

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. I again today present a petition on behalf of people in my constituency who are very concerned about the shape of Highway No. 49. The petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway No. 49 in order to address safety concerns and to facilitate economic growth in the area.

Everyone that has signed this petition is from Kelvington.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the dangerous and deplorable condition of Highway No. 43. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

Mr. Speaker, this petition is signed by individuals from the communities of Gravelbourg and Mankota.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition today with citizens concerned about the deplorable state of Highway No. 20. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 20 from Nokomis to Strasbourg in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

And the signatures, Mr. Speaker, are from Strasbourg, Duval, Drake, Nokomis, and Regina.

I so present.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present a petition on behalf of citizens that are very concerned about the condition of Highway 47. And 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 and make necessary repairs to Highway 47 South in order to avoid serious injury and property damage.

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

Mr. Speaker, this is signed by people from Estevan, Lampman, Regina, Macoun, Wapella, as well as various places in the four Western provinces.

Thank you.

Mr. McMorris: — Thank you, Mr. Speaker. I have a petition to present on behalf of residents around the Qu'Appelle Valley. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to do everything in its power to work with the First Nation people and the federal government to bring a prompt end to the dispute so that the water level on the Qu'Appelle River system can be returned to its normal level and end the economic harm and uncertainty this dispute has caused.

As in duty bound, your petitioners will ever pray.

This petition is signed by people from Indian Head, Southey, and Cupar.

I so present.

Mr. Harper: — Mr. Speaker, I rise to present a petition signed by Saskatchewan people who are concerned that deregulation and privatization in the electric industry is causing electrical rates to increase dramatically in other jurisdictions. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the Government of Saskatchewan and the Legislative Assembly of Saskatchewan to assure the people of Saskatchewan that deregulation and privatization of the electrical industry in Saskatchewan, including SaskPower, is not allowed.

And this petition, Mr. Speaker, is signed by the goods folks from Regina. Thank you.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens from Moose Jaw area who are very concerned about the lack of a hemodialysis unit. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to take necessary action to provide the people of Moose Jaw and district with a hemodialysis unit for the community.

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

And the petition is signed by residents of Regina, Meyronne, Edmonton, and the Moose Jaw area.

I so present.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of

residents of my hometown who are proposing a constructive alternative to the government's plans for a permanent CT (computerized tomography) scanner in the Swift Current Regional Hospital. The prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to reconsider its plan to allocate the used CT scanner to Swift Current and instead provide a new CT scanner for the Southwest.

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

Mr. Speaker, the petitioners today are from the city of Swift Current.

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Once again I rise with a petition from citizens concerned about highway conditions in Saskatchewan. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

Mr. Speaker, this petition is signed by citizens from Regina, Gravelbourg, and Woodrow.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition for fairness for Crown leaseholders. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure current Crown land lessees maintain their first option to renew those leases.

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

Signed by the citizens of Perdue, and Biggar and district.

I so present.

Mr. Lorenz: — Thank you, Mr. Speaker. Mr. Speaker, presenting a petition on the condition of Highway 14. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to recognize the deplorable condition of Highway 14 from Biggar to Wilkie and to take the necessary steps to reconstruct and repair the highway in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

And as duly bound, your petitioners will ever pray.

The petition is signed by the people from Wilkie.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I rise to present a petition on behalf of citizens that are concerned with this government's lack of action in the area of the Qu'Appelle Valley river system. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to do everything in its power to work with the First Nations people and the federal government to bring a prompt end to the dispute so that the water level of the Qu'Appelle River system can return to its normal level and end the economic harm and uncertainty this dispute has caused.

As in duty bound, your petitioners will ever pray.

Signatures to this petition, Mr. Speaker, come from the communities of Pasqua Lake and Regina.

I so present.

Mr. Van Mulligen: — Mr. Speaker, I rise to present a petition signed by Saskatchewan citizens who are concerned that deregulation and privatization in the electrical industry is causing electrical rates to increase dramatically in other jurisdictions. Now the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the Government of Saskatchewan and the Legislative Assembly of Saskatchewan to assure the people of Saskatchewan that deregulation and privatization of the electrical industry in Saskatchewan, including SaskPower, will not be allowed.

And this petition is signed by people from Estevan, Shell Lake, Macoun, and Regina.

And I so present, Mr. Speaker.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional paper nos. 12, 13, 18, 35, 36, 114, 120, 126, 140, and no. 141.

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Communication

Clerk Assistant (Committees): — The Hon. Myron Kowalsky presents the fourth report of the Standing Committee on Communication which is hereby tabled.

Ms. Jones: — Thank you, Mr. Speaker. I move, seconded by the member for Cannington:

That the fourth report of the Standing Committee on

Communication be now concurred in.

Motion agreed to.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Brkich: — Thank you, Mr. Speaker. I give notice I shall on day no. 64 ask the government the following question:

To the CIC minister: in the year 2003 did CIC sell any potato loading equipment either from the Broderick or Lucky Lake sheds; if so, could the minister please provide which equipment was sold and for what price; also, was this equipment tendered?

Also I have a similar question dealing with year 2002.

And while I'm on my feet, Mr. Speaker, I also have a written question to the Highways minister. I give notice on day 64:

What was the cost of installing the 110-kilometre highway signs, speed signs, on Sunday compared to installing them on a regular working day?

Ms. Bakken: — Thank you, Mr. Speaker. I give notice that I shall on day no. 62 ask the government the following question:

To the Minister of Health: what are the contents of the independent audit conducted on the books of the finances of the Métis Addiction Council of Saskatchewan which was ordered by the Department of Health; and will the minister provide a copy of this audit to members of the legislature?

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Well, Mr. Speaker, you may have observed in the west gallery a group of students, 46 in total, a good group, good-looking group of young people. They're visiting us from St. Augustine Community School. They're all grade 8 students. They're here accompanied by their teacher Sandy White, Tina Shuker, and Marion Desjarlais and I look forward to visiting with them after the question period.

And I might say that it's normal for St. Augustine to always send a group to the legislature.

And again, Mr. Speaker, I would ask all members to join with me as they have in the past to extend a very warm welcome to these students and their teachers here today. Thank you.

Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. April 21 is a very important date in the royal family, and it's also a very important date in the Osika family, Mr. Speaker, because on April 21, just a little over four years ago, I announced the birth of a princess into the Osika family. And I would like to introduce that little princess that's here today, along with her mother, Kim Osika-Schick, and my wife, Barbara. And they're sitting in the VIP (very important person) section, Mr. Speaker, of your gallery.

And I would ask all members to kindly join me in welcoming

them and passing on to Colby Ron, Kierra's little brother was not . . . didn't feel quite up to being here today, Mr. Speaker. He said he'd watch on TV today. So please welcome Kierra, Kim, and Barbara.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Saskatchewan Association of Rehabilitation Centres Annual Meeting

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, last Friday evening I had the pleasure of joining with a number of people from across the province who gathered for their annual meeting. Mr. Speaker, this was the annual meeting of SARC, the Saskatchewan Association of Rehabilitation Centres and, Mr. Speaker, of note it's been 35 years since the association was formed. And through that 35 years this association has been reaching out to help meet the needs of people who are disadvantaged and people of disabilities.

Mr. Speaker, certainly the evening was a worthwhile evening to attend. A Volunteer of Distinction Award presentation was made to Mrs. Elizabeth King, a lady from Moose Jaw, who has been involved for many years in providing services to people with disabilities.

I think, Mr. Speaker, the highlight of the evening, however, was the keynote presentation. The presentation was made by Diane Dupuy the founder of Famous People Players. And after listening to Ms. Dupuy's presentation, Mr. Speaker, I don't think there was anyone in the room whose heart wasn't touched.

Ms. Dupuy came from a home where they were really limited in their financial resources. Her father was an alcoholic and there were many challenges. But out of that challenge, Mr. Speaker, she developed the Famous People Players. And, Mr. Speaker, I would recommend that if anyone has the opportunity at some time in their life, to take in this famous presentation.

Congratulations to all the SARC members.

Some Hon. Members: Hear, hear!

(13:45)

Les Benjamin Remembered

Mr. Trew: — Mr. Speaker, earlier this morning, Saskatchewan and Canada lost a friend. About 8 o'clock this morning, 25-year MP (Member of Parliament) Les Benjamin passed away in the Pasqua Hospital.

Les was first elected in the Trudeaumania sweep of 1968. The incumbent Tory at the time was a gentleman named Mr. More, and Les's first campaign slogan was, get less with . . . or Get More With Les. He had it right; I didn't. Les got it right; he won. He wasn't supposed to win that election — he did — and his plurality grew every election thereafter.

In his book, *Rolling in the Grass Roots*, Les wrote that, Beatrice Trew and her husband Albert sold me my first party

membership, and she and her husband were my mentors, Les wrote. They remained lifelong friends who, as we speak, are being now reunited, Mr. Speaker.

My father fondly remembers, years later, being in Ottawa lobbying for farmers and Les introducing dad to the NDP (New Democratic Party) caucus. And he introduced him by saying, this man's parents sold me my first party membership. Immediately the caucus chorus was, well we can't hold that against him. Les's colleagues and friends all knew of his love of life and his humour, a humour that Les Benjamin kept with him right to the end. When he was wheeled into the hospital he said, if I'd known there were two beautiful nurses waiting for me, I'd have come in sooner.

Mr. Speaker, Les is survived by his wife, Constance Friesen, four adult children, and their grandchildren. Today our condolences go out to the family of Les Benjamin.

Some Hon. Members: Hear, hear!

Richard Lemmerick Celebrates 105th Birthday

Ms. Julé: — Mr. Speaker, last Thursday, June 12, Richard Lemmerick of St. Mary's Villa in Humboldt celebrated his 105th birthday. Mr. Lemmerick was born in 1898 in North Dakota and he immigrated to Canada in 1905.

He took up farming in the Muenster district and he retired to Humboldt in 1957. For some years after his retirement he and his wife travelled frequently to Arizona, until her death in 1979.

Mr. Lemmerick enjoys hunting, fishing, playing cards, and political wrangling. In 1996 Mr. Lemmerick moved to St. Mary's Villa where he presently resides. He is still in good health. He walks with the aid of a walker. He enjoys sitting in his chair and visiting with family.

Mr. Lemmerick has 6 children, 26 grandchildren, 46 great-grandchildren and 2 great-great-grandchildren. They all celebrated with him on Father's Day, June 15.

Mr. Speaker, I had the pleasure of visiting Mr. Lemmerick some time ago to present him with a three-century certificate and during my visit with him I was entertained by some very good stories of his life experiences.

So, Mr. Speaker, 105 years of life is truly remarkable. Congratulations to Mr. Lemmerick on achieving this wonderful milestone.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Public Service Week

Mr. Yates: — Thank you, Mr. Speaker. This morning three work teams and three individual Saskatchewan public servants were the first recipients of the Premier's Award for Excellence in the Public Service. As recipients, these six are worthy representatives of all those who work for the people of Saskatchewan in the public service. And, Mr. Speaker, the

ceremony this morning was a fitting way to begin what is being declared Public Service Week, a week set aside to recognize the many ways that public servants at all levels contribute to the quality of life of all Canadians.

It is particularly appropriate that we observe this week in Saskatchewan because, as I said last year, it is internationally known that we in fact have the best civil service in the world. Whether they are fighting forest fires, working with farmers to prevent crop depredation, building the roads, or performing the hundreds of other jobs they do on a daily basis, they are doing so quietly and well, with dignity and professionalism.

I know all members will join me in taking a moment to thank our public servants for making our jobs a bit easier and the public's life a bit smoother.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Alameda Agricultural Society Fair

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to report today on the annual Alameda Agricultural Society Fair which was held last Saturday. This fair included three local 4-H clubs presenting their calves, as well as other people from around the communities having their animals there as well.

There was a horse show, dog show, and ball games, Mr. Speaker. But the highlight of the day, Mr. Speaker, is the annual goat-milking contest. And this goat-milking contest has both amateurs and experts, Mr. Speaker, and I'd like to give you an example.

My friend, Murray Carnduff, who's the local butcher in Alameda, had a goat and Murray, this was his first time in there so you would qualify him as an amateur. Well, Mr. Speaker, he didn't get any milk because he was beat by the expert. Not me, Mr. Speaker, who was also milking at the same time, but rather the kids from that nanny had beat him to the goat before he had a chance to milk it.

My goat, Mr. Speaker, was a very sneaky goat. I had a large supply of milk, about three inches in the pail. She took a swipe with her right foot and I managed to get the pail out of the road, but she tricked me and got me with the left foot and spilled all the milk, Mr. Speaker.

The winner of the goat milking though was Lillian Rode, 73 years old, representing the Frobisher senior citizens and Lillian did an excellent job. Mr. Speaker, I'd like to congratulate everyone involved in both the goat show and the entire fair.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Burrowing Owl Interpretative Centre

Hon. Mr. Hagel: — Thank you, Mr. Speaker. Recently the Burrowing Owl Interpretative Centre in Moose Jaw has been

experiencing some financial difficulties. But I'm pleased to say that thanks to the co-operation of several Saskatchewan organizations and the efforts of a group of students, the centre will remain open.

Mr. Speaker, contributions came from Sask Environment, the city of Moose Jaw, the Moose Jaw Wildlife Federation, Nature Moose Jaw, and the Wakamow Rotary Club. But I was most impressed with a group of students from École Saint Margaret who went door to door and raised \$3,100 or nearly 10 per cent of the funds needed to ensure the centre could continue its education and conservation activities on behalf of the burrowing owls.

Mr. Speaker, I'm sure that the members of the Assembly will join me in thanking all the organizations who donated to this worthy cause and especially in commending the students from École Saint Margaret for their commitment to preserving endangered species.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Recognition of Swift Current Residents

Mr. Wall: — Thank you, Mr. Speaker. Last Thursday evening I had the opportunity to attend a beef-on-a-bun supper hosted by Cypress Motors in Swift Current. The local auto dealership took it upon themselves to host the supper free of charge as a show of support for our local cattle producers in the wake of the BSE (bovine spongiform encephalopathy) scare, Mr. Speaker.

Over 400 people came out in support of our cattle producers. The Stock Growers Association was involved and indeed Marilyn Jahnke made a bit of a presentation that evening as well.

Congratulations and a big thank you to Jeff Parsons and all of the staff and volunteers that helped out Cypress Motors for a job well done.

On Friday afternoon, Mr. Speaker, I had the chance then to attend a ceremony in Swift Current for four nurses who work at the hemodialysis unit at the Swift Current Regional Hospital. They were presented with the first ever Award of Excellence in Patient Care. This was a first-time award by the Kidney Foundation and it recognizes outstanding service and contribution to the care of kidney patients.

Congratulations to Nancy Franz, Brenda Taylor, Harriet Paterson, and Shelly Edgar-Cozine. They are the first recipients of the award and well deserving, well deserving, Mr. Speaker, as organizers for the Kidney Foundation and patients came forward to speak so glowingly of the kind of care they're providing at the Swift Current Regional Hospital.

I'd ask all members to help me thank these four nurses for their hard work, and Cypress Motors for their support for the cattle industry in the Southwest.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Why is the member from Regina Victoria on his feet?

Mr. Van Mulligen: — Mr. Speaker, with leave to revert to introduction of guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — I thank the members for that, for giving leave. We've just been joined by a group of students who are seated in your gallery. This is a group of students who are enrolled at the University of Regina's summer language bursary program. And in this case these students are here from the province of Quebec and there's nine in total.

They're accompanied by Amanda Moreau and Sherri Briley, and I would ask the members to join with me, Mr. Speaker, to extend a warm welcome to Saskatchewan to these students and to enjoy . . . to wish them an enjoyable tour of the Legislative Building.

And thank you very much, Mr. Speaker. Bienvenue à Saskatchewan.

Hon. Members: Hear, hear!

Ms. Harpauer: — With leave to introduce guests.

Leave granted.

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, it's an honour to introduce to you and to members of the Assembly seven grade 10 students in the east gallery from Simpson. They're accompanied by their teacher, Mr. Neil Derby, and chaperone Darlene Gross.

So it's an honour to have them here with us. I hope they enjoy the proceedings and I would ask everyone to please help me in welcoming them here today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Support for Beef Industry

Mr. Hermanson: — Thank you, Mr. Speaker. On Friday provincial ministers of Agriculture met with federal minister, Lyle Vanclief, in Victoria. Media reports suggest that the federal government is close to announcing a compensation package that would consist of loan guarantees and payments through the new NISA program (Net Income Stabilization Account).

However, many in the industry — many people in the industry — are suggesting that NISA is not designed to address a problem of this magnitude. Also the government only puts money into your NISA account based on your net income. That means NISA won't help cover a producer's losses.

Mr. Speaker, is the proposed federal package nothing more than

loan guarantees and payments through NISA?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I can report to the House today that the position of the federal government was to move down the path of the NISA program and also loan guarantees.

Upon the conclusion of the meeting, the federal government was clearly made aware by the provinces that it is in fact the premiers' option that we want to see implemented in Canada for producers across the country, and that in fact loan guarantees are not what producers are needing today; it simply adds to the debt that they have. Plus there'll be significant reduction already in what the value of the market animals are, even with the borders opening. What will happen with loan guarantees of course is that producers will end up getting less for their animals down the way, will have this debt outstanding, of which we didn't support.

The federal government returned to Ottawa. We're told that by Tuesday or Wednesday, late Tuesday or Wednesday morning we should have a decision out of Ottawa in terms of what that compensation package might look like. Our interest is for it to be led by the premiers' option which was proposed in Kelowna last week.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Well thank you, Mr. Speaker. I listened very closely to the minister's answer and I did not hear confirmed that the package will not be anything more than loan guarantees and a compensation package through NISA.

Mr. Speaker, that concerns us because in trying to address the BSE problem through NISA alone, a University of Saskatchewan agricultural economist says that this could actually bankrupt the program.

And also, Mr. Speaker, feedlot operator Brad Wildeman says that NISA won't work in this instance because it doesn't cover a producer's losses, as I mentioned earlier.

Mr. Speaker, NISA seems like a flawed response to the current crisis. And so I ask the minister, what are you doing to ensure that this proposed federal package of loan guarantees and compensation through NISA is not the avenue the federal government is looking at but in fact that they are looking at the premiers' option?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I'm pleased that the Leader of the Opposition is articulating the same language again, because for months I've said this — this side of the House has said this — that the current NISA program first of all is underfunded, Mr. Speaker, underfunded as a new agreement at \$600 million.

The proposal by the federal government to take \$400 million out of the NISA account today would cripple the NISA account through this course of this year and into the future. It is absolutely the most inappropriate place to take the money from.

And we've said that and articulated it fully forever in the last several months.

And we've said to the federal government, NISA is not the program. The producer organizations have said that NISA's not the program. The federal . . . the provincial ministers have said that NISA's not the program. The premiers have articulated very loudly that NISA's not the program.

What we need today, Mr. Speaker, is a \$400 million package that should be shared on a provincial-federal disaster program for a variety of different reasons. And that's the one that we're staying with, Mr. Speaker, and we've been articulating this now for the last four weeks.

Some Hon. Members: Hear, hear!

(14:00)

Mr. Hermanson: — Thank you, Mr. Speaker. This morning the minister said that he expected a compensation announcement by as early as tomorrow, and that it would be specifically geared toward feedlot operators and the packing plants. Has the minister received some word from Ottawa about that announcement? What form of compensation is the minister expecting for feedlot operators and for packing plants?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, the undertaking that the federal minister provided, not only to the minister from Saskatchewan, but all of the ministers — Agriculture ministers — across Canada is that he would be taking our package back to Ottawa. They would be working on that package over the weekend and by Tuesday afternoon or Wednesday morning, the federal minister said he would announce to Canada what it is that the new package will be.

In his new . . . in their package, they propose loan guarantees and they propose, Mr. Speaker, the opportunity to look at the premiers' option. Those are the commitments that Minister Vanclief has made.

We're waiting, over the next day or two here, to find out what the federal cabinet has in fact decided. The provinces are committed. The provinces have agreed as to what they're going to do and they articulated that to Mr. Vanclief. It's now up to Ottawa to tell Canadians and Agriculture ministers and the industry what it is that they're prepared to adopt. And we're supporting the premiers' option, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. And of course we are awaiting with bated breath and had hoped that the minister would have some indications what that plan might be . . . entail sooner.

But also, Mr. Speaker, there is still no indication as when the US (United States) border might reopen. The minister says that the scientific work is completed and the decision to reopen the border is moving from a scientific debate to a political one.

Now, Mr. Speaker, my question is, what did Lyle Vanclief say on Friday about how those talks are going? How soon can we expect the US border to be opened?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, Mr. Vanclief said this to us: that on Thursday afternoon, the federal government provided to the USDA (United States Department of Agriculture) a copy of the work that's completed in Canada regarding the work of CFIA (Canadian Food Inspection Agency) and a rationale as to why the border should be open.

What Mr. Vanclief said to us, and has now said publicly I believe on Friday at the uni-mic, is that in fact there'll be an expectation that they would let the United States review the package that went to them on Thursday, Tuesday or Wednesday of this week. The Canadian federal government is expecting the United States government to respond to their communiqué and to their letter.

What Mr. Vanclief did say is that the expectation, from where he reads it and views it, is that the borders will not open fully immediately, that the borders will remain closed for a period of time and that entry of our Canadian beef into the US will be staged. Over what period that will take, we're not aware. But we'll need to wait until the US responds to the scientific data that we've prepared which we anticipate will be, as Mr. Vanclief put it, Tuesday or Wednesday.

Some Hon. Members: Hear, hear!

Funding for Weyburn Social Services Agency

Ms. Bakken: — Mr. Speaker, my question is for the Minister of Community Resources and Employment.

On May 26, the government announced that the Family Place, a community-based organization in Weyburn, would receive a \$30,000 grant from the Community Initiatives Fund. But, Mr. Speaker, the people of Weyburn and all of Saskatchewan should know that this is not new or additional grant money provided by the NDP. In fact, it is a grant they receive every year and comes on the heels of the NDP government actually cutting Family Place programming.

After months of negotiation, the Family Place was forced to cancel the family support worker program that had been offered in the community for 19 years because the NDP government would not adequately fund the program and settle the contract with this valuable community-based organization.

Mr. Speaker, why has the NDP forced the Family Place to cut the family support worker program?

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Thank you very much, Mr. Speaker. I thank the hon. member for the question.

I met with some of the representatives from Family Place last week and we discussed their decision, which they pointed out to me, Mr. Speaker, was not based on funding arrangements. In

fact, relative to last year's funding, the negotiations had in fact led to an offer of increase in funding in the amount of 18 per cent.

The Family Place directors made the decision, after some discussion, that they preferred to focus on the services that they're providing in other aspects. And we're now in the process, Mr. Speaker, of moving forward and ensuring that those important services that they provide to very vulnerable families in that area will continue through other means.

Some Hon. Members: Hear, hear!

Ms. Bakken: — This program is at risk because Community Resources and Employment has refused to reach an acceptable agreement with Family Place.

Mr. Speaker, on May 22, just four days before the government's photo op on announcing the grant money, the Family Place issued a press release, and I quote:

The Family Place regrets announcing that we will no longer be able to provide the family support worker program. The Family Place and employees can no longer continue to subsidize this government program. The Family Place will not continue to allow further exploitation of their family support workers employees.

Mr. Speaker, the family support workers, the Family Place who administrates the program, and their board have been ill served by the local service area manager and employee . . . Community Resources and Employment department. That is why they came to meet with the minister last week. They came looking for a solution because this is about at-risk children and their families.

Mr. Speaker, why is the minister allowing this proven service to be destroyed?

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, the services that are being discussed here are services that are offered to families whose circumstance are that the children are at risk. These are very important services at very important times, critical times, for vulnerable families.

When I met with the representatives from the Family Place, we agreed without hesitation, without question, that the single most important thing for us to be looking at is the assurance of continued services to these families. And the Family Place, although they have made a decision that they don't wish to continue to offer those services — as I said before, there was an increase in funding offered in the range of 18 per cent — then, Mr. Speaker, after having had the information decided not to do that.

We will ensure through the efforts of the Department of Community Resources and Employment that those vulnerable families that continue to receive those services. And I do appreciate the co-operation, the good service, that has been provided to those families by the Family Place, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, the greatness of any jurisdiction is often measured by the compassion shown to those less fortunate and to those who are in need of support. Who more so than at-risk families and children?

Mr. Speaker, the government is mandated to provide this service and contract it through a community-based organization. They had a successful program already well established with the Family Place. And the volunteers, board, of the Family Place organization want to continue to provide this service because of their concern for the children in our community.

They have made every attempt to negotiate a new contract in good faith but they have met no compromise by the department's local service area manager. Mr. Speaker, members of the Family Place met with the minister last week in another attempt to settle this issue. But again the minister offered no compromise and no solution.

Mr. Speaker, if the Family Place is no longer providing family place . . . the support worker program at the Family Place, who will provide it and what will be the cost to the government?

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Thank you, Mr. Speaker. As I said in both of my previous answers, that the department will ensure that services will be offered and we will seek to locate over a period of time, an appropriate period of time, a community-based organization in order to continue to deliver those important services.

But Mr. Speaker, while we are talking about resources, the hon. member may just want to lean over and talk to the Leader of the Saskatchewan Party who said this in the fall of '01, who said that if he had his way, if he had his way with the people of Saskatchewan, it would be his choice to pay for tax cuts by ripping up to \$50 million from the Department of Community Resources and Employment.

Mr. Speaker, if the hon. member is sincere about her commitment to resources, necessary resources, then she should talk to her leader who says that if he has his way, he would take out \$50 million. We're not going there, Mr. Speaker. They may. We're not.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this minister has the nerve to get up and deflect criticism to the Leader of the Saskatchewan Party because he cannot defend what he has done in Weyburn. He cannot defend cutting the family support program so he deflects the criticism when it is his government that has misspent millions of taxpayers' dollars across this country and in Saskatchewan and around the world. And he is blaming the Saskatchewan Party. I dare say we know where the blame lies, Mr. Speaker.

Mr. Speaker, this program is in jeopardy and families and children are at risk. And I have many letters and these letters are from the children's parents and they are from the family support care workers because they care about the children in the

community of Weyburn and Carlyle and Estevan. And they want the minister to know that they have concerns and they want this program reinstated.

Mr. Speaker, will the minister commit today to reopen negotiations with the Family Place and will he negotiate in good faith to find a solution and reinstate Family Place as administrator of this program?

Hon. Mr. Hagel: — Mr. Speaker, for the fourth time, I do assure the families that have needed these services that we will be working to provide those services in a temporary basis in the initial period and to reach a permanent settlement. The board has made their decision to withdraw their services and I accept that, and I respect their decision, Mr. Speaker, and I told them that when I met with them.

But it would appear, Mr. Speaker, that it is a sensitive point with the member for Weyburn that when her leader, when the Leader of the Saskatchewan Party places his value on resources to serve the most vulnerable people of Saskatchewan, that from his point of view as he told the *Leader-Post* in October of '01 one day, and then the next day *The StarPhoenix* . . .

The Speaker: — Order, please. Order, please. Order, please. Order, please. All members will have their turn and opportunity if we are able to allow the members to respond.

Hon. Mr. Hagel: — Mr. Speaker, I think the people of Saskatchewan would be very interested in an explanation of the hard, right-wing perspective of the Leader of the Sask Party who says that he places very small value on the provision of resources to the most vulnerable of our citizens by ripping \$50 million out of the budget if he had his way. Mr. Speaker, the people of Saskatchewan will make sure he never has his way with the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Investment in Minds Eye Pictures

Mr. Wall: — Thank you, Mr. Speaker, thank you. Mr. Speaker, that minister and this House should know that, prime among whatever cuts are going to happen after the government changes, Mr. Speaker, the cuts that will happen will come in the number of NDP MLAs (Member of the Legislative Assembly) sitting across the way. That's what the people of the province will cut.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, Mr. Speaker, my question is for the minister responsible for Crown Investments Corporation.

That particular Crown corporation approved an additional \$2 million in investment into the government's movie company, Minds Eye production. Now remember, Mr. Speaker, that the government already had 4.5 million taxpayers' dollars into this movie company and had to write that investment down to \$500,000. It didn't stop them from approving another \$2 million in funding to this company.

Mr. Speaker, the question to the minister is this: how much of

the \$2 million line of credit, if you will, or commitment that the NDP approved to Minds Eye in December has been provided by the taxpayer to the NDP movie company so far?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Let me say first of all, as I answered that question in the Assembly here some time ago, we approved the authorization of additional funds being advanced only, Mr. Speaker, and I say only under the condition that it was matched by private sector dollars. And that is exactly what occurred, Mr. Speaker. There were no funds advanced unless they were matched by private sector investors as well, Mr. Speaker.

I will get the specific amount for the member from Swift Current. I'll get the specific amount, but as of the end of the year, Mr. Speaker, it was, to the best of my recollection, \$1.125 million and that was matched by private sector monies, Mr. Speaker.

Some Hon. Members: Hear, hear!

(14:15)

Mr. Wall: — Thank you, Mr. Speaker. Well that's the information, that's the information that the opposition has as well. The answer to the question, how much of the \$2 million in pre-approved taxpayer credit, if you will, had been accessed is 1.25 million more dollars.

Now the question to the minister is this: in light of his commitment again that none of this money would flow unless Minds Eye, the NDP movie company, found private sector investors to match it, Mr. Speaker, there's a couple of questions in the wake of that.

The first question is, did the NDP approve another \$1.25 million after they had written off 4 million taxpayers' dollars of the first \$4.5 million investment? That's the first question. Did they approve it after they had written off that investment?

The second question, Mr. Speaker, is, what are the private sector companies that have invested into this particular venture to lever the 1.25 million in more taxpayers' dollars?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. First of all, in answer to the question, Mr. Speaker, there has been no additional authorizations approved. The original authorization through order in council, which was very public, Mr. Speaker, was \$2 million. And I had indicated that there was 1.125 million advanced subject to matching dollars by the private sector.

Mr. Speaker, the funds were matched. Mr. Speaker, the funds were matched out of the Crocus Fund which is based out of Manitoba, Mr. Speaker.

Some Hon. Members: Hear, hear!

Donation of Highway Sign

Mr. Hart: — Mr. Speaker, my question is for the Minister of Highways. Mr. Speaker, on Friday CBC (Canadian Broadcasting Corporation) Saskatchewan held a garage sale to raise money for the food banks so I went over to check it out.

You can imagine how shocked I was to see that someone had taken a brand new Department of Highways speed limit sign and was selling it at the garage sale. And not only that, Mr. Speaker, but they'd also vandalized it by writing all over it. But, Mr. Speaker, it's okay; I have good news. I bought the sign and I can now return it to the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Hart: — Mr. Speaker, will the Minister of Highways return this sign to the . . .

The Speaker: — Order, order. Would you . . . Excuse me, would you just take that outside the door there, please? Outside. Order. I would remind the members about exhibits. Would the member go directly to his question.

Mr. Hart: — Mr. Speaker, will the minister take the sign and return it to the Department of Highways?

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Mr. Speaker, I thank you for the opportunity to address this issue. Mr. Speaker, that sign was generously donated by Scott Kirk, a young man who is manager at Signal Industries. So Signal Industries and Scott donated the sign at my suggestion to Scott, a young man who I married he and his wife a number of years ago.

And they were concerned about the food bank and wanted to make a donation so that was a donation from the sign company which we jointly signed. If the member opposite would look he would see Signal Industries, Scott Kirk, plus my signature on there.

Mr. Speaker, I'm really sorry . . .

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

Hon. Mr. Wartman: — Thank you, Mr. Speaker. Mr. Speaker, I just want to say that I am appreciative of the member opposite making his contribution to the food bank as well, by purchasing the sign. And if he wants to donate it back to the Department of Highways for use, I'm sure that we can make use of it in some way. So thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hart: — Mr. Speaker, the minister says that the sign was donated by Signal Industries yet on the on-line auction it was advertised as a donation from himself, Mr. Speaker. But that's not surprising because after all, Mr. Speaker, he stole the 110-kilometre speed limit idea from the Sask Party, and then is taking credit for donating the sign, Mr. Speaker.

Mr. Speaker, can the minister . . . Now that the minister's gotten the drivers on our divided highways to speed up, can he do us all a favour? Can he get the Premier to hurry up and call the election?

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order. Order. Order. While I recognize the member's tone is in jest, I do advise against the use of words such as stole and I ask him to use other words.

Hon. Mr. Wartman: — Thank you very much, Mr. Speaker. Mr. Speaker, I was very happy to join with Scott Kirk in presenting that donated sign to CBC Radio. And both when I phoned before I offered the sign and when I took the sign in, I made it very clear that it was donated by Signal Industries and signed by myself.

And I think it's important, I think it's important, Mr. Speaker, that Mr. Kirk and Signal Industries also get credit; I'm happy to say that. And I'm sure that CBC would be happy to note as well that that was what was said when I donated the sign and brought it in at the beginning. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I am extremely pleased today to stand on behalf of the government and table responses to written questions 726 through 730 inclusive.

The Speaker: — Responses to 726, 727, '28, '29, and 730 have been submitted.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

General Revenue Fund Community Resources and Employment Vote 36

Subvote (RE01)

The Deputy Chair: — I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Hagel: — Thanks very much, Mr. Chair. I'd like to introduce officials who are assisting me today. To my immediate right, deputy minister, Bonnie Durnford; to my immediate left, assistant deputy minister, Darrell Jones.

Back one row and to the right is deputy minister, Bob Wihlidal; who is next to Don Allen, executive director of finance and property management; and behind me is Shelley Hoover, assistant deputy minister.

Behind the bar, Mr. Chair, are Phil Walsh, executive director of employment services and building economic independence; Deborah Bryck, director of child care; Marilyn Hedlund, the

executive director of child and family services; Dorothea Warren, associate executive director of child and family services; Betty West, acting executive director of community living; and finally, Jan Morgan, acting director of career and employment services.

And I'm looking forward, Mr. Chair, to questions from the hon. members and deliberations of the estimates.

Mr. Toth: — Thank you, Mr. Chairman. Welcome to the minister and his officials, and specifically the deputy minister and I see another lady at the back that I believe was with us on Friday night for the SARC, meeting with SARC.

And for the deputy minister, unfortunately she missed a very special presentation. She wasn't able to continue to be with us for the remainder of the evening.

But I think the presentation by Diane Dupuy was something to behold and I think the minister will agree with me that it was very inspirational as we were challenged in how we look at people with disabilities and the fact that someone who just takes a little bit of time and care and is willing to give of their time . . . Indeed what people with disabilities can tell us about themselves and about life in general. And it was certainly a worthwhile event to participate in.

(14:30)

Having said that, Mr. Chair, though, I'd like to enter a little bit of debate and I know we're probably going to be moving from one area to the next because of the length of time and the number of issues that we're going to be facing.

But fetal alcohol spectrum disorder is an issue that I think is . . . as governments we're going to have to deal with and it's going to become more, more of an issue even down the road than it is today. It's becoming a very difficult issue even as we, as we debate the issue today.

And what I'd like to just bring to the minister's attention . . . and I'm not sure if the minister received the letter that I have in my hands. My guess is the minister probably would have, looking over the number of individuals that were sent this letter. But it comes from Regina, from a couple of parents concerned about a young individual that they had adopted into their home who is now a young man in his early 20s. It says:

At present our 22 year old son . . . is standing before the courts AGAIN and no matter what the outcome there will be no appropriate place to put him . . . Last week I . . . found myself standing in front of Judge Smith and leaving court thrilled that he was more than willing to listen to a mother. He has stated that when I return to court he will be more than willing to hear any and all suggestions regarding placements for . . . (their son) as an alternative to prison. But it is the same old story — THERE ARE NO ALTERNATIVES TO PRISON.

Every possible resource that my husband and I have researched have all given us the same answer . . . "there is no MONEY".

And she goes on to say:

Social Services are in total agreement with us that sooner or later there will have to be an alternative as FASD is an epidemic but there is a Big Gap in the system.

And, Mr. Chairman, as I was reading through this letter I'm . . . And I think anyone who would take the time to read the letter would see that there were a couple of adoptive parents here, and they probably are speaking and a voice for many people across this province who have taken young children in.

In this case, this family took this young, young child in when he was around 21 months of age. And by the time he was 21 months of age, he had had 23 placements in foster families. And then of course as they're writing this letter, this young person is now 22 years of age, has been in prison for a good period of time.

And, Mr. Minister, I guess the question is — I believe what we might have in this question is an overlap between community resources and development, Health, and even the judicial system — I guess what I'm asking of you, Mr. Minister: what is your department doing to try and work with the other agencies in addressing this very significant problem of FASD (fetal alcohol spectrum disorder) and the fact that, just as a result of people's inability to understand the consequences of their actions, and to date we just continue to use the corrections system and the prison system?

I'm wondering, Mr. Minister, if your department is coming up with some ideas or has been brainstorming to come up with some suggestions that would say, we've got to find another method of dealing with the individuals of this nature because what they need is not a prison system that really doesn't give them any care or doesn't provide for them.

What they . . . What appears we need to start looking at is a system where we can assist these individuals in helping them deal with their inability to understand the consequences for their actions, and indeed starting to find out if we can channel them and use other resources and helpful resources that will actually assist these young men and women in becoming productive individuals in our society rather than locking them away.

Hon. Mr. Hagel: — Mr. Chair, I thank the hon. member for the question, which is a substantial question, and I'll try and give it its due in responding in a substantial kind of way, Mr. Chair.

In the circumstance that the hon. member uses as his cryptic example about FASD, and also the importance of addressing it in the context of how we address our support for people with disabilities, I would first of all want to say that it is I think partly in response to that particular case that the kinship care legislation, that has been put through the House in this session, would address some of that concern for insecurity that comes with many placements for a short period . . . over a short period of time in a child's life, that we would hope to address to bring some stability, some predictability.

I think it would be said by a good number that in supporting people with the spectrum of FASD, that it is a desirable characteristic that there is stability and predictability, and

certainly that's a factor there.

It is I think important, Mr. Chair, that as we address the FASD needs that people have in our society, that we do it in the context of our supports for people with disabilities. And that was also one of the assumptions that the hon. member had in his question with which I agree. It's in that context that we must look at our strategy as it relates to this particular disorder.

Mr. Speaker, it is our activity — and by our I mean government under the lead of the Department of Health actually, although Community Resources and Employment is certainly an active participant in it — that consultations are taking place with people here in Saskatchewan who have involvement and concerns related to fetal alcohol spectrum disorder, and that those consultations are based on the principles of recognition of the needs of individuals and families and communities but also the strengths of those individuals, families, and communities to take an approach in support of their needs which is strength-based.

It also wants to ensure that there's an active and full participation of individuals living with FASD, and their families and support networks, that are taken into consideration in our consultations; that there must be respect for all views and interests and also a respect for the fact that there must be, at the end of the day, a shared responsibility which includes government but is not exclusively of government to bring about the solutions that are necessary.

As we look at providing supports for people with fetal alcohol spectrum disorder, we would do that in a whole host of ways, Mr. Chair, that would be encompassed in many of the things that are in the department before us now.

Some of those are supports related to the world of learning, and certainly the strategies used by the Department of Learning and the Kids First program, early learning and child development, the School^{PLUS} program. Those very much are necessary supports in the world of work. Our disability supports that we have introduced, we talked about I think in the last estimates, to support people dealing with their specific barriers and their attachment to employment. And also in the world of housing as we have brought forth our strategies related to enhancing affordable housing with a sensitivity to people with disabilities.

So, Mr. Chair, I think it's fair to say that it must be a multi-faceted kind of approach if it's going to be realistic in dealing with the supports that people with FASD need, and that would be the kind of strategy that Community Resources and Employment would engage in, in collaboration with other departments of government as well as the community at large.

Mr. Toth: — Mr. Chair, Mr. Minister. I will agree with you the fact that with the new legislation and the recognition of the importance of not moving children hither and skelter and yon from one family to the next, just pushing to the next home. And the idea of the new legislation is to really take advantage — I shouldn't say . . . I don't want to use the word advantage — but utilize the efforts and the well-being of family members and their knowledge of a young child's needs versus just moving them to a stranger's home because an adoptive parent may find that they cannot cope with the individuals, continue to provide

the care.

I think that's something that when we're talking about young children, hopefully as this program is implemented we will indeed begin to address some of the emotional stresses that a young child may face as they're removed from a home, by the fact that they're placed with an aunt and an uncle or a very close friend that they've become to know and appreciate.

However in situations where we haven't been able to do that and we find young . . . these individuals are now young adults, and as a result of their inability to comprehend they find themselves on many occasions facing the courts and the legal challenges of the law.

And as the individual who wrote this letter mentions:

This person . . . needs a loving, 24 hour supervised HOME with forced sobriety and workers willing to be his external brain. The workers need to be educated in the area of FASD and the punishment for his disabilities needs to be replaced with assisted direction. People with FASD are paying the price for a few drinks delivered to the womb. Through incarceration, . . . (this young gentleman) has sunk to a level that as Canadian citizens, we should be ashamed . . . To achieve rehabilitation, everything must be repeated, repeated and repeated because what is learned today will quite likely be forgotten tomorrow.

And again, she says:

This person . . . does know that in going back to prison, drugs will be readily available — easier than on the street, a statement that was whole heartedly was supported by previous courts over the past few years.

We are very aware that . . . no existing Adult facilities to meet the needs, care and supervision of offenders with severe FASD (are available).

And, Mr. Speaker, I think . . . or Mr. Chairman, the minister will agree.

Even just from Diane Dupuy's presentation the other evening and her work with people challenged with disabilities, we can see that after many hours of repeated working with individuals . . . and we saw a young lady who, while there's many challenges that young lady faces, she was still able to actually be able to speak and really showed a lot of pride in the work she's able to do as a result of how Diane has worked with her and Famous People Players.

However not everyone may have that opportunity. But at the same time, do we continue to incarcerate individuals?

Or, Mr. Minister, are we going to start looking at ways in which we can, rather than incarceration — and we know what it costs to put a person behind bars — can we find a way of providing homes, a home where young individuals can be placed where there's a requirement and where there's actually the supervision that and the continuous work with that individual that will give them more productive life rather than in a prison system where they're basically locked out of . . . out of view I guess, Mr.

Minister?

And I guess the question is, what is your department doing, working with Justice and Health, to address this issue that is going to become just a major issue in the very near future as more and more young people who are affected with FASD hit the system?

(14:45)

Hon. Mr. Hagel: — Thank you, Mr. Chair. And again I thank the member for his question, and my answer will be very much in the context and tone of my previous answer.

What the hon. member asks, Mr. Chair, relates to a range of supports that will be there to enable somebody with the fetal alcohol spectrum disorder to be integrated into community activities in all walks of life. And it must be that that is where we go in looking for the solutions.

It is very much the approach of the province to build on existing services and to build on existing strengths and to seek to, as I said earlier, with individuals — because ultimately it comes down to individuals — to be able to build on individual strengths and to enable an individual to reinforce those things which lead to good, what we'd call social functioning, and to diminish as possible those things that are anti-social or ultimately find an individual in conflict with the law. And then we get into a whole different system that none of us like to see and all recognize is pretty hard to make constructive once it gets to that point.

And that's why I go back, as I said before, Mr. Chair, to a series of involvements, that is to say in what way is the Department of Community Resources and Employment involved. Then it is involved as a participating partner with the lead Department of Learning in the Kids First program. Because the Kids First program is targeting those families which are most at risk — and many of those will be the same families who will be most at risk for fetal alcohol spectrum disorder — and bringing the parenting supports, in a whole host of ways, to that individual family with the individual.

That flows then again to the supports for individuals in a more holistic kind of way, again under the leadership of Learning within the provincial government spectrum, but again with Community Resources and Employment being an active participant in that to supports for students once they hit the K to 12 (kindergarten to grade 12) system.

And the School^{PLUS} program then, or the School^{PLUS} philosophy, in our education system will enable — increasingly, I predict — for all of the helpers to bring the appropriate support resources to a student and his or her family as those are tagged as being necessary to deal with through the School^{PLUS} kind of contact.

Again I point out that the services provided by Community Resources and Employment are not just those provided by department employees but many of those will be through community-based organizations that are funded through the Department of Community Resources and Employment and come into play in support ways in a number of ways there as students or as young people move from children, preschool into

the school age.

When people get older then what's also necessary in order to bring about the sense of security and consistency and predictability that is very, very desirable in the environment of the person with fetal alcohol spectrum disorder, part of that is predictability in terms of a stable place to live. And therein then we deal with our housing strategies, which is now within also the Department of Community Resources and Employment, so to enable us to bring those resources to be available to a person who needs that kind of stability.

The other side of the . . . Another part of that picture is also then the ability for a person to be self-sustaining as they grow older and to be successfully engaged in the world of work. And that brings into the picture then the Career and Employment Services portion of the Department of Community Resources and Employment.

Again that may be support for education if additional education is part of the picture. Or it may be support for attachment to a specific employment circumstance where the resources of the department are used to address a specific barrier, as we talked about in the last time that we were before the House.

So it is the Department of Community Resources and Employment, I think it's fair to say, is in touch throughout the lifetime of a vulnerable individual, which will include a good number of people with FASD and many others too, of course, and some of that — much of that — in collaboration with other departments.

But at the end of the day, the objective is to do . . . is to take a strength-based approach, addressing . . . not so much focusing on what it is that's the diagnosis, the FASD diagnosis, but more importantly, what are the needs — what does the individual need in order to function effectively — and to focus on going there and building on the resources that we've got in place today.

And we welcome, we welcome the recommendations and advice that those who live with FASD can bring to this discussion to enable us to move forward with greater effectiveness in our strategy, but I'm . . . I apologize for the length of time it takes, but it's a substantial question and it deserves a substantial answer. And the fact of the matter is, it's no single program but it's a combination of things that hopefully would be the appropriate response at a different stage of life.

The hon. member correctly points out that if the consequence of not having had those supports leads to criminal activity and having then come before the courts and into the incarceration system, that is a difficult . . . now we're into a difficult circumstance to provide the support and consistency that is necessary for a person with FASD in order to function effectively as a responsible citizen in our society.

Mr. Toth: — Mr. Chairman, Mr. Minister. Yes, Mr. Minister, you raised a number of issues. You raised the issue of education. You also raised the issue as well that we've been talking about, of how do we address the needs of individuals who already as young men or women find themselves with an

inability to cope because of their lack of understanding, and as the letter points out, the need for that external brain, and the fact of establishing a routine.

And I think we all would agree if in some way or form, we can provide and assist a young man or woman actually into some form of employment — and I would suggest that we may find we'd be fortunate if we found that we were able to have them employed for 50 per cent of the time. But at the same time they're going to need those supports; that we need . . . you'll need an individual who can be there to be that external brain for them, to assist them in that work opportunity.

However, Mr. Minister, we will never assist them into a work or an employed opportunity if we continue to incarcerate them. And I think that's what the family are raising here. We need something out of incarceration because, as is indicated, the courts are even recognizing that just to incarcerate a person is doing nothing for that individual because incarceration does not assist that person in becoming, or developing somewhat the abilities they may have and working with them to find some form of employment.

So I think, Mr. Minister, what's being asked in this letter and I guess the question I'm asking as well is, what is the department doing, recognizing the need that is coming down the road of looking at alternatives outside of incarceration whereby we can begin to work with these individuals in the best way that is possible to help them to develop and become somewhat productive citizens in our society?

Hon. Mr. Hagel: — Mr. Chair, again I thank the hon. member for his question. Let me also agree with a point that I think he made during his last statement, that when it comes to dealing with FASD, prevention is the best policy, clearly. But it must not be the only policy.

So in our discussion today, we're dealing about when prevention hasn't been the, you know, hasn't been the mode that's been most effective because people have fetal alcohol spectrum disorder.

And I want to come . . . Particularly it's most appropriate that we're dealing with it in these estimates because there is some 1.8 million new dollars in this budget that's before us now to address this kind of question for people with disabilities. Now, not limited . . . When I say \$1.8 million, bringing to a total, I think, 2.35 if I remember correctly, the total budget, providing supports for people with disabilities to attach to the workforce through the Career and Employment Services that that's . . . I'm by no means suggesting that that's entirely dedicated to people, support for people with FASD, but certainly those folks can take advantage of the program.

And the approach is this, Mr. Chair, is that it brings into play supports for employers to open the door to somebody with a disability and enable the person with the disability to function effectively as a productive employee in that place of employment.

And the arrangements have all got to be made, obviously, in order for it to work on an individual basis. This not a cookie-cutter approach, one size fits all, but developed on an

individual basis where an employer . . . where a Career and Employment Services staff person will deal with an employer to address the specific barrier. Perhaps it's an adaptation in the workplace, something to do with the physical layout or equipment or so on, but it could just as easily be putting in place a job coach or a mentor, or assistance with supervision, or advice for the employer as to how to deal with the needs of an employee, or perhaps related to scheduling or hiring, or the whole range of ways and putting in place supports that are not necessarily short term or stopgap — not at all. That if what's necessary is to have that support in there for a long time, perhaps perpetually, that that's the door that's open.

Because the end objective is this, is to build on strengths and to enable a person with disabilities to become part of the mainstream world of employment where he or she is performing a mainstream employment for mainstream benefits and with the potential to have a pension to retire.

And so it is the kind of approach to supports in the world of work that is very much targeted to understanding the needs of the potential employee, the person with disability, the working relationship with an employer to address the particular . . . those specific barriers that will enable that employee to be a productive and useful employee for that employer.

And that is a significant part of the approach to support for people with disabilities that comes out of this budget, and I think specifically addresses some of the issues that the hon. member brings to our question here today.

Mr. Toth: — Thank you, Mr. Minister. Mr. Minister, I guess that's the point that I was raising along with the questions that are being asked here. And the fact that when we talk about support mechanisms, and I think if we look at the cost per day per each individual that's incarcerated, if we could use some of the those resources in another way of assisting and building some kind of opportunities for these individuals rather than incarceration . . . And I guess that's the suggestion. Maybe we need to start looking at, if they're incarcerated it's going to cost us X number of dollars a day. But if we can get away from the incarceration and find a way in which we can help mentor, if you will, these individuals and provide some employment . . . And you're right; it's going to cost us some money.

(15:00)

It just doesn't come easy because these individuals, as has been indicated, need an external, if you will, brain to assist them in achieving some of those goals. So I think we need to take a look at how we can better utilize the funds that are there.

Earlier on you talked about learning and I'd like to just read a few more comments from this letter. It says:

Please — we do not need any more posters reading "Don't Drink while you are Pregnant" for women who cannot read or are never sober long enough to comprehend that message. We would like to relate a conversation our eldest son had the other night with a young lady. She had said she had seen his mom on TV and cried when she heard how FASD had devastated his brother's life and swore to our son that she would never drink when she got pregnant. We

hated going on TV and sharing our private story with the public but felt very happy if only one young girl got the message. When we thanked our son for the encouragement, he said don't get too happy mom.....the girl was drunk when she said it!

I think that's one of the problems as well. Mr. Minister, we've got to find more effective tools of relating that message of the problems of drinking while pregnant so these young women can begin to really get . . . and be able to comprehend the problems that they are creating by drinking while pregnant.

And if a person happens to be drunk when they've seen, like the story of this nature, and it emotionally challenges them, but at the same time, while they've said they'll never do it, the reality is because of the state of the condition they were in it never really sank in, it didn't get very far. And I think there's a real challenge for us as to how we address this, deliver this message so that we begin to see some real reductions and response . . . young women really living responsibly while they're pregnant.

Hon. Mr. Hagel: — Mr. Chair, I do want to agree with the observation the hon. member makes that when we spend public dollars related to incarcerate people those are probably about among the least productive social dollars spent. I'm not saying they're not necessary but in terms of productivity as it . . . in the context of how it touches people's lives or how it impacts on our society, we're not talking high return.

And therefore it is so wise for us as we're debating here in this Assembly the expenditure of public dollars, that we do give credence to the significance of preventive supports. Clearly a dollar spent, as the hon. member points out, to support somebody to be able to hold down a job and to do it successfully, and perhaps, perhaps for the first time forever to hold down a job for an extended period of time, must be measured not only in comparing the direct expenditure of support, be it a job coach for example, as compared to the cost of social assistance.

Sure, yes, that's one way of measuring it but another way of measuring it as well is the cost of an individual not being able to have that stability and that means to support him or herself, and then the consequences of somebody who is without roots finding themselves in conflict with the law and then we begin that vicious cycle of public spending.

So I do accept the point. I think it's a point well made and it's a point well taken, and I think it's reflected in the budgetary decisions this year to expand the supports for people with disabilities to address the barriers that they have to the world of work. And I'm advised that we expect the number of people we are able to serve specifically in this budget year as a result of the budget increase, to increase by some 900 to 1,000, bringing to us in the range of 14 to 1,500 people in Saskatchewan, people with disabilities, that we'll be able to assist.

And I know as I've talked with people since coming to this portfolio nearly two years ago who are concerned about the support for people with disabilities, they've clearly said to me, when you . . . there's a whole lot of things need to be attended to but at the top of the list is support for the world of employment; that with that, a whole host of other very

important things come in a person's life.

So therefore I'm pleased that we are able to find the money in this year's budget to — the one that's before us right now — to expand that by some one point, I think \$1.85 million, to help assist some near 1,500 people in Saskatchewan to make that transition to gainful employment. And included in those numbers then, the some with FASD, whose supports will come quite likely in the form of a job coach or a mentor, but a person working together with them with contact and to ensure that those behaviours that lead to success in the workplace are used, and if errors are made that they're dealt with constructively; and to work not only with the individual but with the employer, and in the long-term interest of not only the individual but the long-term interest of the employer, and ultimately in the long-term interest of the taxpayer and the caring citizen of Saskatchewan.

Mr. Toth: — Mr. Chair, Mr. Minister, before I move on I'd like to . . . at least one more question on this issue. And I'd like to know, Mr. Minister, if there is any federal money coming to the province to address the issues of FASD? If so, how much and whether or not the province is actually putting any money into trying to address this issue as well.

And I'm wondering, Mr. Minister, if you've given a consideration as well to putting money towards funding a diagnostic centre. You talked earlier on about addressing and actually just being able to diagnose at an earlier age so we can begin to deal with the situation. I'm wondering, Mr. Minister, if your department's given any thought to funding or at least talking to the Department of Health, whether there's an issue here about funding a diagnostic centre so we can address this issue and be able to determine earlier on whether or not a person has a significant problem in their lives as a result of FASD?

Hon. Mr. Hagel: — Thanks, Mr. Chair. To the hon. member, the federal government will be directing funds that come to Saskatchewan that enable us to be a part of the strategy of addressing the needs for people with FASD. And they will be . . . I don't think it would be accurate to represent them as . . . Money is transferred to Saskatchewan for FASD, you know, specifically to address FASD issues; it's to address a number of issues, one of which is FASD. So it's difficult for me to sort out money and say how much, you know, how much of that money is for FASD — I don't know that anybody could honestly answer that question for you.

But federal funds do flow to Saskatchewan through the Early Childhood Development Agreement, and that in the program that we refer to in Saskatchewan as Kids First, that's our version of it here in Saskatchewan. And it was certainly recognized in that FASD is part of . . . presents a good . . . some of the problems that are being focused on with supports for the Kids First program, with the home visits that are done to identify with parents what the needs are and to ensure that they're getting the best kind of supports that are available.

So we do receive some federal funding there that is . . . that we use then for our Kids First program. Federally there is the Head Start program, which is a prenatal nutrition program which is targeted to the First Nations — both on- and off-reserve

population. And also the employment assistance for persons with disabilities, the EAPD (employability assistance for people with disabilities) program, would be another form of federal funds that would come to us, assist people with disabilities, some of whom then would be people who are affected by FASD, engaged in either training or employment attachment.

So those would be some of the ways. On the matter of diagnostic centre, that's not something that the Department of Community Resources and Employment would be addressing because with FASD being a health condition, it's a question that's more appropriately addressed to the Minister of Health.

Mr. Toth: — Mr. Chair, Mr. Minister, and I recognize that. However I would just consider the fact that this is an issue because a lot of people with this problem end up in your department with support mechanisms. The question was whether or not . . . what you're doing as well to reinforce the importance of this issue with the Department of Health to address those concerns, Mr. Minister.

So having said that, Mr. Minister, I just was wondering what . . . whether or not you pursued this issue with the Department of Health, knowing the significant impact that it has on your department as a result of having to deal with individuals with this problem.

Hon. Mr. Hagel: — Mr. Chair, the Department of Community Resources and Employment will work together with Health, and Health is certainly aware of the needs, and it's Health's jurisdiction to address it. But certainly there's . . . I'm very, very confident that there is full communication between the departments. And Health approaches their addressing of dealing with the health diagnose issue in full understanding of the context of the social implications, which I think is the question you're asking, because it'll be Community Resources and Employment that will deal with the social implications.

It's also helpful to know, perhaps, that there has been a partnership established among the ministries of seven different jurisdictions here in the West — in addition to ourselves, Alberta, Manitoba, and British Columbia, and the three northern territories — entitled the Canada northwest fetal alcohol syndrome partnership, and which brings together on an annual basis service providers and those who are immersed in issues related to FASD to be a part of an ongoing education.

I think it would be accurate to say that there's none of us who are of the view that we know all there is to know about FASD and the appropriate way of dealing with it, and that we must all be committed to continuing to understand the issues and how they're being effectively addressed so that we can learn from best practices from one another and move forward in that kind of way. So that's something that's important as well.

Just going back to the funding question that you ask. Of the \$13 million that flows to the provincial government through the Kids First program, it would break out largely between three different departments in terms of how it's spent in support of early childhood development. And it's important to note as well that some of that is to direct attention to prenatal education, so that it's . . . Kids First doesn't just come into play after a child is born. Certainly there are . . . there's hospital testing that's

done to try to identify the at-risk families and then to bring the offer of support to at-risk families after that. But there's also prenatal education that goes on.

(15:15)

That \$3 million breaks down roughly this way: \$3 million to Learning, which is largely dedicated to the early-learning component; some \$6.7 million to Health, and that's primarily dedicated to the home-visiting program that I referred to as well as mental and addictions components which are unfortunately all too common as well; and then some \$3.3 million to Community Resources and Employment which would largely be related to the provision of child care to children who are at risk.

Mr. Hart: — Thank you, Mr. Chair. Minister, my questions are along the same line as my colleague, the member from Moosomin.

We see all too often unfortunate situations where we have single parents who have a problem with substance abuse and unable to look after their family, their children. Quite often their children are taken into care by your department. And as part of the condition of the children being returned to the single parent, quite often it's suggested — in fact probably is made mandatory — that this individual receive treatment for their substance abuse.

I've been made aware of a number of situations where that happened. The individual goes and receives treatment for substance abuse. After a while the children are returned to the single parent and the whole cycle seems to start all over again because of the fact that, it seems to me, there is no support for the individual after they've received treatment. They tend to go back and live in the same environment that they were living in when they . . . when the whole problem started.

And my question is: has your department got programs in place to assist these parents with their problems, whether it be counselling or mentoring or a combination of programs?

Hon. Mr. Hagel: — Mr. Chair, in response to the hon. member's question, it would be I think common that the caseworkers that we would have who work for the Department of Community Resources and Employment would be people who are informed and knowledgeable about addiction matters and would certainly have a good handle on the appropriate referrals that would be necessary.

The Department of Community Resources and Employment don't ourselves deliver addictions services, that would . . . addiction services would be delivered through Health funding in a variety ways, through health districts, health regions I should say, and CBO's (community-based organization) to some degree.

We would have also, funded by Department of Community Resources and Employment, community-based organizations that would be there to provide supports to families. And included in that as well would be people who would be knowledgeable about the appropriate referrals to people in order to assist them doing what they need to do to meet the

circumstances that would provide for a safe environment for a child to be raised within a family.

Mr. Hart: — Mr. Chair, to the minister. Minister, a few cases that I am familiar with, it seems to me what happens is that after a period of time, once it's been established that there is a safe environment for the children to return to the care of the parent, things seem to go along fairly smoothly for a while but then it just seems that the individuals have a great difficulty in changing their lifestyle and so on. And quite often what happens is that the unfortunate cycle repeats itself and it repeats itself perhaps a number of times.

And it just seems to me that perhaps we need to find some additional resources whereby these individuals can be mentored and guided and perhaps . . . and encouraged, and maybe in a fairly stern manner, to change their lifestyle for the betterment of themselves and their children.

And I would urge you to, and your department, to see if there are some resources available to address that matter. Because the experience that I have had and seen is that quite often the family situation is monitored for a while, and as I said, things seem to go fairly smoothly but really nothing has changed other than perhaps the parent who has the addictions problem makes a concerted effort for a while to not use these various harmful substances.

But after a while it seems through a combination of things, I suppose, whether it be family pressures and just the overall unhappiness with their state of affairs, it's quite often some of these people don't really see any hope in the future. They really have nowhere to go. They're quite often on social assistance and that sort of thing. And as I said, the whole cycle repeats itself.

And it just seems to me that there's a need there that needs to be addressed. And I realize that, you know, there's a great need out there but perhaps some resources could be directed in to that area to help break that cycle, Minister.

Hon. Mr. Hagel: — Mr. Chair, I think the hon. member brings a concern to our discussion which is a continuation of the discussion in essence that I've been having with the hon. member from Moosomin.

Let me say two things. One, the hon. member makes a, I think, a good argument in support of kinship care which is, as he will know, is a piece of legislation that this House has passed earlier in this session and that will bring into place a system of caring for kids that's closer to home than has been the traditional case in the past. Without going into the details because we debated that, but the important thing there being that it directs resources in support of kinship care when the child is removed from the family for safety reasons, people who are closer to the natural home, always with the objective as much as we can possibly manage that the child will eventually return home, and where home is a safe environment and where we've brought some supports as well to enable the parent or parents to be able to better function as supportive parents, which is what the hon. member wants to see done.

I would remind the hon. member as well that what he describes

is in many ways the core philosophy of the Kids First program here in Saskatchewan. When we received the federal funding in support of programs to target towards vulnerable families and early childhood development kinds of supports, basically I guess we had two decisions.

One is to take that money and spread it across the population and take some things that we were doing for and enhance them a little bit so that everyone — quotes, “everyone” — can benefit from that.

The other choice we had, which is the one we made, was to take those funds and target them to — I believe it’s the nine, if I remember correctly — nine communities identified as having the largest number of at-risk families to bring a much broader range of supports to that family to give them a chance to . . . in order to succeed; recognizing that the status quo means that families with a lot of things going against them, addictions can be among them, but all too often, addictions, poverty, violence, illiteracy, these all too often come together, and recognizing that if you’re going to give a kid who’s growing up in a seriously at-risk family a chance, then you have to be holistic in the way that you bring those supports and that you have to be there for a while, not just for a few weeks or for a few months.

I know when I’ve talked with some of the home visitors in the Kids First program, they talk about the importance of establishing the trust relationship with a mom or parents who are there, and then coming into that family to be seen as an ally, somebody’s who’s on their side and helping them sort out and to trust the various kinds of supports that we’ve got. And all too often, you know, what happens is that the family that’s most at risk is least inclined to use the supports that are available through our tax dollars, you know.

And so Kids First program is intended to overcome that barrier, to get those folks in touch with somebody who understands the supports available, who they come to know and trust to believe is on their side, and to assist them in dealing with those and take advantage of those, whether they’re health, or social . . . you know, in the range of social services, community resources and employment, or they’re education, right — it doesn’t matter where they come from — that they’re there to assist you to enable you to give a kid a chance to . . .

You know at the end of the day, the whole objective of this is to try to ensure that these youngsters that grow up in these homes when they, you know, when they get to kindergarten or grade 1, that they can line up with their toes right on the same starting line as the other kids. That’s what it’s all about. That’s what it’s all about, is to give these kids a chance to be there with the rest of the kids. And knowing that we haven’t been . . . As much as we would like to have been, we haven’t been as successful for the families in the greatest need.

And I think that’s the point that the hon. member raises, Mr. Chair. I want to assure him that those, I think, are being addressed, and in many ways we’ll be able to measure progress as we go along. But at the end of the day, ultimately I think it’ll probably take us a generation. It’ll take us a generation to really accurately measure the degree of success that we experience.

Whether it’s tackling child poverty through the Building

Independence program or family vulnerability through the Kids First program, at the end of the day it’s when kids grow up to become responsible attitudes . . . to responsible adults, I should say, and who are the kind of role models for their children that we would all want them to be and that they want to be, that the benefit for our society pays off.

So I thank the hon. member for a very cryptic . . . critical question about the significance of our public investments in support of vulnerable families.

Mr. Hart: — Mr. Chair, to the minister. Minister, I’ve been made aware of a situation that is very . . . is exactly what we’ve been talking about. And there was one observation that I would perhaps like to present at this time.

It has to do with a young mother whose children were taken into care by the department because of substance abuse and poverty and a number of these things. I understand the situation is that the children are still in care but there is visitations and so on. And this is . . . I believe this has transpired over several months.

The young mother did receive treatment for substance abuse and so on, but the part that concerns me is that in the interim I understand that the young mother is still on social assistance, and I’m not sure whether she has been encouraged to seek employment. And I’m not . . . My major concern isn’t that she’s on social assistance and that being the fact, although I mean we all like to see judicious use of taxpayers’ dollars.

But the fact that there are jobs, even though they may be entry level jobs and so on available, I think it would be important that that individual and individuals like that person be encouraged and in fact be mandated to seek some employment, you know strictly for self-esteem, and re-entering the workforce and perhaps changing the environment that they’re living in and those sorts of things.

So if in fact that is the case, Minister, I would strongly urge your department to look at those situations and rather than having these people being on social assistance with really not . . . no reason for it because they no longer have a young family to look forward to, it would seem to me that their life would have a whole lot more purpose if they had something to go to.

I understand some of these individuals have been through the gamut of education whether it be career counselling and upgrading and those sorts of things. And there comes a point in time where some of these individuals maybe have to need a helping hand to enter the workforce and I would strongly suggest that that be looked at, Minister.

(15:30)

Hon. Mr. Hagel: — Mr. Chair, the theoretical case — because we’re not here talking about specific cases; we can’t and we know that — that the hon. member brings is one that I think must and is responded to in a pretty constructive kind of way. It clearly is the expectation of the Department of Community Resources and Employment that any employable person who is receiving social assistance is required to be engaged in the pursuit of employment.

And as the hon. member will know, through the Building Independence program, that we have put in place supports in a variety of ways to support that, including, I would point out, child care which . . . because ultimately, at the end of the day, we would hope for the child and the family that the child . . . And the child is only away from the . . . has only been removed by the courts — not by a social worker but by the courts — from the family for one reason and that's because the home environment is not safe.

And the objective is to work with the family, with the parent to enable that child to return safely to the place he or she belongs, where she was born, he was born. And that it is the intention that through our variety of our programs, whether income security or they're related to child welfare or they're related to housing or they're related to child care, that we bring together those pieces that support a family getting it together and becoming self-sufficient.

So it is, I think the kind of concern the hon. member brings to this discussion, I think it's fair to say it's represented in the approach that the department takes in dealing with families. And I think it points out very cryptically that in the real world . . . You know, we would like to think that there are problems and there are simple solutions. And you got a problem, you apply a simple solution, the problem is solved and life goes on.

And the fact of the matter is we recognize that when it comes to human services, it is so important to deal with people holistically because that's how they live. They don't live their lives in nice, neat little stovepipes. And I think that's the point the hon. member makes and I appreciate his observation.

Mr. Hart: — Mr. Chair, to the minister. Minister, just a couple of short questions with regard to Sask Housing. Sask Housing instituted a new rental regime recently and part of that change in rental calculations, if I understand it correctly, the maximum rental rates went from \$400 per month to \$800 per month, or will be going over a period of time. And this causes some problems, particularly in some of the units in rural Saskatchewan where \$800 per month is way higher than the market value of that particular property. And I've had a number of local housing authorities talk to me about this situation.

It seems as if some communities have maximum rental ceilings in place and other ones don't. Some of the ones that don't have these maximum rental ceilings in place have had units empty for quite some time because frankly they're just too costly and there doesn't seem to be, at least to the local housing authorities, any rationale as to why one community will have a ceiling on their rental rates and another one won't.

Could you explain the rationale and the policy behind that?

Hon. Mr. Hagel: — I thank the hon. member for his question and do want to add to my previous response as well, that in reference to his concern about supports for people, single-parent families, that since the Building Independence program was introduced — well in fact prior to that, comparing back to 1994 — that in Saskatchewan today the number of families requiring social assistance, single-parent families requiring social assistance, has dropped by 32 per cent, so nearly a third, indicates I think, some helpful progress has been made.

Addressing specifically the question the hon. member asks, the simple answer is this: is that there are two kinds of housing, there is affordable housing and social housing. Affordable housing is where everyone pays the same rent regardless of their means, and authorities will, local authorities will set those rates. They'll be at the low end of the market.

The question the hon. member asks is about social housing, which is not that. It's when your rent is a percentage of your income. And the fact of the matter is that the maximum rent charged under social housing will be \$800, and that's true province-wide.

But it will only come into play in some communities. Some communities will have vacancies and then will make their units available, in order to fill the vacancies, to people who want to rent, and because it's social housing — it's specifically put there to be made available as a percentage of income — then people will pay that percentage of their income.

The percentage is moving over the next three years to 29 per cent of income; it's only 26 per cent of income. The national standard is 30. So we're at 26, 7, 8, 9; national standard 30. But it's a percentage of income. So you can get your calculator out — I don't have one with me — but if 26 per cent of your income, of your gross income was over \$800 and you were in one of the social housing units, then you'd pay \$800 max.

But some communities will not have vacancies and therefore the maximum rent will not kick in because the people who are taking advantage of the social housing units are lower-income people and when, as a percentage of their income, it's assigned, it never does get up to the \$800 range.

Mr. Hart: — Mr. Chair, to the minister: Minister, that's precisely the problem or the question that these local housing authorities have.

We'll have one community 10 kilometres down the highway will have social housing and they have had vacancies and they can't rent their units so they get permission to have a maximum which is considerably below the \$800; another community will have similar circumstances and yet they don't have a maximum. If someone wants to rent that unit and if their income dictates that it's \$800 a month, that's the rent that they'll pay.

And what the housing authorities tell me is that \$800 is way beyond market value for some of these communities and therefore these units will never be rented, and they're asking why is there one set of rules for one community and one for another.

Hon. Mr. Hagel: — Mr. Chair, the policy is this. And again let me add perhaps for clarification that applying the graduated rental scale that I've referred to earlier, the maximum province wide is \$800. There will be in the case then, in some communities where their housing stock — social housing stock — has vacancies, they can apply in order to make use of that, to make use of that stock. They can apply for a reduced maximum so that it brings it into the range that would be considered affordable in the standard of that community.

At the end of the day, it must . . . It is never the objective of

Sask Housing or the housing authority to be in competition with the private housing market. The purpose of our social housing . . . of our housing programs is to support access to quality, affordable, living facilities for lower-income families.

So that will be an accommodation that will be done in the best interest of the local community given the vacancy circumstances of the housing stock and to put it into a context that's standard for that community.

But at the end of the day, it's first purpose will always be . . . It'll have to go back to the first purpose being support of low-income families.

Mr. Toth: — Thank you, Mr. Chair. Mr. Minister, just a quick follow-up in regards to the graduated rent scale that's going up.

In a letter here, I think it was sent to you from an individual in North Battleford, just the end of last year, and the issue talks about the increase from the 25 to the 29. Also it raises a number of issues of increases that as tenants they've seen — electrical rates, plug-in rates. And the fact that the housing unit or the apartment unit they happen to be in, it's something like this Legislative Assembly. You get a certain time of the year, you shut off the heat and you go to cooling mode. Unfortunately they don't have a cooling mode so they're seeing additional costs there as they use other alternative sources of heat.

But the one, the real issue they raise here is the 25 per cent, and they're indicating on gross income and they're suggesting it should be on net income because there's quite a difference versus your gross and net. And I'm wondering if you . . . if there is a quick response as to, is it indeed the rental rate is the gross income or do you look at net income as to what they would have for disposable income?

Hon. Mr. Hagel: — Yes, the standard is on gross household income. It's the same standard that would be used nationwide. And as I say, the national standard for housing is 30 per cent of gross household income. Here in Saskatchewan currently it's 26 and will be moving to 29 over the next three years.

Mr. Toth: — Mr. Chair, Mr. Minister, I actually wouldn't mind following up on that a bit but there's a number of other issues I'd like to address as well and I understand that we might be limited in our debate today. I think we could go till 5 and later in the evening if you'd like. I'm sure your officials wouldn't mind sitting here and getting it dealt with.

However, there's an issue I really would like to address and it's respite care for families with disabilities. And I believe you received a letter from an individual in Prince Albert in fact regarding this issue. And I'm not exactly sure; I think you may have received some of, if not a copy of most of the letters that have come from the community of Esterhazy. That's been . . . has developed a respite care for . . . and at this time I believe it's assisting 17 families, and it's not just 17 families right in Esterhazy but certainly from the area — Yorkton, Melville, Rocanville, and Langenburg — communities like that.

And just to . . . a couple of quotes I'd like to . . . or issues I'd like to raise from people who have brought this to my attention.

I am writing this letter as a parent of 3 children, 2 of which have multiple handicaps and are totally dependant. We live in rural Saskatchewan. In 1996 a group of desperate parents of special needs children got together and recognized the need for respite. We worked extremely hard looking for funding and fund raising ourselves and in 1998 opened the out-of-home respite program. Our community has been extremely supportive and has helped out tremendously. This is a huge expectation of a small community and can no longer go on. If our group does not find some sustainable funding we will be forced to close our doors, leaving families with no respite alternatives.

(15:45)

And, Mr. Minister, there's other letters as well talking about the need and how this respite program has certainly worked and assisted families. And I'd like to quote from a child action planning committee member:

Esterhazy is very fortunate to have an out of home respite service that has come about because of a great need and belief that the best place to care for a child with a disability is in the child's home and community. There is no guaranteed government funding for this program. Monies raised in the community are kept in the community-based service. Without a diversion like respite, stress can be overwhelming as you well know (and we all know of the Robert Latimer case). Guaranteed support would take a lot of stress off of the shoulders of the community, staff and families of respite recipients.

Mr. Minister, I think we all can appreciate the difficulties that families with children with disabilities face, and the ongoing needs. And we all know that each individual is a little somewhat different but the required needs for these children becomes even greater as they continue to grow, and of course the physical needs and the lifting and the caring for these children.

And the community of Esterhazy has arrived at . . . or was able to arrive at a respite program where families could call ahead and they could get some 24-hour care, and recognizing the fact that their child or children would be cared for very . . . with very lovingly and caringly and also giving the families the opportunity to get some relief.

And, Mr. Minister, you did respond to the community. But I'm asking you, Mr. Minister, if you've taken the time and your department has taken the time to look at the program and whether or not there are avenues your department has looked at and has decided or has . . . realizes that what the program does is relieves your department of a lot of financial resources. Because if the parents weren't caring for the children and you had to place them in a special needs or a care home, the cost there again would be substantially higher simply because the costs of caring for that type of a person.

And so, Mr. Minister, what I'm asking on behalf of the people of Esterhazy is whether or not your department has looked very carefully at the request that has been brought forward and whether or not you've been able to find some resources or determine whether there is an avenue whereby we can help

meet some of the needs so that this worthy program can continue to move forward.

Hon. Mr. Hagel: — Mr. Chair, I thank the hon. member for his question and I do understand the importance of the respite services to the families in Esterhazy and area. It has been a matter of discussion that has been taking place with the department, with officials. And there has been an agreement that has been reached to transfer \$10,000 in annual funding from the existing community living division respite budget to the Esterhazy Association for Community Living out-of-home respite program. So it would be my hope that this will enable — this additional resources — will enable the families there to meet their respite needs.

I know it's been a matter of serious discussions taking place for some time. I know the hon. member has mentioned it to me behind the bar on more than one occasion as well. And I'm optimistic that we've been able to find, together, a solution that will work for the families in the Esterhazy area.

Mr. Toth: — Mr. Chair, I thank the minister. I think certainly the people around Esterhazy would be appreciative of that, that offer for some support because certainly it's . . . As you can say, the stress of even just trying to raise the funds to keep the program alive and having the province recognize that this is meeting a specific need, as well, and it certainly takes away from some of the load that may end up on our shoulders if we don't do something. To assist, I think would be appreciated.

Mr. Minister, I recognize, I understand that there's some needs to get on and we have to move out of Community Resources, as much as there's a number of other issues I'd like to address with you. I hope we can get that opportunity at a later date. But at this time I'd like to thank you and your officials for the response to the questions we've raised today.

Hon. Mr. Hagel: — Mr. Chair, I appreciate the questions of the hon. member, the critic for Community Resources and Employment, and his colleagues have brought today, and for what I think has been a substantial discussion about the provisions of services with the resources provided to us by the people of Saskatchewan.

Just before taking my place, Mr. Chair, I too would like to acknowledge the important support work that the officials who are here in the committee today bring on an ongoing basis to the deliberations of the department, development of policy, and most importantly, effective application of policy through programs to the people of Saskatchewan.

I particularly, before I take my place, want to acknowledge the excellence of one of the officials, in fact who is not here today, but by the name of Don Fairbairn, who is the executive director of intergovernmental relations division of the department. And we've been talking during estimates here today about the Early Childhood Agreement and the importance to the Kids First program that it provides for our province. And I'd simply like to point out that Mr. Fairbairn played a key leadership role in negotiating the early childhood agreements with the federal government. And he was acknowledged as one of the Premier's Award for Excellence in Public Service recipients earlier this day just outside of the Assembly.

And so, Mr. Chair, with appreciation for the questions, for the support for the officials, I would now like to move that the committee report progress and proceed to estimates on the Department of Industry and Resources.

General Revenue Fund Industry and Resources Vote 23

Subvote (IR01)

The Chair: — Order. The first . . . the second item before the committee are the consideration of estimates for the Department of Industry and Resources, vote 23, found on page 76 of the Estimates book. And I would recognize the Minister of Industry and Resources to introduce his officials.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. Seated to my left is Larry Spannier who's the deputy minister of Industry and Resources. And to his left is Debbie Wilkie, the executive director of corporate services for the department. And to my right is Bruce Wilson, the assistant deputy minister for petroleum and natural gas. Behind Ms. Wilkie is Mr. Hal Sanders, the executive director of mineral revenue and investment services. Behind Mr. Spannier, is Mr. George Patterson, who is the executive director of exploration and geological services. Behind me is Jim Marshall, the assistant deputy minister in charge of resource and economic policy. Behind Bruce Wilson is Denise Haas, the acting assistant deputy minister of industry development. And also at the back of the room are Gerry Adamson, who is the vice-president of the Saskatchewan Trade and Export Partnership; as well as Roy Anderson, who is the president and CEO (chief executive officer) of Tourism Saskatchewan.

Mr. Stewart: — Well thank you, Mr. Chair. I'd like also to welcome the officials. We always find them very helpful, and we appreciate your time today.

Mr. Minister, if I may proceed, I'm looking at an article that's purported to be from *The Edmonton Journal*, the headline of which is: "Looming natural gas crisis threatens record high prices." It suggests that in Alberta at least alternative energy sources will need to be explored.

I know that Alberta uses a much higher percentage of natural gas for their power generation than we do, but I wonder what percentage of our power is being generated by natural gas this year and are alternative energy sources being explored?

Hon. Mr. Cline: — I appreciate the question. I believe — we don't have the figures in front of us — but I believe, roughly speaking, in Saskatchewan about 60 per cent of our power is generated by coal, and I believe approximately 10 per cent is generated by hydro, and I believe roughly the balance, approximately 30 per cent, is generated by natural gas. Now these are rough figures but it gives you some idea. And of course they fluctuate from year to year. Last year there was more gas, less hydro, because of less water coming out of the mountains, but I believe that that's about the case.

I might offer the additional observation that we use a lot of coal because we have invested over the years in coal-generating

power stations, as the member knows. So we have a big investment in that kind of infrastructure. And also we have a coal industry in Saskatchewan which isn't the — with no offence to the coal industry — it's not the best coal in the world, but we have been using that coal; and that's in part to support the coal industry which we've been making an effort to support both by using it and also some very good tax measures for the coal industry.

I might also say, since the member started out asking his question about alternative energy sources and mentioned the cost of natural gas, I actually had a very interesting conversation at a luncheon in Saskatoon at noon where I was talking to an executive from Dow Chemical. And we were talking about the cost of natural gas, and they use a lot of natural gas and alternative energy sources.

But then we were wondering if, you know, if the cost of natural gas was high and if you had an alternative to natural gas, the price of that commodity might be high as well because . . . or almost as high as natural gas in the sense that people would sell the alternative energy generating capacity for what the market might bear. So it's somewhat unknown whether, if you had a lot of alternative sources, given that the cost of natural gas is driven by world demand, whether that would indeed keep the price of the alternatives low. But I don't say that that's for sure, but just to say it's a somewhat speculative topic as well.

Mr. Stewart: — Thank you, Mr. Minister. In light of the fact that natural gas is becoming extremely expensive — at least it appears that it will be — and that the high cost of natural gas is probably a more or less permanent fixture on our economic horizon, and I see that coal plants are being studied now with an eye to the sulphur emissions that come from them causing learning disabilities in children, I wonder, is your government involved in any active exploration of alternative power sources?

Hon. Mr. Cline: — We are involved through the Department of Industry and Resources in the clean coal initiative that is, I think, headed up by SaskPower. And we're involved to the tune of giving them approximately \$300,000 per year to explore ways to go to cleaner coal.

(16:00)

But I should say to the member, not to downplay the importance of the questions because they're very good questions, but this actually is something that the Department of Industry and Resources is not in charge of. This is a file of SaskPower, and the minister in charge of CIC (Crown Investments Corporation of Saskatchewan), well I suppose of the Crown Corporations Committee, would be really responsible for this area more so than the Department of Industry and Resources.

In fact in one sense we are working to promote industry sometimes in a way that leads us to want, say, SaskPower and SaskEnergy to provide power in a certain way. And we're more interested in power generation in terms of a supply for industry, whereas SaskPower is taking the direct responsibility for examining clean coal initiatives, for example.

Although I might make this observation, that we have a great

interest in the possibility of the CO₂ emissions, which are a by-product of coal-powered . . . coal-fuelled power generation, and whether that can be injected into the ground and assist us in producing more oil. And the member will know that we have the carbon dioxide sink test centre in Regina and also an initiative with SaskPower down at Coronach . . . Boundary dam, I guess. And so we're interested in it from the point of view of whether the CO₂ from coal production could be used to enhance the recovery of oil.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Minister, it appears that the federal government is poised, at least in the not-too-distant future, to spend some substantial sum of money on a clean-coal pilot project. It appears that that'll be up for sort of grabs between Saskatchewan and Alberta.

Has your government been active in pursuing that opportunity; and if so, what measures have been taken, Mr. Minister?

Hon. Mr. Cline: — Yes, the answer, Mr. Deputy Speaker, is we are actively pursuing this. And again, the lead entity to pursue it actually is SaskPower, but they are pursuing getting some of that federal money to study initiatives with respect to clean coal.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Minister, on another front, it appears or it seems that the Energy and Paperworkers Union and COGEMA are having some labour difficulties. I wonder, can the minister give us an update on this situation and what progress is being made, if any?

Hon. Mr. Cline: — I believe, Mr. Deputy Speaker, they have resolved their differences.

Mr. Stewart: — Mr. Minister, I take it from your answer that the parties are . . . that the issue has been resolved and there will be no work stoppage.

The flooded mine at McArthur River is another important question. Is there a recent update on the status of that mine project and when that mine may come back on line and . . .

Hon. Mr. Cline: — Yes, my understanding is that they have got the flooding under control. My understanding of the situation is that there always is water that seeps into the mine, but what they need to do all the time is to pump the water out. And of course what happened this spring is the water started coming in faster than they were pumping it out.

And at the present time they have got the matter under control and they have advanced the situation to the point where they believe that they will be into production again at the mine they estimate late August, which is somewhat earlier than they had projected. So things seem to be going along well for them in terms of having this flooding under control.

Mr. Stewart: — Thank you, Mr. Minister. I wonder if the minister can inform as to what is being done with the water that's pumped out of the mine at McArthur River, and if that poses any kind of an environmental problem?

Hon. Mr. Cline: — Yes, I'm advised that the water is pumped into a holding pond where it is appropriately treated, after

which it is released into Reed Creek. But before it is released into Reed Creek, it's tested provincially and federally to ensure that it meets the appropriate standards to be safely released. And indeed, it does exceed requirements for release before it is being released.

Mr. Stewart: — Mr. Minister, I wonder if you're aware . . . Mr. Minister, I understand that the water meets Department of the Environment regulations. I wonder if it's clean enough to satisfy the inter-church monitoring group that have been causing problems up there?

Hon. Mr. Cline: — I cannot comment on that in the sense that I do not know if the Inter-church Uranium Committee's standards are different than the regulations.

But speaking on behalf of the government, the water before it's released meets the lawful regulations of the federal government and the provincial government before it's released. And our job is to ensure that those are met.

And I don't know if the Inter-church Uranium Committee has a different standard, so I can't comment on that. But certainly we ensure that it meets the laws and regulations of Canada and Saskatchewan.

Mr. Stewart: — Thank you, Mr. Minister. Moving for a moment to the Shackleton gas find in the Swift Current area, it seems from a headline in the *Leader-Post* on June 9 that the . . . It says, "Gigantic gas play heats up industry". And it goes on to say that the gas find is turning out to be even bigger than anyone had anticipated.

I wonder how much impact will this additional gas, this gas find at Shackleton have on the, on number one, provincial revenues?

Hon. Mr. Cline: — In answer to the question, Mr. Deputy Speaker, we project that the revenue will probably be about the same this year as last year, which is roughly about \$130 million for natural gas revenues.

But we project that the average price for natural gas this year will be approximately 7.5 per cent lower than last year. So you can see that we will have more production to the tune of, you know, somewhere between 5 and 10 per cent but the price is a bit lower. So we expect the revenues to be about the same — about \$130 million.

Now having said that, there's a lot of drilling going on so there may be a lot of activity in addition this year.

I think that this projection may be somewhat cautious, that indeed perhaps we'll do somewhat better than that. But the department officials tell me that we really . . . In the budget we said \$120 million roughly, 119. I suspect it will be more like 130 million which is the same amount as last year basically but the price is lower. Maybe we're being a little bit cautious. Maybe it will be somewhat higher and I hope it will be.

Mr. Stewart: — Thank you, thank you, Mr. Minister. Mr. Minister, this year out of total capital spending of \$55 million, Profico corporation — the corporation that's doing most of the work in the Shackleton field — is going to spend \$40 million of

that \$55 million in the Shackleton area.

Does your department have any sort of a formula to calculate the spinoff from this kind of initial investment into the economy?

(16:15)

Hon. Mr. Cline: — Mr. Deputy Speaker, in answer to the question, no, there is no precise formula. We know that when there's direct investment by any of the companies in gas or oil drilling, that there's a large spinoff, especially in the communities that are nearby. So we know that it's very positive.

In terms of quantifying that or putting a formula on it, no we don't have one. I'm not sure anyone else does either, but we do know that it's extremely positive. And so I'll leave it at that, other than to say that it's especially positive with respect to Saskatchewan companies that employ a lot of Saskatchewan people — say their geologists, engineers.

It's also positive with respect to the out-of-province companies, but one can appreciate that a large oil company in Calgary will still employ its geologists and engineers in Alberta. They do work in Alberta as well so they don't actually move here, although they may come here. But the Saskatchewan companies will tend to employ people directly here in the professional capacities, as well as the actual physical work that goes on in drilling.

But it's all positive for sure. But we can't . . . We don't have a formula, no.

Mr. Stewart: — Mr. Minister, further on that theme. Has any thought been given to incentives or any sort of an inducement for oil and gas companies to use Saskatchewan-based professionals and contractors more in their service work and in providing services to them?

Hon. Mr. Cline: — The answer is, Mr. Deputy Speaker, that we certainly encourage the industry to use local sources. We're very successful in that regard; they do use a lot of local people and local services.

The other thing I can tell you is that we, through the Department of Finance, we enforce the PST (provincial sales tax) rules. Which mean that if you're an Alberta company with equipment let's say and you bring it into Saskatchewan instead of using a Saskatchewan company, then we will make you pay a pro-rated amount of PST which would be equivalent to a Saskatchewan company that has to pay PST on their equipment when they purchase it. So that we try to create a level playing field.

And so we take those measures, we provide encouragement. And talking to the service industry that services the oil and gas sector, anecdotally, and I've talked to them quite a bit as I travel around to . . . oil show at Weyburn and so on, they are quite busy. So the industry is reasonably happy I think with the way in which it interacts with the oil and gas sector.

Mr. Stewart: — Mr. Minister, continuing on that theme, how

many tax enforcement officers are currently working to ensure that contractors pay the PST that's due the province, in oil and gas?

Hon. Mr. Cline: — Actually they work in the Department of Finance as opposed to the Department of Industry and Resources so we don't necessarily have that number, but I'd be happy to obtain the number and send it over to the member. We'll undertake to do that.

I will say that my recollection — when I was minister of Finance, I met with the various contractors from Saskatchewan to discuss this issue — and I do recall, if my memory serves me correctly, that the auditing function that they had in the Department of Finance resulted in something like \$9 million per year in additional PST that, you know, that we collected.

And so it . . . I'll say that they certainly make it a serious effort. I'm not sure how many auditors there are but I'll get that information and send it over to the member.

Mr. Stewart: — Thank you, Mr. Minister. I appreciate that. Recently, Mr. Norm Beug, president of the Saskatchewan Mining Association, in an address to the Saskatchewan Chamber of Commerce and Association of Professional Engineers and Geoscientists, when he was speaking of the diamond play in the Prince Albert-Melfort areas, Fort-à-la-Corne specifically, he stated this. He said, and I quote:

One of the obstacles to new mine development is Saskatchewan's "reputation of being a high-tax jurisdiction," Beug said . . .

Mr. Minister, what has been done or is being done to address the fact that Saskatchewan is seen as a high-tax jurisdiction by all investors and particularly those in the mining industry?

Hon. Mr. Cline: — Well I read Mr. Beug's comments and certainly Mr. Beug I think would agree with me that those comments don't really apply to the diamond industry because the capital tax surcharge for example, which is one of the complaints, does not apply to the diamond sector. So there's absolutely no problem there.

With respect to a royalty structure for diamonds, we don't have a royalty structure for diamonds as of yet. But I've met personally on behalf of the government with the diamond industry, and we have assured them in informal meetings and also meetings with other mining people present, that we're going to develop a competitive diamond royalty system.

There's no problem there, and in fact we have now for most sectors outside potash and uranium the most competitive system of taxes in the country. Not high tax — we have the most competitive system of taxes in the country. And for gold and base metal mines, for example, they have . . . they pay no royalties for 10 years for new mines.

So obviously there is no problem developing the mining industry, that arises through taxation. There's no problem whatsoever. I think what Mr. Beug is referring to more so is the regime of taxation that applies to the uranium and potash industries because, as I say, our taxes are better in the other

sectors. And we are working with potash and uranium industries to review the system of taxation royalties.

But I do want to make this point. We all would always like to see lower taxes in . . . Everybody wants lower taxes. Sometimes they want better services but they want lower taxes. Of course we've made a lot of progress, as the member knows, in this jurisdiction to lower the taxes quite aggressively.

But I do want to say, for uranium and potash, we have to remember there are two areas in mining where Canada is the number one sector in the . . . or number one supplier in the world. Only two areas, uranium and potash, where Canada is number one. Both of those industries are located in Saskatchewan.

So if somebody says — which I'm sure no one would say — that you can't do mining in Saskatchewan, I of course would ask them the question: well how is it that we have the world's largest potash industry in Saskatchewan? We have the world's largest uranium industry in Saskatchewan. It obviously is a place where you can do mining very successfully. Now there may be some irritants about taxes. We're talking to those industries about that.

But I want to point out to the member, Mr. Chair, that with respect to the diamonds, any irritants there exist for the potash and uranium industries certainly don't exist for the diamond industry. Because as I said, they're not subject to the capital tax surcharge. And we have committed to them to developing a competitive royalties structure. And of course they know we're serious because last fall we actually came up with a 10-year royalty holiday for new gold and base metal mines.

So the mining sector knows we're serious. They know that we're going to move forward with diamond mining.

The obstacle to diamond mining right now — well they've been moving along with it — but isn't government; it isn't taxation. It's doing the assessment to figure out whether the quality and the quantity of diamonds in our kimberlite is such that it would warrant a commercial investment in mining. And the simple reality is that the two companies that are involved in that sector, which are Shore Gold and Kensington Resources, are this year doing that assessment.

Shore Gold, I think, is taking out 25,000 tonnes of kimberlite, 25,000 tonnes. And they're going to mill and sift that and they're going to see if the amount of diamonds that they get after they sift through it all and the quality is such that it would pay to make a major investment of hundreds of millions of dollars to build a mine. And that's what they need to go through.

But I assure the member and I assure the House and I assure the public, Mr. Chair, that if those diamonds are of minable quality and quantity, taxation will not in any way, shape, or form prevent the diamond industry being built in this province. It will be built. And as long as this government is in power, we will aggressively set up the right taxation regime for that mining industry to be built and it will be built.

Mr. Stewart: — I'm very pleased to hear that, Mr. Minister.

But you alluded to the taxation and royalty regimes in the potash and uranium industries. You seem to be saying that we can't afford to deal with those because it is such a huge part of our provincial revenues.

I understand that the government did recently reduce oil and gas royalties substantially. I'm wondering since then, what has happened to government revenues in oil and gas? Have they declined?

Hon. Mr. Cline: — No, they have not declined. And actually I did not say, Mr. Chair, that we could not afford to deal with the oil . . . or the uranium and potash industries. What I said in fact was that we were currently engaged in discussions with the potash and uranium industries to see if there is a way that we can change the royalties which would incent more production in Saskatchewan.

And this government has a very good record in terms of arriving at arrangements for oil and gas — not just recently but in the last number of years — for horizontal drilling, wells with excessive water in them. We have changed the potash and uranium royalty structures over the past few years, and we'll do more. We have a very good record working with the mining industry to do so.

What I said to the member was not that we couldn't afford to do anything, but that we're . . . discussions were continuing. And those discussions will continue in the same spirit that they've been going on in the last number of years which is this: that we're going to seek ways that we can find an appropriate balance between the needs of the industry to make a profit. And we acknowledge the uranium sector and the potash sector, they have to make a profit. Well they do make a profit — there's no question about that — but maybe we should fix the royalties a bit so that they can invest more and create more jobs. That would be good.

And at the same time we are mindful that the people of the province are entitled to have a fair rate of return from the exploitation of those resources. And we seek the appropriate balance between the needs of the companies on the one hand and the needs of the people on the other hand to get some return that can go into programs like health, education, and the like.

And so where this balance lies is always a matter of judgment. We're prepared to try to seek, to adjust the balance if it means that we can have more jobs. We have a very good record in seeking that kind of balance and we're moving forward in partnership with the uranium and potash sector to seek ways to have even bigger development in Saskatchewan, even though, as I said, we are the world's number one potash producer, we're the world's number one uranium producer.

I might add that most of that development, or much of it, has taken place under the CCF (Co-operative Commonwealth Federation) and NDP governments. We haven't stood in the way of development and we certainly won't begin to stand in the way of development now.

Mr. Stewart: — Mr. Minister, I'm delighted to hear that there is negotiations underway with the potash and uranium industries to work out a new tax and royalty regime. And I'm

wondering if you can give us some sort of an update as to what stage those talks are at? Are they very preliminary or are we getting down to detail?

(16:30)

Hon. Mr. Cline: — We have been talking to both industries for several months and will continue to talk to them. I think the talks are well along but I wouldn't say they're necessarily close to a conclusion. And they will be concluded when we're able to find a way that industry and government can work together on a go-forward basis to ensure that there is greater investment in Saskatchewan and more jobs.

And when we're sure that we've arrived at a situation where the investment and the jobs are assured, then we're hopeful that we can arrive at a consensus with the industry as well.

Mr. Stewart: — Mr. Minister, the oil and gas industry, we see headlines that drilling will be up 70 per cent this year, that land sales may top \$100 million this year, and we're very pleased with that. The oil and gas industry I believe is either our first, either vies with agriculture for our largest or second largest industry — no matter really how you calculate it — year after year.

I'm wondering, Mr. Minister, the oil and gas industry feels that it's not well recognized that they're as important in the province as they are, and I'm wondering in light of the fact that I've introduced a private member's Bill that would lay out an oil and gas appreciation week in the first week of June every year, I wonder if the minister would be prepared to support that Bill?

Hon. Mr. Cline: — Well first of all I'd like to say that the idea that the oil and gas industry is underappreciated in Saskatchewan, nothing could be further from the truth, Mr. Chair — nothing could be further from the truth. For the information of the member, both I and probably the Minister of Finance and the Premier meet with the Canadian Association of Petroleum Producers on a regular basis. They attend at our offices in Regina. We're very happy to receive them, listen to them, and dialogue with them.

We also visit them in their offices in Calgary. The member should know that. We occasionally attend the annual dinners of the Canadian Association of Petroleum Producers. We can't always go but often we do. We also attend meetings and dinners of the pipeline industry.

My door is open to the oil and gas sector and the member might like to know that quite often people involved in that industry come to visit me. That is a regular occurrence. I was just at the Weyburn Oil and Gas Show which our government supports in terms of sponsorship.

We attend many, many meetings and events of the oil and gas industry. And at every single opportunity, we say and acknowledge that the oil and gas industry . . . The member's wondering where it stands; is it number one or number two? For the past few years it's been the largest industry in this province — the largest industry in this province. And agriculture is second and mining is third, but not too far behind agriculture.

And at every single opportunity that is available I, the Premier, the Minister of Finance, other members of the cabinet, and the MLAs on this side of the House talk about the importance of the oil and gas industry. And so we consider this industry to be extremely, extremely important.

And all I can say is, if the member has not heard myself and other members of the government talking about the importance of this industry to our province, then with all due respect, Mr. Chair, the member hasn't been listening because this has been said again and again and again.

So we're very, very appreciative of the role that the oil and gas industry plays in our province and it's very important. And I might also add that it has been growing considerably while our party has been in office. So if there's anybody that suggests, wrongly, that there's something that this government or this party would do to prevent development of the oil and gas industry, that would not be a statement of fact. That would not be true.

And so we all appreciate it. I haven't heard of the member's Bill to have a week of appreciation for the oil and gas industry. We'll look at and consider it, but I would say that every week, Mr. Chair, every week is a week to appreciate all of the industry in Saskatchewan, including the oil and gas sector.

And setting aside one week might be a good thing but I want that member to know and his colleagues, I appreciate the contributions of the oil and gas sector every single day and every single week of the year. And we recognize it every single day and every single year and will continue to do so.

And I want the member to know also, since his colleagues seem to have some doubt about it, that I meet with the oil and gas sector quite regularly, Mr. Chair. And you know what they tell me? And there have been many pronouncements in the newspaper. They tell me, Mr. Chair, that they appreciate doing business in the province of Saskatchewan.

And I wish I had some of these quotes in front of me because when I was at the Weyburn Oil and Gas Show, where some of those members were, Mr. Clayton Woitas of the gas industry got up. And you know what he said, Mr. Chair? He said, I like doing business in Saskatchewan; I consider myself an honorary resident of Saskatchewan and doing business in Saskatchewan is so good that I call it the Saskatchewan advantage. That's what he said, Mr. Chair.

And I want those members over there who are chirping from their seats, and quite frankly, Mr. Chair, don't know very much apparently about what's happening in oil and gas, that drilling in this province is up about 70 per cent over what it was last year — 70 per cent. And in the last 10 years, Mr. Chair, in the last 10 years — and I wish the member from Arm River would listen to this because it might edify him somewhat — in the last 10 years, Mr. Chair, oil production in Saskatchewan has doubled. It has doubled.

And I want the public of this province to know that when those gloom and doom members over there go around as they do and say, you can't have mining in Saskatchewan — they say, sometimes — I've already pointed out, we have the world's

largest uranium mining sector, the world's largest potash mining sector. And they say you can't do mining. And when they say, Mr. Chair, that somehow you can't produce oil and gas in Saskatchewan, I want the public to know that what they say is not true, Mr. Chair, because the production of oil has doubled in the last 10 years.

So one has to ask, why do they say those things, Mr. Chair? Everybody else, including the oil and gas industry, is positive about Saskatchewan. Everywhere I go people are positive about Saskatchewan. And they sit there and say, you can't do business in Saskatchewan.

Well I'm here to tell the world the truth, Mr. Chair, which is, you can do business in Saskatchewan. People are doing business in Saskatchewan. And as long as we have a positive government in power and not a bunch of naysayers, they'll continue to do business in Saskatchewan, Mr. Chair.

Some Hon. Members: Hear, hear!

Mr. Stewart: — I hope somewhere in that answer there wasn't a no.

Mr. Minister, I am aware of how important the oil and gas industry is to this province and I know that you are. Agriculture is huge in this province. Everybody appreciates how big it is. It's our history. The mining industry has a week dedicated so that they can educate people about their industry and what they contribute to the province.

I was at the Oil and Gas Show in Weyburn as well and people from the industry talked to me on many occasions during that show and at other times about how they don't feel that the ordinary people of Saskatchewan realize how important they are to the industry. And I really, sincerely mean that I hope that there wasn't a no in that answer, and I hope you will support the private member's Bill.

Mr. Minister, will you at least consider — you and your caucus — at least consider supporting that Bill? And I'll send you a copy of it if you like.

The industry's asking for it. I think it could make us all look good in this place if we can do that for them. They don't believe that they are appreciated, not by you, Mr. Minister, but by the ordinary people of this province. They don't think they're understood or appreciated or that their value is recognized. And I hope, sincerely hope, that you and your government can see your way clear to support that private member's Bill.

Hon. Mr. Cline: — Well we'll certainly consider that and I appreciate the member's suggestion, Mr. Chair.

Mr. Wakefield: — Thank you, Mr. Chair. And to the minister and his officials, I'd like to just ask a couple of questions if I could, really about the budget numbers that are coming down. And I know we're going to maybe run a little bit short of time but there's a couple of things that I would like to explore.

One of them that I'd like to explore a little bit is under the heading, Saskatchewan Opportunities Corporation. As you know, this was quite a vital part of economic development and

the economic development plans of this government. And now the Saskatchewan Opportunities Corporation portfolio has been turned over to CIC, or to the Crowns. And I'm just frankly not sure just what has happened there.

And also Saskatchewan Government Growth Funds was an integral part of the strategy at one time, and that too has been virtually . . . I guess it continues, but certainly it hasn't become the focus of economic development.

Could you give me an idea, Mr. Minister, where those two programs have gone? Where has the investment gone? And the initiative that they were using to develop economic development in this province, what is in place now?

Hon. Mr. Cline: — In terms of the Saskatchewan Government Growth Fund, they have not been collecting any new money since 1998, so that's five years now. But they are continuing to invest monies that they have collected and so they're continuing in that sense.

In terms of SOCO (Saskatchewan Opportunities Corporation), when the Premier announced, about a year and three months ago roughly, that the government was being reorganized and streamlined and I believe there were one or two departments that disappeared, SOCO was . . . had an investment function. They lent money to enterprises, but there also were people in CIC that performed the same function. So the feeling was that there should be one arm of government doing investing and lending in the private sector where that was required, generally speaking, rather than two.

And some of the people from SOCO were moved over to CIC, but it very much was not to say that there should never be any lending through government but that there should be a streamlining and not duplication. And so there are fewer people doing that function today, but that was part of making government more efficient, which of course we've heard should be done. And so we're attending to that.

I think there's a feeling also that we want to encourage the private sector to be more involved in venture capital in Saskatchewan. And CIC has been making some efforts with the credit unions and others to create venture capital funds — I think the Royal Bank may have been involved to some extent as well — so that government might work in co-operation with agencies, organizations like the credit unions and the banks together to create more venture capital funding.

(16:45)

Mr. Wakefield: — Mr. Minister, I guess the intent of SOCO and other forms of incentives or lending for different businesses and different priorities, that now has become shielded from the budgetary process, is that right?

Hon. Mr. Cline: — I don't believe that the budgetary scrutiny would really change in the sense that SOCO, SOCO's investment activities were scrutinized by CIC, and similarly CIC's investment activities would be scrutinized by CIC.

The budgetary process with respect to SOCO would have been the amount of money that SOCO was allocated, but the

budgetary process wouldn't really look into the investment activities of SOCO. That would be more so through the Crown corporations process and that hasn't really changed. There would be scrutiny through the Crown Corporations Committee. SOCO certainly would be audited by an auditor — probably a private sector auditor, I would think — but the Provincial Auditor ultimately has some responsibility here. CIC's books are also audited, private sector supervised or in collaboration with the Provincial Auditor. So I don't believe that the member could make a case that the level of scrutiny has changed. I think it would be just about the same.

Mr. Wakefield: — Mr. Minister, at one time we had the opportunity, during these discussions reviewing the budgetary process under these estimates, as to what the directions were that the government had in terms of its investment strategy — the sectors that it wished to focus on because of the involvement of SOCO under the earlier Economic and Co-operative Development budget, and that vote.

Now you just . . . We have to wait until annual reports to make sure that we understand that the auditing is done, but we can't . . . we don't have an opportunity now to see what kind of an economic development initiative is occurring with the investment directly out of the government intentions of the day. That's where I see the difference.

And I think it's . . . That's why I refer to it as shielding us as legislators from the budgetary process, the budgetary initiatives as to where the government wants to go. Am I reading that wrong?

Hon. Mr. Cline: — I don't believe that anything has substantially changed. Departments and agencies, you know, are required to have business plans and to have goals and objectives that are published. And the opposition is quite entitled to ask questions about those in the legislature, to the minister in charge of the Crown Investments Corporation in this case, or at the Crown Corporations Committee. So there are many opportunities to ask questions about the strategy, the policy of the CIC, and investing.

And certainly we'd be more than happy to obtain any information within the rules and laws that the member requires as to what the investment strategy of the CIC and SOCO would be, and more than pleased to answer questions either in the House or at the Crown Corporations Committee with respect to those policies.

Some of the questions might be directed to the minister in charge of the Crown corporations as opposed to myself, but someone ultimately has to be accountable for these objectives, and they must be published for public scrutiny as well. That's one of the things we've done in the last several years, is required government entities to publish their plans so that they can be scrutinized by members of the legislature and indeed by members of the general public.

Mr. Wakefield: — Thank you, Mr. Minister. In an estimate forum such as this where we're asking questions about the budgetary numbers, here's an example. I would like to be able to ask you why the research parks division — and I'm looking at vote (IR11) under SOCO — why the research parks division

has increased its budgetary estimates over 70 per cent.

These are the kinds of things that are quite important when we are talking about the budget for a particular department so we have an idea of the direction and how much money is going toward those. I think that's quite important.

And I'm going to also use another example, on vote (IR03) where it's called industry development. There's a couple of items there. There's business development. There's marketing and corporate affairs that have substantive increases one year to the next. Those are the kinds of things that we would like to understand if we're going to try and vote off what your budget means to the province.

Hon. Mr. Cline: — Well the answer is that this is estimates and if the member has questions about some of the votes contained in the estimates, the member can ask those questions. There's no difficulty whatsoever with that.

Mr. Wakefield: — Mr. Minister, why then has the research parks division in vote (IR11) gone up nearly 70 per cent?

Hon. Mr. Cline: — We don't have SOCO officials here but I'd be happy to undertake to get that information and to provide a detailed answer in writing to the member.

Mr. Wakefield: — Mr. Minister, this is vote (IR11), the Saskatchewan Opportunities Corporation in the budgetary . . . in the budget of this year. This is still part of your department. I would expect that we would have an answer for that.

Hon. Mr. Cline: — Yes. I just indicated, Mr. Chair, that I don't have the official here. I don't have the information. The member will have an answer. I've undertaken to answer the question. There's absolutely no problem with that, I simply can't answer it at this moment. And I've said that I will provide the member with the written answer and I'll be happy to do that.

Mr. Wakefield: — I've been asked to have one more question and then I'll . . . and I guess I would try and wind this up by a just a general question, Mr. Minister.

If things are moving along well in this province and by indications it looks like things are, in terms of the numbers, the stats, why is the province not growing? Why are we losing people in this province?

Hon. Mr. Cline: — Well I think that what we have seen over the last few years is some loss of population. But I want to say to the member that the loss of population, even after two years of drought, is not as bad as it has been in the past, by far.

And I want to say to the member also that more growth is predicted in Saskatchewan. I'm looking at the *Regina Leader-Post* of March 25 of this year and the *Whitewood Herald* of January 7 of this year, "Saskatchewan business optimistic about 2003." And what I would say to the member is I think that we are starting to turn the corner in terms of the population.

But I also want to . . . the member to know that one of the reasons we see in many parts of Canada, not just Saskatchewan,

that the population is relatively stagnant has to do with a very low, a very low birth rate.

We see growth in population in the large urban centres in Alberta, Calgary and Edmonton, not necessarily everywhere in Alberta. We see population growth, I think, in Toronto. And elsewhere we see relatively stable population.

And that is true also in many countries of Europe. And it had a lot to do with a very low birth rate. And so that's part of the reason.

But I want to say to the member that things actually are going quite well in Saskatchewan and we need to be positive about that. There's no reason why we should be pessimistic or negative. You have to have a positive attitude in order to succeed. Certainly this government has a positive attitude and I believe that we are succeeding, Mr. Chair.

The committee reported progress.

COMMITTEE OF THE WHOLE

The Assembly recessed until 19:00.

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