipeline still leaks and no one has been there to look at it.

Now this letters is to yourself, letters to the Premier, and nobody has looked at it. This pipeline was placed on this man's land by expropriation in the name of the public good. Where is the public good to allowing this pollutant to continue to saturate the soil on this man's ranch? What are you going to do about it, Minister?

**Hon. Mr. Lautermilch:** — Well first of all, what I'm going to say to the member opposite is any correspondence that comes to my office or to my department is answered. Our normal turn-around time would be less . . . two weeks on the outside. And I would like to know more details with respect to this letter, as the member has alleged it has not been answered. I'm not aware of any correspondence that's outstanding.

In terms of any conditions that have been reported with respect to a leak of either natural gas or salt water, it is the procedure of the department to investigate and to find a resolve. If the member can bring to my attention where that hasn't been the case, I will ensure that it will be.

(2145)

**Mr. Goohsen:** — Thank you, Mr. Deputy Chairman. Well, Minister, this is not my allegation. This is a letter from the constituent that was addressed to you first of all. This next one of course was addressed to the Premier. I only have copies of them, because they supplied them to me. So these are not my allegations; these are the allegations being made by the people out in the country who have got the gas lines leaking with the salt water going into their fields.

And if this gentlemen says that you haven't done anything about it I have no recourse but to say to you that when he phoned me on Sunday night he informed me that he was very disappointed that this situation hadn't yet been corrected. Now why would the man phone me up on Sunday night to tell me that he still has a problem if your officials had done their job? Obviously this has been around since June 1 because that's the date on the other letter that went to your department way back then so . . . May 1, rather. So this thing's been going on for a while and it had been leaking for a few weeks before he originally contacted you people because he tried to inform the gas company in question and the local authorities to see if the problem could be resolved at that level.

Now obviously there's a crack in the system and I think you need to take a look at that crack. I of course will ask the pages to have this photocopied and a copy of it given to you. And we will allow you of course to do your job. Now you have given us a commitment that you're going to take care of it, and we hold you to that.

I will suggest to you though that I have read a letter wherein one person suggested that because this was a gas line, a natural gas line, we shouldn't have to worry about it. But the truth of the matter is that the line contains other products, mainly salt water, and natural gas of course is not collected in a pure form. And of course there are other chemicals that are added in order to facilitate both the drilling of the gas wells and the production of gas, and those contaminants get into the gas and into the salt

water. So I will send this over and ask you that you will commit to seeing to it that this particular problem of pollution is corrected.

**The Deputy Chair:** — Is Subvote (EM01) agreed?

**Mr. Goohsen:** — Well thank you, Mr. Chairman. I guess the minister doesn't want to make a commitment, so he's not going to answer the question. Either that or he napped right through it. We will of course go on, Mr. Deputy Chairman, and the minister can answer both questions at the same time if he chooses to want to rethink his position.

I have a letter, Minister, here from several people and I think I want to deal first of all with the one from yourself which was addressed to myself from yourself and it's dated January 23. Now you heard me discuss with the Minister of the Environment the problems of pollution on Perry Anton's ranch which is no secret to you. Certainly not anything that you haven't heard before.

And we discussed of course today the letter that we last received from Perry Anton that went to you people in the government wherein he expresses concerns as a result of the conversation that he has had personally with the judge who has been asked to consider taking on the review of the case. Now Mr. Anton of course has pointed out two areas of concern. One of course being that what does he do if he gets a judgement in his favour and the persons or companies or government or whoever that is named as the ones that should pay decide not to.

So that led us of course to digging up this letter because it has been suggested that perhaps the government would have to pay out of taxpayers' money. And while we think that that is the proper thing to do as a last recourse, we think it should be a last recourse. And we would suggest that The Oil and Gas Conservation Act has provided for a fund that is in your jurisdiction that in fact should be used to pay for this kind of a payment should that eventuality occur as a result of what goes on in these hearings.

Now back in January, Minister, we suggested to you that this should be the alternate place for this money to come from rather than out of the taxpayers' pocket and you were good enough to write me a letter and quote a part of the Act, which I think it's important that we read into the record, and then ask the people of Saskatchewan who are watching tonight to judge whether or not they think that the minister's opinion about this Act is correct or not. And I would ask you, of course, for your opinion so that they can see what you think about it.

It says in the Act and I want to quote just the first two parts of it because that's what's here and that's what concerns Perry Anton and his situation.

Where in the opinion of the minister all other remedies have been exhausted or an emergency exists, the minister may spend moneys from the fund for the following purposes:

(a) conducting or completing the abandonment and surface restoration of a well structure, test hole, oil, shale, core, hole or related facility that has been left incomplete by the

insolvency or disappearance of the owner or operator.

Now that's the first part that can be covered.

Under the (b) section — the next one, I quote:

containment, clean-up and surface restoration of a problem that in the opinion of the minister is a major environmental problem that arises from oil or gas exploration, development, production or transportation operations within the scope of the Act.

Now the minister of course goes on to state that the situation at the Anton ranch clearly does not fall into either of these categories. I leave it to the people of Saskatchewan to judge you, Minister, on that statement, and I refer them back to the (b) clause and to the outset. The outset says "where in the opinion of the minister". How much more clear can an Act be than to give jurisdiction to the minister by saying that "where in the opinion of the minister". Clearly in your jurisdiction, in your hands, you have the dictatorial powers under this Act to make a decision.

Under the (b) clause, "containment, clean-up and surface restoration of a problem that in the opinion of the minister" — not in my opinion, not in his opinion, not in anybody else's opinion — the minister's opinion. He has dictatorial powers here to do what has to be done to make things right. "... in the opinion of the minister is a major environmental problem that arises from oil or gas exploration and development."

Now, Minister, I take you back to Perry Anton's situation. A gas company digs a pit on the land. The pit is filled with sludge that is trucked in from all of the other wells in the area. These are the effluents that contain all of the drilling chemicals and all of the salt water sludges. All of the things that are the worst possible things that you could ever possibly spread around are collected, and as they should be.

But they're deposited in a pit on Perry Anton's ranch. And they're deposited in a pit that is uphill from his dugout, so if there is a spill out of that with any run-off water it goes downhill into his dugouts. There's also a strong possibility that operators made mistakes and dumped loads of effluent into the dugouts themselves by mistake, thinking that they were the pits that were meant for disposal.

Now, Minister, if in your opinion you came to the conclusion that the gas company was responsible for the pollution problems that Mr. Anton has encountered, then clearly it is within your power to use this fund. Clearly then, if the judge in question that may be looking into this matter, clearly if he does — and I say this is hypothetical because we don't know what he's going to find out yet; maybe he won't find out that there's anything wrong. But if he finds in his deliberations that this problem was the responsibility of gas company pollutants, if they find that Perry Anton's cattle most likely died from these pollutants — and I'm convinced they did — but if he finds that and he says that this company should be paying and that this fund should be used to pay for it, then you as minister, having the authority to use that fund, will you make a commitment to use the fund if the judge recommends that?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, let me begin by saying that this has been an issue that's been before my department and before the department of Environment, before SERM, for quite some time.

I want to say that we certainly do sympathize with Mr. Anton's situation and we have been working ... and I want to say I think that we as a department, both SERM and Energy and Mines, have gone the extra mile to attempt to find a final result for Mr. Anton. Last year the two departments spent \$80,000 testing and could come to no conclusion through those tests that there was a liability.

Subsequent to that — and certainly the member from Souris-Cannington has been bringing this issue to our attention and to the attention of the media — and subsequent to that testing last summer, we determined, working with Mr. Anton, to attempt to put in place a process ... which process could be independent, which process could give a final determination as to whether or not there was liability on the part of the oil and gas sector.

So what we offered, and what we offer today, is that we would appoint an independent retired judge, Justice Halvorson, to work with Mr. Anton, to work with the industry, to determine the facts and to make a suggestion — a recommendation — with respect to whether or not industry is responsible for contamination that ultimately caused the death of Mr. Anton's cattle.

Now that's the first process. The first process I think is important in that we need to define whether or not the oil company is at fault. And I say to the member opposite, and I say to members of this legislature, that if the industry is at fault in this instance, they will pay. And let there be no mistake about that. And that's what we have to determine and that's why we suggested that Mr. Halvorson have a look at this entire issue because, if it is caused by industry, there will be restitution.

**Mr. Goohsen:** — Thank you, Minister. I'm glad to hear you so forthrightly put that position on the record. I will hope that you will be as forthright in following up with the obvious question that needs to be answered and that being: whether or not the government will protect Mr. Anton from the possibility of an award being made that has to be taken later on to the courts for collection?

Because in fact the reason this problem hasn't been solved to date is because Perry Anton doesn't have the money to be able to take it to court. He's a rancher with no money. He can't afford to hire any more lawyers, and he can't afford to fight this case through the courts.

So if Mr. Halvorson is the judge appointed, and if he comes up with a decision that an oil company or a gas company in this case should be responsible to make a payment, and that company refuses to make that payment, what is left for Mr. Anton? The court process — right back to where he started from.

(2200)

He would have to then take that company to court and say: I've

been awarded by Mr. Halvorson, and he said that I should get it and let the courts decide. Again the deepest pockets are going to rule the court system and they surely aren't Perry Anton's because he doesn't have any pockets left — he's lost them all. His ranch is polluted. His cattle are dead. He hasn't got any money. That's why we asked you for this process to start with.

So the simple question then was: you have at your disposal this fund, and possibly we could see the judge making a determination that a payment should be made. And someone could refuse to make that payment. But you as minister then, could trigger that account because it is an insurance fund to clean up these kind of messes. And if the judge were to recommend that this fund be used for that, what I'm saying to you is, on his recommendation would you then free up this fund?

**Hon. Mr. Lautermilch:** — Well first of all, Mr. Chairman, the member is talking about a hypothetical scenario. And I think what is appropriate is that we wait for the conclusion of Mr. Halvorson's investigation, and based on that conclusion determine what the next step of that process is.

If Mr. Halvorson finds that industry is at fault, is liable, this department can and will instruct industry to compensate or to do the clean-up. And I want to say, Mr. Speaker, this process costs Mr. Anton nothing.

So what we're attempting to do is we're attempting to await Mr. Halvorson's conclusion. And as I've indicated, there is no doubt in my mind that the industry, if found liable as a result of the conclusion of Judge Halvorson, will in fact make things right. But I think what we need to do is go through the first process and come to a conclusion with respect to liability or a lack of liability on behalf, on behalf of the industry.

**The Deputy Chair:** — Order. Before I allow the hon. member for Cypress Hills to continue with his questioning, I just wish to draw his attention, and member's attention . . . this subject was dealt with in Department of Environment earlier this day. As the Minister for Energy and Mines has said, both departments have been involved with it. There were some commitments made however by the Minister of Energy earlier today, and I simply remind the hon. member for Cypress Hills that a commitment from one cabinet minister is a commitment of the government, and I simply urge that you not be repetitious.

**Mr. Goohsen:** — Thank you, Mr. Deputy Chair. I would suggest, Mr. Chair, that the minister has just conceded that \$8,000 has already been spent out of his department on this process. We are here tonight to talk about the estimates on his department. Now if he is encountering costs that are not listed in the *Estimates* and goes over budget, then it is of necessity for us to learn how much those monies are going to be. Then of course the process that he is presently involved in with Mr. Anton could cost monies that haven't been budgeted for.

We therefore have to explore this area to find out how much money it is going to cost; whether this money is going to be taken out of the department — as a result that comes out of general fund, and as a result that is the taxpayer's money — or if the minister is going to make that differentiation and take these monies out of the fund that he has set up under the other

Act. And the other Act of course provides for the insurance fund that is paid into by the oil and gas industry. And of course every well that is drilled, each well of that company is charged a fee — that fee goes into that insurance fund.

We need to find out from the minister which pot the money's coming out of. The one that the insurance company fund . . . that the oil and gas companies are paying into that is designed to clean up these messes, or is it going to come out directly out of the department's pocket, which is the taxpayers' pocket. And it shouldn't be the taxpayers' pocket.

Now the 8,000 already has come out because of the goodwill of this government to try to straighten out this problem. We appreciate that. But we do have to pursue this line of questioning in order to get the minister to commit to this fund because the commitment that the other minister made, if you will recall earlier this evening, was that he supported what we were saying. He agreed with it, but it wasn't his department so he doesn't have the authority.

Only this minister has the authority to tap this particular fund, which is not the taxpayers' fund but the insurance fund that has been paid into by the oil and gas companies. So if you see the difference, Mr. Chairman, then you will . . .

**The Deputy Chair:** — I thank the hon. member for Cypress Hills. I was not taking your preamble as a challenge of the Chair's ruling, and I'm still not taking that. I appreciate, and have been paying very close attention. Of course I will now expect the hon. member for Cypress Hills to put those questions to the Minister of Energy and Mines.

**Mr. Goohsen:** — Thank you, Mr. Deputy Chair. I have to admit that in my consultation with other members, I've gotten a little off track here.

Minister, you of course are going to commit to, as has been pointed out, your government to the decisions of whatever minister makes that commitment. And so we take it that you are committed to providing this fund in the event that it is required.

We have a few more questions that we'd like to ask you, Minister, with regards to the department that you are in charge of. We have talked many times about the Act that you presently are bringing in, which of course affects your department and expenditures that you will be making throughout this year because obviously the changing of that Act will change the way expenditures are made.

And I guess my simple question is here, have you allowed in your deliberations of the budget for the costs that the new Act will incur for your department?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm told by my department that there are essentially no additional costs.

**Mr. Goohsen:** — Mr. Minister, some time back, I guess on January 17 it looks like here, the Nature Saskatchewan people presented you with a prospectus. And I would like to get your opinion on some of the questions that they have asked because of course the way that you address these questions will determine how your monies will be spent.

It says very quickly here, just to bring you up to tune with this organization, it says that Nature Saskatchewan believes that rather than developing new reserves of natural gas and oil, the government and industry should emphasize conservation of energy — renovation of buildings, for example, to make them more energy efficient — and development of alternative sources of energy such as solar power, wind power, and hydrogen fuel cells. We strongly advocate the initiatives such as natural energy and transportation policies that curb the demand for fossil fuels.

Minister, what are your responses to this organization and that general statement that they made? How do you plan to fulfil their objectives, if you agree with them?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I want to say that energy conservation has to be and certainly is important and it's on the minds of the officials within our department as we work with our federal government in terms of greenhouse gas emissions. I think it's very clear that energy conservation is one of the very important things that we need to be looking at.

With respect to hydrogen fuel cells, I think there's some very exciting technology that's . . . The Ballard fuel cell is an example that's being worked on. A lot of money is being invested in an alternate source of energy. And I think that that certainly is one of the areas that we need to be proactive on in terms of alternate ways of doing things.

The city of Regina just recently got an award for energy conservation initiatives. I know that there are initiatives as well in North Battleford and in my home community of Prince Albert.

Building efficiency is something that we all need to be, and are more, aware of and I think that that is one of the very important things that we need to be doing in terms of energy conservation.

But I want to say, in terms of shutting off — and I don't think that's what this group meant — the use of fossil fuels, that there can and will be a transition. If there are cleaner sources of energy, natural gas is certainly one area. It's a very clean fuel and I think it's an area that we're doing in the Saskatchewan Research Council some very good works and very positive work on in terms of natural gas vehicles.

So I think that there are a number of things that can be done, should be done, and my department will work with respect to energy conservation on a provincial level, on a local level, and on a national level.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, we're glad that you're working on these issues. More specifically they say that the increase in the greenhouse gases in the atmosphere is a major threat to our health, in the health of the biosphere and its ecosystems. Increased production and use of natural gas and oil exacerbates the problem since methane and carbon dioxide are emitted by test burn-offs, flares, gas leaks, and pumps, and the exhaust from the internal combustion engine is in vehicles and heavy equipment.

Now, Minister, how of course that relates to your particular department is so very, very important because of course it is

your job probably to defend the oil and gas industry as Minister of Energy and Mines and probably to promote the use of more energy. However, this group is pointing out to us what has been obvious in our society for a long time, that we need to strike a balance. And so my question to you is: where are you striking a balance to achieve these goals in terms of controlling these burn-off flares that they talk about, the gas leaks, and pumps that give off the exhausts and all of those things that we've just mentioned?

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I don't know if I would use the member's description of the department as one of a defender and a promoter of the oil and gas sector. We certainly have developed a positive working relationship with them. We're a regulatory and a licensing body, and we want to facilitate job opportunities, which come as a result of oil and gas activity.

I want to say as well, the leaders, frankly, in the voluntary challenge in CO<sub>2</sub> reductions, has been the oil and gas sector. They have probably been more proactive and produced more in terms of reductions, tangible reductions, than any other sector.

I want to say in terms of flaring, the technology that they have been developed has been reducing the amount of emissions through flaring.

And I want to just remind the member and perhaps pass on to him in case he missed it, Saskatchewan is one of the few provinces in this country who have joined in a pilot program to reduce gas emissions, that being emission trading. It was negotiated by Energy and Mines and SERM at a national level with our counterparts. The other provinces that signed on to this in Canada, aside from Saskatchewan, are British Columbia, Alberta, Quebec, and Nova Scotia.

And so I think we've been doing some very positive and proactive work in that regard. We've much more to do and we'll continue working with other jurisdictions and other departments in the future.

**Mr. Goohsen:** — Thank you, Mr. Minister. Well of course the Nature Saskatchewan people have presented you with this very interesting brief, and I found it extremely interesting to read because, of course, it deals with the impact on terrestrial ecosystems and it has conclusions of several other areas that are not dealt with in their first, initial approaches to you. They also talk about the impact on our aquatic ecosystems, things that we in Saskatchewan don't think of that much because we don't have a whole lot of water and as a rule we don't think. But we do have a lot up North and we do have to be concerned with it. We talked about energy conservation with these people. And, of course, the brief is fairly lengthy. But I've presented you with a few of the first opinions on it.

And what I want to do is to table this document and ask you if you would give us a commitment to answering for the public the issues that these people have raised through this document, because I think it's necessary that we make public what your answers were to these folks in their private meetings because it's important to everyone.

(2215)

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'll undertake to give the member answers in writing as soon as I receive the documents.

**Mr. Goohsen:** — Thank you, Mr. Chairman. And as soon as we have a page we'll certainly see to it that you get that.

Minister, you will recall earlier in the winter that I provided you with what I had referred to several times as the Louisiana report which was done by the people for the *Wall Street Journal*—their correspondents. Now I'm not going to go through the whole document because of course it is 32 pages long. But very briefly what this is, is a study that was done in Louisiana because their oil basin and their gas basin is very similar according to experts to the one in Saskatchewan and Alberta.

And the Louisiana Basin, of course, because it was done so many years before ours, has encountered several problems. And the problems that they've encountered are mostly health problems related to people. And we are just starting now to encounter those kind of health problems and the unusual circumstances that go along with it. For example, we do know of a case where two reasonably young people died within a very short period of one another — one from a pancreatic disorder, the other from a heart disorder. These don't sound like unusual circumstances. But when it happens, right in the middle of a gas field where there has been a major pollution problem, and you then read this report and find that there are several documented cases of similar types of unusual happenings where in Louisiana . . . and in this report it tells about literally scores of individual health problems like that that are very unusual. And it also tells us that studies that have been done there show that nine and a half times as many cancers are showing up in that field as show up any place else in the United States. I mean this is astounding material for people who have to live with the circumstances of these pollutions.

Minister, I will, because of your good nature here tonight, ask you if you will receive a copy of this and can make a commitment as to a written document from yourself and your department as to how you are going to ensure the people of Saskatchewan that we don't continue to have the same problems that Louisiana has.

**Hon. Mr. Lautermilch:** — Mr. Chairman, this ain't Louisiana. Their industry started much before ours, and has been developed, and they've been operating under much different regulatory regimes than what we have in place here with respect to environment and pollution.

I will commit to the member opposite that we will review the document and respond to him in writing.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, we can be here as long as you like, because this is Louisiana. What it says in this report, and what it says by all kinds of environmental studies, is that the oil and gas basin in Louisiana is exactly the same as the one in Alberta and Saskatchewan. We live under the same conditions. We have the same basic oil and gas reservoirs and we have exactly the same kinds of problems starting to develop now that they have already lived through.

Now it's true that they had their oilfields and their gas fields a

long time ago. But remember this: technology may have improved somewhat but people are still dying from the same diseases and the same cause and effect results here, starting to be compiled now, as what happened there before, and we haven't learned our lesson except to stand up and say this ain't Louisiana. Give me a break, Minister.

We've got exactly the same kind of conditions here. What we're saying to you is don't call this the same place as Louisiana, but look at their problems and use them to determine how we're going to stop the thing from happening here that happened to them.

Do you want to have the people in south-east Saskatchewan in the oilfield there, where you're going to do all of your new piping and all of your new flooding programs, do you want those people to end up with the Minister of Health having to take care of them all because they've all got cancer? Is that really what you're after here? You know, I beg you to reconsider that comment.

**Hon. Mr. Lautermilch:** — Mr. Chairman, as I indicated to the member opposite, we will receive the report. I want to assure the member that we will make every measure, make every effort to study it in detail. I also want to assure the member opposite that the safest environmental practices will be in place. We are as concerned about the people of this province and their health, whether it's in the oil patch or any other area, as the member opposite. And certainly it would be irresponsible for us to have anything other than very stringent environmental regulations in the legislation.

**Mr. Goohsen:** — Thank you, Mr. Minister. Mr. Minister, under your jurisdiction and under your department, certain entities use the right of expropriation. Would you care to make a comment? And I think this is an opportunity for you to make a public statement as to your feelings about expropriation.

And I know you've indicated in some conversations and in some letters that you have an opinion and that you would love to have the opportunity to express to Saskatchewan people what that opinion is. And so tonight I'm asking you, to give you that opportunity, what rights of expropriation do you feel that the people that are represented under your department and the department's authority and the Acts that you control in your ministry, what should that extend to and how should it be applied?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think it's fair to say that if, in the interest, in the public interest, expropriation becomes necessary, then different government departments will require the tools to deal with that. I'm told by my officials that there are over 30 different areas where expropriation tools are available, whether it be in SaskTel, SaskPower, Energy and Mines, you know, the pipeline operations. It's very broad, very comprehensive. We believe that negotiations and discussions can, and will for the most part, create solutions rather than a confrontational approach, which I believe expropriation to be. And certainly we want to minimize that necessity and that requirement.

The member opposite — and we'll be dealing with a piece of legislation later this evening as I understand it — has some



concerns with respect to the process. And I've indicated to the member that The Expropriation Act is not under my purview. It's not under the purview of Energy and Mines, but it's under the purview of the Minister of Justice. We both agree that this can and probably should take some review in that the expropriation laws in this province have not been actively considered, overall, on the broader base. And we would be more than willing to work together to look at this legislation over the course of the next upcoming months.

**Mr. Goohsen:** — Thank you, Minister. Most of your answer I was able to get and appreciate. I have a question now of course that relates to this that was given to me by one of my constituents.

As you are aware, your department will be involved heavily in the proposed gas plant expansions at Burstall. Now even though all three new plants and both of the old plants that are being rebuilt will be on the Alberta side, a lot of the spin-off effects will end up, a lot of the effects will end up being part of Saskatchewan's problem. For example, we already know that there are several carloads of pipe — I forget exactly the number — it amounts to many railcar loads of pipe that have been brought into the area. This is large-diameter pipe, the diameter being such that only three pipes can be put on a semi-trailer truck to be hauled at one time, so that gives you a bit of an idea of the size of them.

That pipeline is going to run from Alberta through Saskatchewan to the United States. Now you said you believe in expropriation for the public good. I'll have you know that I do too. Where I quarrel with you is on the issue of interpretation of what public good is. I would ask you very simply on behalf of those farmers that are going to be faced with expropriation: what is the public good for the people of Saskatchewan from a pipeline that runs from Alberta to the United States?

**Hon. Mr. Lautermilch:** — Mr. Chairman, first of all the member is looking at an NEB (National Energy Board) regulated pipeline and it's not under the purview of the province.

**Mr. Goohsen:** — Okay, Minister, then let's be more specific and we'll take another pipeline, the course that's going to deliver some of the natural gas out of The Great Sand Hills into plants of that type. That is a collection-type system that will be in Saskatchewan, that will be under your jurisdiction. Now where is the public good in bringing gas from the field to the plant . . . when of course you can make the argument that the public good is for gas to be taken to farms and to villages because they need to heat their homes. But the collection system, how does that apply?

**Hon. Mr. Lautermilch:** — Well I don't think you can differentiate between the collection and the distribution system. It's a resource that goes to market that creates royalties and taxation, that helps to fund government programs; those sales do. So I think that's in the public good in terms of heating people's homes and their businesses. I don't think there's a need to elaborate.

**Mr. Goohsen:** — Well, Minister, I think then we should take this a step further. Now you've established that in some cases

we've got some public good and I think that's important that we note that.

Do you not then think that it is also in the public good for those farmers and ranchers that are affected by those lines that you expropriate the land in order to install, do you not think it would be also in the public good for those people to have a vehicle, a legal arbitration board or some process like the Surface Rights Arbitration Board where they would have the opportunity to go to discuss their problems and to view their concerns and have someone other than an expensive court process that would be readily available to them so that they can address their concerns?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I think it's fair to say that if you look at the amount of activity that takes place in this province and the number of expropriations, you'll find that 99 per cent of these things are settled by agreement. The farmers, the landowners, are looking for compensation. The pipeliners and the pipeline people want to resolve in areas where there is a dispute.

And I think expropriation is a last resort, and the member will agree to that. And the fact that the vast majority of these arrangements are settled through negotiation without an expropriation process speaks something to the nature of the relationship between landowners and industry.

**Mr. Goohsen:** — Well, Minister, what it speaks of is a process where 91 per cent of the people realize they don't have any other option. Because you expropriate and there's no vehicle for people to be able to challenge the system, unless of course they happen to be millionaires in which case they're not likely to be farmers anyway. They can't afford the legal process to challenge it, so 90 per cent of them simply take what they're given.

I have, Minister, here one file from one individual farmer who happens to be 83 years old, and he gave me this file to challenge the expropriation processes of this province. A man 83 years old goes to that much trouble, not for himself, but because he said the system is wrong and the next generation has to live with it unless old fellows like him take it on.

Minister, when people like that come to my office, then I know that we are right to stand here and talk to you about the process that doesn't allow individuals the opportunity to be able to have a day in court; to have an opportunity to express their problems.

Now that relates not only to their own personal problems, it also relates then to not having anybody that can listen to the people on the land who can tell them what the environmental problems will be on that particular piece of property. So many farmers and ranchers in this province have got things on their property that they know about that can greatly assist, and we don't have a vehicle for them to be able to approach.

What we have is a board that works with the expropriation procedures, and that board simply rubber-stamps the request for expropriation. They do not in any way allow the individual to voice their opinions as an automatic part of the process. Now there are some vehicles in there that can be used, but they're never used.

So, Minister, I would ask that you take a look at this, along with the Minister of Justice. And that you take a look at . . . and I do have a couple of other pipelines, in fact, that I thought of, that are not controlled by the federal regulations, but are controlled by your own, that do not deliver for the public good.

For example, the ones that run to a refinery to bring in the oil out of the oilfields could just as easily be transported by rail. And, in fact, I have suggested to the people on the Notukeu line that if in fact they were able to convince the oil companies there to load the crude oil on those . . . into those tank cars and ship it into the refinery in Regina, they'd have ample use for the rail line to be able to afford to keep it open. And probably the cost of digging pipelines and operating them and keeping them up and paying for the environmental damage would probably, in the end, be cost effective.

(2230)

So we don't agree with all of your interpretation of what's for the public good, but we would ask you to make a commitment to investigate the whole area of expropriation with the Minister of Justice and with the other ministers involved, so that we can resolve this type of problem as they did in Alberta in 1977, which is 21 years ago. And it seems to me that if it's working reasonably good over there for 21 years, then it must have something to it. Otherwise, by now they would have changed it. So it's worth looking at. So I'll give you an opportunity to respond.

**Hon. Mr. Lautermilch:** — Mr. Chairman, as I indicated when my remarks began on this line of questioning, that I had talked to the Minister of Justice, and I intended to pursue that conversation with him to see if there were areas where we could improve the process to create harmony and assist in creating harmony between industry and landowners, and I will do that.

**Mr. Goohsen:** — Thank you, Minister, that will not go unnoticed in the country. I will assure you that I will bring your words to the people of the rural areas of Saskatchewan that are concerned. If people in the cities are concerned, they need only to ask, and we certainly will pass it on. I would only say now to the chairman that if he can find a page, I will send this material over to you as I promised I would.

Subvote (EM01) agreed to.

Subvotes (EM02), (EM03), (EM04), (EM05), (EM06) agreed to.

Vote 23 agreed to.

**Supplementary Estimates 1997-98  
General Revenue Fund  
Budgetary Expense  
Energy and Mines  
Vote 23**

Subvote (EM03) agreed to.

Vote 23 agreed to.

**The Acting Chair (Mr. Whitmore):** — I would ask the

minister if he wishes to thank his officials.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I really would like to thank my officials for their help during these estimates, and for the work that they and their employees do during the year. It's a small department — Energy and Mines is — relative to other departments. The employees work very hard serving the people of Saskatchewan, and I want to thank them as well.

I'd also like to close by thanking members opposite for their thoughtful questions. I appreciate the time they put into formulating their line of thought.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I would also like to thank the minister and his officials for coming in these evening, and thank you for answering our questions. And we look forward to working with you, and solving the province's problems in the oil and gas industry over the next year. Thank you.

**General Revenue Fund  
Saskatchewan Property Management Corporation  
Vote 53**

**Hon. Mr. Sonntag:** — Thank you, Mr. Chair. Seated immediately to my left is our president, John Law; directly behind me is Garth Rusconi, vice-president of accommodation services; seated beside Garth is Debbie Koshman, vice-president, finance and corporate services. Over to her left and my left as well is Barb Loveridge, acting director of financial planning, finance and corporate services; and seated in the back, I think, is Al Nordin, commercial services director.

**Subvote (SP01)**

**Mr. Toth:** — Thank you, Mr. Deputy Chair. Mr. Minister, welcome to you and to your officials. A few questions, Mr. Minister, that I'd just like to add to the debate that's taken place already on SPMC (Saskatchewan Property Management Corporation). Number one, Mr. Minister, as I understand it, SPMC manages all government properties in the province. And with that in mind, Mr. Minister, when we're talking about management, does that mean you hold title to all government properties and the properties that you manage?

**Hon. Mr. Sonntag:** — We do hold title to the majority but there's a number that are leased and certainly there are still some that are under the title of the different departments as well.

**Mr. Toth:** — Mr. Deputy Chair, Mr. Minister, when it comes to the hospitals in the city of Regina — the General, the Pasqua, the Plains — are those properties in the title of SPMC now? If they are, which ones are? If some aren't, which ones aren't? And when did you take title of any of those three if you have title to those properties?

**Hon. Mr. Sonntag:** — We can get you more specific detail, but the only one that we will hold title to will be the Plains facility beginning November 1 of this year.

**Mr. Toth:** — Mr. Deputy Chair, Mr. Minister, you're saying that right now you're not sure of the Pasqua and the General but

the Plains you don't currently hold title to; you will take title on November 1. Is that what I heard?

**Hon. Mr. Sonntag:** — That is correct. But also I want to clarify that we do not hold title to — clearly we don't hold title to the Pasqua or the General either.

**Mr. Toth:** — Mr. Minister, could you tell me who currently holds the title to the three facilities we have just talked about — the Pasqua, General, and the Plains?

**Hon. Mr. Sonntag:** — We could confirm this for you, but it's our belief that they are under the title of the Crown province but under the management of the Regina District Health Board.

**Mr. Toth:** — Mr. Minister, I'd appreciate more detailed information in regards to those three facilities as to who currently holds title.

Mr. Minister, the other question . . . one of the questions that's come up as well in regards to property, and certainly in regards to the whole health question, is the parking at the General. Is Property Management going to be responsible for additional parking or is that falling under the Department of Health? And I guess in asking that question, I should ask as well, is Property Management putting the funding in or is that all coming out of the Department of Health as far as the construction project at the General and the Pasqua?

**Hon. Mr. Sonntag:** — The parking would be ours, along with the district health board. And to the second part of your question, the funding would be essentially the Department of Health.

**Mr. Toth:** — Mr. Minister, when you say Department of Health, are we talking about funding that will go into the expanded parkade as well? I believe you said parking will be under . . . you will hold title, but does that mean that the department puts the funding in for that or will you then be responsible to put the parkade in place?

**Hon. Mr. Sonntag:** — I think to be clear, specifically we don't really have a role at this juncture yet, that really is under the Regina District Health Board.

**Mr. Toth:** — Mr. Chair, and Mr. Minister, those are basically the questions that I intended to ask tonight. A couple of them we've been into before. But I'm looking forward to receiving further information in regards to the questions as far as the specific information regarding title, who currently holds title.

I thank you and your staff for taking the time to respond to those questions and look forward to your extended responses. Thank you.

Subvote (SP01) agreed to.

Subvote (SP02) agreed to.

Vote 53 agreed to.

### Budgetary Expense Saskatchewan Property Management Corporation Vote 53

Subvote (SP01) agreed to.

Vote 53 agreed to.

**Hon. Mr. Sonntag:** — Thank you, Mr. Chair. And I want to take the opportunity to thank my officials who assisted us this evening and who have been very helpful to myself as a new minister throughout the year. I certainly appreciate all the work that they do for myself as minister and certainly I believe for the Saskatchewan people.

I want to thank the opposition for their questions as well.

The committee reported progress.

(2245)

### COMMITTEE OF THE WHOLE

#### Bill No. 57 — The Education Amendment Act, 1998/ Loi de 1998 modifiant la Loi sur l'éducation

**The Deputy Chair:** — Before I call clause 1, I'd invite the Minister of Highways to introduce her officials.

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. I'd like to introduce my officials that are with me tonight. To my right is Craig Dotson, the deputy minister of Education; to my left is Michael Littlewood, the executive director of third party funding and legislative services.

#### Clause 1

**Mr. Krawetz:** — Thank you very much, Mr. Deputy Chair. Madam Minister, I know that you'll be relying on your officials tonight, I'm sure, to assist in answering some of the questions. And there are a couple of amendments that are proposed by the minister to the current Bill, and I've indicated that the official opposition will also be proposing an amendment that we'll be dealing with under clause 101 at the appropriate time when we get there.

But before we do that, for some uncertainties from people who have contacted me they want some clarification and I do as well, Madam Minister. Could you indicate, in clause 5, you're suggesting the changes to the program being delivered currently in our K to 12 system to be expanded to include pre-kindergarten or students not eligible to attend. Who initiated this type of request to the Department of Education, and what will this amendment hope to address?

**Hon. Ms. Bradley:** — Mr. Chair, it was initiated really through the Department of Education, just in the work with the Department of Justice. And the fact that through the action plan for children, through the community school programs that boards of education were becoming more and more involved in pre-kindergarten programs as well as the department. And it was felt that in consultation that this should be officially recognized in the Act.

**Mr. Krawetz:** — The Minister of Education has made reference to this clause before in some of her media statements indicating that this will not be a compulsory situation for boards of education to be in. Is that clear?

**Hon. Ms. Bradley:** — Mr. Chair, the answer to that question would be yes. It is set out that it will give powers to the board but not duties to the board.

**Mr. Krawetz:** — Thank you very much, Madam Minister. Madam Minister, clause no. 10 is the proposed restructuring of urban school divisions who currently do not have the subdivision or a ward system. I note there that it indicates in clause 10 that it refers to “in a vote.” I’m wondering if you could clarify who must initiate that vote. Is it the municipal council? Is it the urban municipal council? Is it the school board? Is it a school committee that could initiate the vote? Who will conduct the vote?

**Hon. Ms. Bradley:** — Mr. Chair, the vote as recognized in the Act does not designate how that does come about, and that will be part of the regulations. And the SSTA (Saskatchewan School Trustees Association) had also agreed with that and that they will be consulted as the regulations will be developed later.

**Mr. Krawetz:** — Madam Minister, I’m assuming by the comments in *Hansard* of June 1 from the minister that she’s suggesting that where there was a vote already conducted in one of our major cities that that vote was on a municipal ballot and it was asking the question as to whether or not the city wished to divide or subdivide into subdivisions and/or wards.

Could you indicate whether or not you believe that that will be the part of the regulations . . . that it will indeed allow the community represented by its municipal council to actually have a vote that will determine whether or not a school division will be obligated to divide into subdivisions? Is that the understanding?

**Hon. Ms. Bradley:** — Mr. Chair, it’s as I stated before — that those decisions haven’t been made; we need to develop the regulations and that will determine the type of process that would take place.

**Mr. Krawetz:** — Well, Madam Minister, you haven’t clarified it at all for me. My question is: will a municipal council be eligible or able to conduct the vote that will determine whether or not a school division must follow what has been placed in the way of the amendment to The Education Act?

**Hon. Ms. Bradley:** — Mr. Chair, it’s my understanding then the piece of legislation here does not address that but that will be addressed in regulations. It may be appropriate that a municipal council administers the vote, but who and how it will be initiated will be decided in the regulations.

(2300)

**Mr. Krawetz:** — Madam Minister, if I might, to your officials, indicate that individuals in communities which are currently represented by boards of education without the ward system are asking . . . well, how would they go about asking for the board of education to indeed subdivide into subdivisions and have it

done in that fashion? Will they have to approach the current school board to say we ask you to conduct that referendum, or will they be approaching the municipal council, or will they be approaching the provincial government to say we would ask that the provincial government ask the city — and I’ll use the example of the city of Regina, for instance — will it be the provincial government who will ask the city of Regina to conduct the vote? Will it be the board of education, the public board of education or for that matter the Catholic board of education? Who will people be able to turn to, to say we’d like to see whether or not a majority of people want to have the subdivision or the ward system in a particular city that doesn’t have it right now? Who do they turn to?

**Hon. Ms. Bradley:** — Mr. Chair, it’s as I’ve previously answered. All of those matters will be decided in the regulations — the who and the how it will be initiated, will be decided, when we do the regulations. That will be done with consultation. And I think a lot of the issues and concerns that you’re raising will be addressed then, with that.

**Mr. Krawetz:** — Well, Madam Minister, who will make the determination of what’s in the regulations then?

**Hon. Ms. Bradley:** — Mr. Chair, it will be the decision of the government. But that will be done in consultation with all the education partners — with SSTA, with STF (Saskatchewan Teachers’ Federation), with LEADS (League of Educational Administrators, Directors and Superintendents), with SASBO (Saskatchewan Association of School Business Officials). It will be with all the education partners.

And there has been agreement on this piece of legislation to work in that direction.

**Mr. Krawetz:** — Okay. Thank you, Madam Minister. I guess we’ll have to await and see what the regulations actually hold for people in the province.

Madam Minister, your other piece of legislation that apparently has received consensus and support from the francophone community. And there has been a lot of work that has been done to achieve the changes recommended in the Act. Many, many clauses address the situation where there will be an ability to form one conseil scolaire, and be able to address the needs of the francophone community.

I was looking for a time line, Madam Minister, as to when this could be in place in terms of the election. That’s the question that I have for you — is how soon do you expect this to be put in place? And the second part to that is how will each of the areas, the current nine areas, how will they select their representative to the board? Will this be by an election procedure in the near future? Or will this be by appointment?

**Hon. Ms. Bradley:** — Mr. Chair, the conseil scolaire will be created this fall with plans to be in operation then for January 1, 1999. The representatives from the nine areas will do it through an election process of one member being elected to the conseil. And it will be done and conducted in the ordinary way that school boards are elected.

**Mr. Krawetz:** — Thank you, Madam Minister. And I

understand that the people that we've spoken to have concurred with the proposed amendments, and that it seems that this is one piece of legislation that is being looked forward to.

Madam Minister, one piece of legislation that is not being looked forward to by all people in education are the amendments to clause 100, around the grievance procedure, and tremendous, tremendous backlash. I'm sure that your officials and the minister has apprised you of the fact that numerous letters have come from boards of education, from individual trustees who express grave concern right across this province, that indeed the proposed changes that you have regarding the procedures for the settlement of grievances will again eliminate the local employer — in this case, the board of education.

And I'm wondering, Madam Minister, how in the explanations put forward by the boards of education as individual boards, by the Saskatchewan School Trustees Association, where they cite . . . where they have indicated that a similar type of employment program or contracts do exist right now with a health organization, the Saskatchewan Association of Health Organizations, SAHO, who has a provincial contract that is administered at the local level. In other words, the employers of health people at the level are the district health boards, and they administer a provincial contract.

The same situation is occurring in the area of education. We have a provincial contract for the Saskatchewan Teachers' Federation, all the teachers that teach in the province of Saskatchewan, yet the employer is the board of education, the conseil scolaire, that is at the local level. The proposal that you have put forward and that has been, you know as I said, you know, many, many letters have indicated that that representation of the local employer is being eliminated — opposite to what exists in the Health department.

I was wondering if your officials would provide you with the information as to how you see the education system being different than the employers of health care workers at the different district levels.

**Hon. Ms. Bradley:** — Mr. Chair, in response to that, I guess first thing I would want to clarify is that this piece of legislation is not eliminating or changing what has already been the practice. It's actually clarifying and continuing what's been in law in this province for over 20 years. The collective bargaining regime used for the teachers in this province; this regime was established 20 years ago. We've now seen a different regime being established for health care workers, through SAHO (Saskatchewan Association of Health Organizations), which is again a different regime than what is under The Trade Union Act. So we have different types of bargaining units within the province.

**Mr. Krawetz:** — Madam Minister, I know that the Minister of Education has made reference to the fact that this was the procedure in the past, and that it's here for clarification. I do recall from cases in the '70s and '80s where we were dealing with grievances, that indeed the board of education was involved in the grievance procedure in terms of how that grievance was settled . . . of a provincial contract.

What is suggested here that that it is being removed from the

board of education, and indeed the provincial bargaining committee — which has five government-appointed representatives and only four school trustee representatives — will be the group that will determine how the grievance will be settled; whether or not it will go to arbitration; who will be selecting legal counsel, and the like.

I see that quite different from what was occurring in the past. We have a situation where the minister has indicated, well this is clarification of what the word "party" meant or "party to an agreement" or "party to a grievance," that indeed it was a provincial responsibility. I think that we have an extreme point — clashing of points of view here — whereby we have boards of education that are saying no, we are the employers, we are trying to ensure that a provincial contract is applied at the local level. Should not they be consulted to ensure that the board's opinion is represented adequately at that grievance procedure?

**Hon. Ms. Bradley:** — Mr. Chair, in answer to that, again I just want to clarify that nothing is being eliminated with this piece of legislation. The process that has worked very well in the past will still be able to continue to work in the future. And so it can still happen. And the reason why there's been so few number of grievances that ever come to the provincial level is that these grievances have been still settled at the local board levels or at the district levels. So these things can still happen. This isn't preventing any of the ways in which it happened before from still happening with this piece of legislation. It actually happened under this piece of legislation before and this is just clarifying it.

**Mr. Krawetz:** — Well, Madam Minister, I think you can see why boards of education are a little fearful of this, as to whether or not they indeed will have any say how grievances are settled.

We saw the reaction of your government and the Minister of Education last December, when indeed she indicated that there was difficulty negotiating a provincial agreement, so something that had been in place called the protocol agreement was suddenly done away with and indeed it reverted back to what was in place in the past. But that meant that government had a majority on a committee and could do as it felt by majority rule.

The same type of fear is here from boards of education again in dealing with the grievances where they will now be relying on the committee, which has a majority of government appointed members, to settle grievances of a contract dispute at the local level. So we again have eliminated the board of education.

And I understand your comments and I understand the minister's point of view in terms of the plan that she has put in place in terms of moving in that direction. But I do want to indicate to you that boards of education have indicated to me that that is something that they do not support; that they do not feel it's in the best interests of the employer — the board of education.

And as I indicated in my opening comments, there is a proposal for an amendment to clause 101 and again that will not change the context of the Bill that's already there. It ensures that if the minister's plan is that it be moved to the committee, the provincial bargaining committee to resolve the grievances. The school boards have indicated that that's fine as well. However,

the clause that they are asking for, Madam Minister, is that the provincial bargaining team have some responsibility of being able to respond in a manner that is not arbitrary, that is not discriminatory, or that is not in bad faith. And that's the type of proposal that I will be putting forth when we arrive at that clause.

Madam Minister, if I might revert back to a comment that I made initially about the ward system, and I just want to indicate to you, and I'm not sure whether you have any further points of clarification because you kept referring back to regulations and indicating that the regulations are going to establish the book.

If I can indicate to you what the Minister of Education indicated on June 1. She has indicated by saying this, in the future, if a public vote is held within an urban school division and the majority of those who vote support the establishment of a ward system, the board of education will be legally obliged to apply to the minister to establish wards.

Now, what that is saying to me and I think to anyone who reads this is that a public vote doesn't necessarily have to be originated by the board of education. A public vote can be anything that is defined, I guess, by the provincial government. And when you say regulations are going to clarify that, people are asking for clarification of what you've proposed in this Act right now to say who will conduct that public vote. Will it be only the board of education? Will it be only the municipal council? Will it be only the provincial government? Or are you going to ensure that all of these particular situations can address the need for a public vote?

(2315)

The question is who can begin the public vote. And as I've indicated to you, the Minister of Education said very clearly that a public vote, once it's held and the outcome of that — the majority outcome of that — that says that the people in a particular urban municipality demand the ward system. The board of education, by what I see here, is legally obligated to do that, okay. So, obviously, this vote is not the board of education's vote because you wouldn't need to force them if they conducted it anyway. So, could you clarify that, please?

**Hon. Ms. Bradley:** — Mr. Chair, as I said previously, of course a public vote is a vote of the public on that issue. Now, how that could be administered — it might be through local governments. But, as I said earlier, who will initiate it, how that will come about will be brought in through regulations. But that's going to be done in consultation with the education partners because those concerns have been raised and certainly we'll be working with STF and SSTA and LEADS and all of the other education partners there to determine the who and the how that will be done in regulation.

Clause 1 agreed to.

Clauses 2 to 35 inclusive agreed to.

#### Clause 36

**Hon. Ms. Bradley:** — Yes, I have a House amendment to clause 36 of the printed Bill. The House amendment is intended

simply to eliminate some redundant language in this clause. There is no substantive change to the provisions. Do I need to hand this . . . Clause 86 . . .

I move that clause 36 of the printed Bill:

Amend clause 86(aa) of *The Education Act, 1995*, as being enacted by Clause 36 of the printed Bill, by striking out "except where it is required in the circumstances to operate in another language".

I so move.

Clause 36 as amended agreed to.

Clauses 37 to 42 inclusive agreed to.

#### Clause 43

**Hon. Ms. Bradley:** — Yes, I'd like to move an amendment to clause 43 of the printed Bill. I so move that we:

Amend subclause 103(4)(a)(i) of *The Education Act, 1995*, as being enacted by Clause 43 of the printed Bill by striking out "francophone education area" and substituting "attendance area".

I so move.

Amendment agreed to.

Clause 43 as amended agreed to.

Clauses 44 to 100 inclusive agreed to.

#### Clause 101

**Mr. Krawetz:** — Thank you, Mr. Chair. I move clause 101 of the printed Bill:

**Amend clause 101 of the printed Bill by adding immediately after the words "settlement of the grievance within 15 days" where they occur in clause (b) as being enacted therein the following words:**

"; and  
every board of education or conseil scolaire has the right to be fairly represented in grievance or rights arbitration proceedings under the provincial bargaining agreement by the bargaining committee appointed pursuant to subsection 234(2) in a manner that is not arbitrary, discriminatory or in bad faith."

I so move.

Amendment negated.

Clause 101 agreed to on division.

Clauses 102 to 135 inclusive agreed to.

Schedules A, B, C inclusive agreed to.

The committee agreed to report the Bill.

(2330)

**Bill No. 36 — The Vital Statistics Amendment Act, 1998/  
Loi de 1998 modifiant la Loi sur les services de l'état civil**

**Hon. Mr. Serby:** — Mr. Chairman, my official with me tonight is Mr. Rod Wiley, who's the executive director of finance and management services in the Department of Health.

**Clause 1**

**Mr. Toth:** — Thank you, Mr. Chair. To the minister and his official, welcome. Just a few quick questions. As I understand it, if as the legislation is laid out before us . . . what the intent is is to try and simplify some of the processes in regards to vital statistics. And I'm wondering, Mr. Minister, if you can give us just a quick rundown of what the simplification of this will mean. Will it mean positions disappearing from the department as a result of the changes and money saved by the government?

**Hon. Mr. Serby:** — Mr. Chair, to the member. There are about four or five things that will sort of enhance the way in which we provide information and record and manage information and these are what the Bill would intend to do. It would improve customer services, update obsolete technology, streamline inefficiencies in the process, protect some of the fragility of existing documentation, and the overall modernization of the program that has been unchanged for several decades. So these are five of the issues that we'd be looking at doing.

**Mr. Toth:** — Mr. Chair, to the minister, so what you're saying, while it's supposedly simplifying some of the processes, it doesn't necessarily mean that there will be a monetary saving to the department. Is that correct?

**Hon. Mr. Serby:** — Over a period of time, Mr. Member, and, Mr. Chair, there would be a saving to vital statistics.

**Mr. Toth:** — Mr. Chair, to the minister, will people have to deal with — will the department notice a significant change with the elimination of division registrars?

**Hon. Mr. Serby:** — Mr. Chair, what they'll see is a reduced number of registrars across the province and an enhanced flow of information with a quicker turn around time.

**Mr. Toth:** — Mr. Chair, and Mr. Minister, how many actual positions then disappear and what with these positions disappearing, if we're talking about simplifying as well as speeding it up, how are you looking or hoping to achieve that and where do people go to get the information in regards to the forms to fill out in order to make sure that the correct information is made available to vital statistics?

**Hon. Mr. Serby:** — Well on the birth side, the parents would still have the option of filling out the form, or the responsibility of filling out the form over an extended period. They would still have up to 30 days to do that process. On the death side, this could be done immediately through the director.

I think the other question that you'd asked that I want to go to

very quickly here is the number of folks currently involved in the process. I think there are about 800 now today that are involved in the registration process. Yes, 800 division registrars in Saskatchewan today . . . that number we think would be reduced somewhere to 25 to 50 personnel, depending on what model we follow. We might use the district model so you could have one person within a district. If you needed to add additional folks to the system you could do that.

Then of course there's the transaction fee today to provide that information. I think it's around 25 cents per transaction.

**Mr. Toth:** — So, Mr. Minister, if I heard you correctly, you're dropping from 800 to between 25 and 50? Is that what you're telling me?

**Hon. Mr. Serby:** — That's correct, Mr. Chair.

**Mr. Toth:** — Mr. Chair, Mr. Minister, many of the forms currently needed for burial permits, marriage certificates, birth certificates, or death certificates are being deregulated. Mr. Minister, how will the system work, and how will the department be sure to get all the necessary information you're currently getting with this deregulation?

**Hon. Mr. Serby:** — Well the deregulation of the forms will allow vital statistics to respond in a more timely manner, we think, to the needs of their clients as required for data collection and surface changes. Even though forms will be deregulated, there will still be, in our opinion, a cross-check on the system to maintain the integrity and the reliance of the documentation and the documents. And their information are being used by other federal-provincial governments.

**Mr. Toth:** — Mr. Chair, to the minister. Mr. Minister, as I indicated earlier, if indeed this means a simplification of the process and yet all the vital information is available, we certainly can agree with it.

When you're talking about the job cuts, I guess . . . or the number of positions that are eliminated, the positions that are being eliminated, Mr. Minister, how are you going to deal with those? Are those individuals then actually moving or losing job opportunities or what process is going to be used in the elimination of those positions?

**Hon. Mr. Serby:** — Mr. Chair, there really isn't a reduction of staff in the system. What it is is just a reduction of responsibilities that some of these people would carry. For example, today this work is being done by clerks or secretary-treasurers in municipalities. What this simply means is that it would be reduced functions for these folks to do. And as I say, there's a transaction fee on these transactions and those are remaining the same.

**Mr. Toth:** — Mr. Chair, to the minister, thank you to you and your official, and we look forward to seeing how the process will work. And hopefully it's going to achieve the intent that you have indicated in bringing forward this piece of legislation.

Clause 1 agreed to.

Clauses 2 to 35 inclusive agreed to.

The committee agreed to report the Bill.

**Mr. Goohsen:** — Thank you, Mr. Chairman. I would draw your attention to the clock.

**The Chair:** — It now being past the hour of adjournment, the committee will rise and report progress and ask for leave to sit again.

(2345)

### THIRD READINGS

#### **Bill No. 57 — The Education Amendment Act, 1998/ Loi de 1998 modifiant la Loi sur l'éducation**

**Hon. Ms. Bradley:** — I move that the amendments be now read the first and second time.

Motion agreed to.

**Hon. Ms. Bradley:** — Mr. Speaker, by leave of the Assembly, I move that Bill No. 57 be now read the third time and passed under its title.

**The Speaker:** — Is leave granted?

Leave is not granted.

#### **Bill No. 36 - The Vital Statistics Amendment Act, 1998/ Loi de 1998 modifiant la Loi sur les services de l'état civil**

**Hon. Mr. Serby:** — I move that the Bill be now read a third time and passed under its title.

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

The Assembly adjourned at 11:49 p.m.



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