

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: -- Mr. Speaker, I am pleased to introduce to you and to members of the Assembly a group from China who are seated in your gallery. I just wonder, as I introduce our guests, if they would stand up and be recognized.

First I'd like to introduce Madam Si. Madam Si represents an agency in China that is responsible for all of the purchase of cattle, grass seeds, and I believe poultry that enter into China. So I want to welcome you here today, Madam Si.

Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Along with Madam Si, accompanying, Ms. Qiu -- if you would stand and be recognized -- Mr. Liu and Mr. Xue. Now Mr. Xue is the representative from Inner Mongolia. And really that is the purpose of the trip, is to look at cattle from western Canada, particularly from Saskatchewan, which would be suitable for that area of China. As I understand, the weather very much parallels what we have in Saskatchewan, and for that reason they have a special interest in Saskatchewan.

That point is brought home with the introduction of Sid Palmer who is one of our main cattle breeders and dealers in Saskatchewan. And along with Mr. Sid Palmer, my friend Darren Rose who is also showing some of our hog facilities. Darren is with WECAN up in the Humboldt area. And they do a lot of exporting of technology on hog production.

Also with the group, Tim Marshall, one of our staff from over in the department. And I want you to welcome them all here today.

Hon. Members: Hear, hear!

Mr. Martens: -- Thank you, Mr. Speaker. I too want to extend on behalf of the official opposition a welcome to the guests that are here today from China, also for Mr. Palmer. And I've been up there selling Hereford cattle, and I appreciate very much the responsibility the people take in realizing the value of livestock industry in the province of Saskatchewan.

I also want to indicate to Mr. Xue that my nephew teaches English at Hohut in I think it's Inner Mongolia. And he teaches English and range management and he's a doctor of veterinary medicine, and he is teaching school there at the university. And so if Mr. Palmer needs somebody over in Inner Mongolia to be a translator there or a person to become involved, I'll be glad to provide you the name of that individual and you can maybe start negotiating some deals there.

I'd like to have the Assembly welcome these people

here.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Sask Water Contract

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Labour. Mr. Minister, is it the policy of your government to restrict non-union companies from being able to bid on certain government contracts?

Hon. Mr. Shillington: -- No.

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister, has your government ever acted to limit competition in government tendering by inserting a non-union-only contract in project agreements?

Hon. Mr. Shillington: -- If the member is leading up to the contract by the Saskatchewan Water Corporation for the pipeline development, which I take it to be what you're leading up to, let me assist you in getting to the point of your question. . . welcome. I may say that the matter is under consideration as is the whole question of what role unions ought to play in union contracting. So the matter is still under consideration.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Well, Mr. Minister, that's exactly what we're getting at: your union-only contracting program in your government. Six weeks ago Sask Water put out a tender for construction of a pipeline between Codette and Melfort. After the low bid came in from a non-union company, your government cancelled the first tender, drafted a project agreement with a union-only clause, and held a second tender. As a result, the contract was awarded to a company whose bid was \$1 million higher than the original winning bid.

Mr. Minister, how do you justify taking this contract away from a non-union company who had won it fairly and then turning around and giving it to a union company at an additional cost of \$1 million to the Saskatchewan taxpayers?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- Again, Mr. Speaker, I want to be circumspect here; this matter is still under consideration. No tenders have been awarded. The matter is under consideration. I'm not sure we'd assist the officials of Sask Water in discharging their duties here by pronouncing ourselves in favour of one contract or the other. Suffice it to say the matter is still under consideration, and when the matter has been resolved, government policy will be announced.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Speaker, what we have here is the NDP's (New Democratic Party) version of *Indecent Proposal* -- the minister paying \$1 million to get in bed with the unions.

Well, Mr. Minister, this really is indecent because it's not the minister's money that he's actually playing with here; it's the taxpayers' money -- money that could be used to keep hospitals open or schools open. But to think about it, Mr. Minister -- you're wasting taxpayers' money on this project if you're going to go ahead with this union-only clause.

Mr. Minister, this is indefensible. We can't afford this type of government favouritism. Mr. Minister, will you end this unfair tendering practice and save the taxpayers some money by promising to award contracts to the lowest qualified bidder, union or non-union? Will you make that commitment to the legislature today?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- I will simply make the commitment that . . . I say in the beginning to the member that no contract has been awarded. The preface to the member's question, which you were reading from a pre-prepared question, suggests that the contract had been awarded. Just in case you're troubled by the facts and want to base a question on the facts, no contract has been awarded.

At a time when government policy has been settled and contracts are awarded, government policy will be announced.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Speaker, Mr. Minister, the vice-president of Sask Water, Mary Anne Davidson, admitted that the second tender call came at the request of the unions. Isn't that interesting, Mr. Minister?

We have business groups in this province who are calling for nothing other than a meeting with the Premier to discuss job opportunities in this province and you won't even give them the time of day. We have people all over this province calling for you to slow down your hospital closures; in fact a thousand of them were out on the steps of the legislature recently and you totally ignored them. We have farmers who want, in this province, you to honour contracts with them and you ignore them as well.

We have all these people who you totally ignore but yet one call to Sask Water from union bosses and you take away a contract from a non-union company and inject a union-only contract rule, and cost the Saskatchewan taxpayer . . .

The Speaker: -- Order, order. Does the member have a question? I want the member to put his question.

Mr. Boyd: -- Mr. Minister, I ask you once again, will you end your union-only contract-tendering process

and open tenders up to the lowest bidder, qualified bidder?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- Well I know the members opposite enjoy and think it good politics to set one segment of society against another and to play to the regrettable anti-union sentiment which exists in part of our society. Let me just say though again, in case the member wishes to trifle himself with the facts, Sask Water did not do anything at the behest of the unions. Sask Water's policy is decided by management in conjunction with the board.

Again I say to . . . The vice-president of Sask Water said no such thing and very well the members opposite know that. Sask Water's policy will be announced in due course when it is settled.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Mr. Speaker, Mr. Minister, the Sask Water president did indeed say that it was at the request of the unions that that second tender call be made.

Mr. Minister, once again we have seen your government's misplaced spending priorities. On Friday the Minister of Justice acted to take away democratic representation from rural residents by eliminating eight rural constituencies. And the minister said it would save \$1 million -- about \$1 million is what he said -- the same amount you just wasted on this tendering call, Mr. Minister.

Mr. Minister, why do you feel it's appropriate to take \$1 million away from a non-union company in this province and then not allow them to proceed with that contract in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- I don't know what one does with a series of questions which are based upon a set of false facts. I've told the member several times, no contract has been awarded. The member's question is based on the assumption that it was. I say to the member opposite . . . all I can say to the member opposite is, no contract has been awarded. The matter is still under consideration, and at such time as contracts are awarded, we'll be pleased to answer any questions the members opposite may have.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Mr. Minister, could you tell the Assembly what the reason then was for the second tender call? What was the reason?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- I say to the member opposite that the facts upon which you're proceeding are erroneous. I do not think it's particularly useful to get into a detailed discussion of the tenders and the

awarding process until such time as it's finished. When it is finished we will be happy to answer your questions. Until then, there's a limited amount which we can and should say.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister, the vice-president of Sask Water says, and I quote from the *Star-Phoenix*:

Davidson admitted the second call came at the request of the unions, but said it "was premature" to say the difference in bids was because of contractors using union salaries.

Mr. Minister, can you confirm for the legislature here today that the difference in the cost between the non-union and union contracts was in the neighbourhood of \$1 million?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- Again the member seems oblivious to the facts. The facts are there has been no contract awarded. It is not unusual for tenders to come in at a higher figure than what is anticipated. When that happens, in this case as in previous cases, the matter is reviewed to determine what steps should be taken. That's what's happening now.

At a time when a decision is made, we'll be happy to answer your questions. We cannot answer questions on an assumed basis of fact.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister, the fact is the second tender call did go out which clearly means in everybody's minds in this province that you are establishing a union-only contracting process in this province which flies in the face of the promise the Premier made at the SUMA (Saskatchewan Urban Municipalities Association) convention earlier this year.

When questioned at that convention, the mayor of Arborfield asked him if he had that type of policy within his government, and the Premier said, and I quote: I say to you that our position is as follows. We do not have a union-only proposition. And the Justice minister backed him up by saying, that is correct, Premier; there is no union contracting policy in existence.

Mr. Premier, and Mr. Minister, you and your minister have not told the truth here today. Why did you mislead the mayor of Arborfield and all delegates at the SUMA convention into thinking you had a fair and non-discriminatory tendering practice when you know full well your government restricts certain contracts to union-only participants.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- About three or four days ago

my estimates were before this Assembly. We had what I thought was a useful discussion on the question of union or non-union contracting. I felt it was a useful discussion. And the government's policy was given to members of the Assembly. I doubt very much that Mr. Speaker is going to give me sufficient time to rehash that conversation. Suffice it to say what I said at the time is the matter is under consideration. We are still reviewing the matter and we will be happy to discuss the matter with you when some decisions are made. We cannot however answer a question on the basis of assumed facts.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Mr. Minister, could you confirm for the legislature what the cost of that second tender call was?

Hon. Mr. Shillington: -- I suppose we can continue this. I can only say to the member opposite, no contracts have been let, to my knowledge, with respect to this matter.

Mr. Boyd: -- Thank you, Mr. Speaker. A question for the Premier. Mr. Premier, we've already seen how your government policies have cost Saskatchewan thousands of jobs since you took office. Now we have the unbelievable situation where out-of-province union workers will get preferential treatment over Saskatchewan non-union workers, due directly to your government's tendering process.

Mr. Premier, in your democratic reform document you said: if quality, service, and price are equal, preference must be given to products and services available in Saskatchewan. In spite of that commitment, Mr. Premier, we now see the incredible situation where preferential treatment is being extended to out-of-province workers even though they cost more.

Mr. Premier, your government's taxation policies have already created enough jobs in Alberta. Will you end this unfair tendering practice and start creating jobs for Saskatchewan people for a change?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- It would be more useful, Mr. Speaker, if the member opposite would either take more care in writing your questions before the Assembly resumes its afternoon sitting, or if you were able to show some flexibility in the questions you asked.

I have said to the members opposite that the tenders were received; none have been accepted. The matter is under consideration and we cannot discuss the details of individual tenders or where the negotiations are at. That's not appropriate and the member knows that full well.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister,

there has been two tender calls. One came in a million dollars lower than the other one. Which one are you going to take? The people of Saskatchewan are wondering that. Do you have a union-only contracting program in this province or do you not have that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: -- As was discussed in my estimates a few days ago at some length, the matter is under consideration. I stated at that time what the goals of the government are with respect to contracting, and I answered fully all the questions which the member from Maple Creek had. I do not believe . . .

An Hon. Member: -- We didn't know about this then.

Hon. Mr. Shillington: -- Well I can't help it -- what the member from Kindersley may know. The matter was fully discussed in the estimates. If the member is unaware of what was said in estimates, I cannot help that. But the government's contracting policy with respect to unions or non-unions was fully discussed in estimates.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Minister, tomorrow another Sask Water tender will be opened for the second time. This one is for a pipeline from Melfort to Weldon. Again the second bid was called for because your government contract went to a non-union shop and your government didn't like that. And again this will mean an additional cost to taxpayers of this province.

It seems that there's only one fair thing to do in both of these instances, Mr. Minister. Will you cancel the second tender call in both of these instances and will you order your minister . . . or will you extend the opportunity for your department, Mr. Minister, to award the contracts to the lowest bidders, thereby restoring the integrity of the process and saving the taxpayer over \$1 million. Will you do that, Mr. Minister?

Hon. Mr. Shillington: -- I say to members opposite again for the umpteenth time: no contract has been awarded. When a tender is accepted, then the questions which you have will be fully answered. At such time as they are considering the tenders, it is not appropriate to get into a detailed discussion of what the individual tenders may have contained.

Some Hon. Members: Hear, hear!

Firing and Re-hiring of Government Official

Mr. D'Autremont: -- Thank you, Mr. Speaker. My question is for the Premier. Mr. Premier, we had the unusual circumstance last week of the minister for liquor and gambling answering for employees in your office. While he tried hard, Mr. Premier, he was not able to answer the questions that you refused.

This House was then insulted once again to find that while you the Premier were unwilling to answer, here was your press secretary, John Millar, providing answers to the media. If John Miller wants to answer the questions, perhaps he should be sitting in your chair.

I would now ask you to inform the Assembly of the salary that you are paying to Mr. Ian Laidlaw working out of the Premier's office.

Hon. Mr. Lautermilch: -- Thank you. Mr. Speaker, I'd like to answer to the question I took notice of on behalf of the Premier last week. I want . . .

The Speaker: -- Order, order. Does it pertain to the same question that is now being asked?

Hon. Mr. Lautermilch: -- Yes.

The Speaker: -- All right, pertaining to the same question.

Hon. Mr. Lautermilch: -- Mr. Speaker, the answer to the member's question is simply this, that Mr. Laidlaw is not employed by the Premier's office. He's employed as executive director of Information Technology Management, which is a newly created position. And he was appointed to this position after a successful . . . being successful in an open competition. I say, Mr. Speaker, he is not employed by Executive Council. As I have indicated before, it is the Department of Finance that pays Mr. Laidlaw.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: -- Thank you, Mr. Speaker. Mr. Minister, when was Ian Laidlaw appointed to this position?

Hon. Mr. Lautermilch: -- Mr. Speaker, he was with, as we indicated prior, with Property Management Corporation. And with the reorganization and the restructuring at SPMC (Saskatchewan Property Management Corporation), he was terminated. He was, as I understand, unemployed for a period of 15 months at which time he applied in this open competition. He was the successful applicant, and as such, he was hired.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: -- Thank you, Mr. Speaker. Mr. Minister, I thought I asked a fairly simple question. When was he hired?

Hon. Mr. Lautermilch: -- Mr. Speaker, I am not sure of the date that he was hired but I can suggest to you that it was some 15 months after the reorganization within SPMC. So I would assume that would make it end of April, sometime in that area.

Mr. D'Autremont: -- Thank you, Mr. Speaker. It seems very strange that the minister would have all the answers as to the person's work history and yet not

know when he was hired. Perhaps he would know how much money Mr. Laidlaw is being paid at his present position.

Hon. Mr. Lautermilch: -- Mr. Speaker, he is being employed at a salary of \$6,436 a month.

Boundaries Legislation

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, on Friday your Minister of Justice tabled a new boundary Act for the province of Saskatchewan and says that by this Act you are going to save the taxpayers approximately a million dollars. Well we've seen this morning, Mr. Premier, this afternoon, that that million dollars got spent pretty fast on some of your friends on the water pipeline to Melfort.

My question is though, sir, how you can justify maintaining two seats in a part of Saskatchewan where your Minister of Justice says that we're going back to the philosophy of one person, one vote, when obviously large rural areas of this province are going to be amalgamated into several large seats. I wonder, Mr. Premier, how you can justify this fact, given the pronouncements made by your Minister of Justice.

Hon. Mr. Lingenfelter: -- Mr. Speaker, I would like to respond to the hon. member's question by indicating when it comes to northern Saskatchewan obviously previous governments, including their own, recognized the difficulty of representing those areas of the province. And it's very clear that this is not new status for northern Saskatchewan but something that has been established over the years.

When it comes to the new boundaries Bill that has been introduced, obviously when asking government in general to downsize and the public demanding government to downsize, clearly the elected members have to do their part. That's what this is all about -- attempting to do our part to save in the administration of government.

And quite clearly, when I go out and talk to chambers of commerce around the province and when people are out talking to working people, one of the comments and ideas that comes up over and over again is the question of whether or not it takes 66 members to represent the province of Saskatchewan with around a million people, and clearly we think the number that we have put in the legislation is about what the public would like it to be.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, most taxpayers in the province of Saskatchewan say that we need less government; there's no argument from anyone on that fact.

The fact is though that your Minister of Justice said that not the commission but the government Bill stipulates that there will be two seats in northern Saskatchewan

even though he is moving the variance, a variance that has been larger than 5 per cent all through our history because it was there to recognize communities of interest, natural boundaries, trading areas.

He is saying that no longer is applicable any more, I'm bringing in a Bill that moves the variance down to 5 per cent, that all of those reasons in our history that we had variations anywhere from 10 to 25 per cent no longer are applicable, but there will be two seats in northern Saskatchewan even though the rest of the taxpayers in the province, particularly the rural areas, will have less access to elected representation.

Can you tell me, Mr. Premier, why the commission then didn't have the opportunity to set the number of ridings and the variation? Would you tell me that, sir?

Hon. Mr. Lingenfelter: -- Mr. Speaker, it seems strange in passing that the members would take this kind of an approach to an area of the province where a good number of the communities don't have any road links. I mean they communicate and move back and forth either by air, in some cases by water. It seems very strange that they would take this kind of an approach when in fact, under their own Boundaries Commission, this was clearly recognized. And I find it hard to believe on which day they changed their mind as it would relate to northern Saskatchewan.

As it comes to the number of people in the southern constituencies, a variance of 5 per cent on 10,000 per constituency, allows for about a thousand vote variance, a thousand voters variance -- 500 more, 500 less; that's a thousand people.

I'm sure that allowing for a thousand vote variance gives the designers of the boundaries, the independent boundary commission, plenty of leeway in allowing for natural boundaries and those kinds of things that should be taken into consideration.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the Premier again. Mr. Premier, the problem is, it's the reasons given by the Minister of Justice for bringing in this particular piece of legislation and taking out of the hands of this independent commission that supposedly is going to be in place, how to design an electoral map of Saskatchewan when there are still special considerations.

The Minister of Justice says that we don't need that any more, that we are doing this exercise because we need to save money. What we've seen today where the saving of a million dollars doesn't matter anything to your government, so that argument's out the window, because you can spend a million bucks on your friends with the snap of a finger.

Now the question is, Mr. Premier, the Minister of Justice says we're getting back to one person, one vote, in this province, and that's why we're down to 5 per cent variation. If that is the principle, Mr. Premier,

why then are you saying that certain areas of the province deserve electoral representation based on things other than a larger variance?

Mr. Premier, why not put in the hands of the commission the ability to set those boundaries all over the province of Saskatchewan and do it in a fair manner? Mr. Premier, why won't you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Mr. Speaker, I want to make it clear to the Assembly and to the hon. member opposite that the kind of argument that he's making now flies in the face of what they were doing in their boundary commission and in their legislation that they brought in before the last election, where they clearly allowed for variances in northern Saskatchewan.

But I think what is being condemned about the previous government in their arrangement was not the discrepancy in northern Saskatchewan and not even the discrepancy between urban and rural, but the discrepancy between rural and rural seats -- for example, the Morse constituency at 7,000 and the Humboldt constituency at 11,000. Those kind of variances should not be allowed. Or the variance in Regina between Elphinstone at 11,000 and Regina South at 8,000. These kind of variances are not acceptable.

And for you to stand here today and be critical about a 5 per cent variance in Saskatchewan except for the two northern seats, I tell you, is hypocrisy at its height.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 82 -- An Act to amend The Change of Name Act

Hon. Ms. Simard: -- Mr. Speaker, I move that an Act to amend The Change of Name Act be now introduced and read the first time.

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

Bill No. 83 -- An Act respecting Registered Psychiatric Nurses

Hon. Ms. Simard: -- Mr. Speaker, I move that a Bill respecting Registered Psychiatric Nurses be now introduced and read the first time.

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

Bill No. 84 -- An Act to amend The Litter Control Act

Hon. Ms. Carson: -- Mr. Speaker, I move that An Act to amend The Litter Control Act be now introduced and read the first time.

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

STATEMENT BY THE SPEAKER

Ruling on a Point of Order

The Speaker: -- Before orders of the day, I wish to address a point of order raised on Friday. On Friday, the member for Moosomin raised a point of order before orders of the day, relating to responses by the Minister of Health during question period.

The minister was asked two questions at once, and when time ran short during the first answer, the minister attempted to answer the second question the next time she was recognized.

First of all, when answering questions, ministers ought to gauge the length of their answers to ensure they can answer all parts of the question they wish to answer in the acceptable time frame allowed for answers.

Secondly, it is not appropriate for a minister, when recognized on a later question, to finish an answer to a previous question. Members asking questions must also keep in mind a couple of points relating to this point of order.

One is that members should not ask more than one question at a time. If they do, then they should be prepared to receive longer answers. Two, members should not include long preambles unless they are prepared to receive long answers in which their main question may be evaded.

I ask members to observe these points to improve the operation of question period.

I recognize the Minister of Municipal Government -- why is she on her feet?

Hon. Ms. Carson: -- By leave to make an important announcement, Mr. Speaker.

Leave granted.

ANNOUNCEMENTS

Norwegian Independence Day

Hon. Ms. Carson: -- Thank you, Mr. Speaker. I rise today to bring attention on the members of the Legislative Assembly, and the people of Saskatchewan, that May 17 is an important event in the lives of many of our citizens.

Every May 17 Norwegians and Norwegian descendants celebrate the signing of the Norwegian Constitution of 1814. In the turmoil at the close of the Napoleonic Wars, this small land of farmers declared their independence from the domination of Denmark and set up a new country.

It was interesting to note that the Norwegian population in 1814 was about 900,000, of which only

10 per cent lived in towns. The largest town was Bergen, with 18,000 people, whereas Christiania, now Oslo, has only 10,000 people.

The majority of people in Norway were farmers. Most of them owned land. Many of the early settlers of Saskatchewan were Norwegian descendants who had lived for a number of decades in Minnesota, Wisconsin, Iowa, North Dakota, and South Dakota, before bringing their pioneering skills to Saskatchewan.

Many of these Saskatchewan residents of Norway ancestry have retained their strong, independent, democratic ideals of their Norwegian ancestors who signed their Norwegian Constitution at Eldsvoll, just north of Oslo, on May 17, 1814.

Mr. Speaker, as a descendant of a Norwegian immigrant and as Minister of Culture, I wish to congratulate all Norwegians who celebrate Norwegian Independence Day today, especially those people in my communities at Naicam and Birch Hills. This is to them a very important and special day.

Saskatchewan's cultural diversity has contributed to the unique and colourful fabric of our society, and Norwegians have enriched Saskatchewan lives in many ways. They are an industrious, gregarious, and creative people who have helped build all of our communities. Also, in our history they have had two major influences in world affairs. About 900 years ago, Leif Eriksson set sail and landed somewhere on the North American continent. This of course has produced one of the greatest industrial powers in the world known as North America.

But more recently, Mr. Speaker, in 1983 the UN (United Nations) Secretary General appointed Gro Harlem Brundtland as chair of the Commission on Environment and Development. In 1987 the commission reported **Our Common Future**. This led to the strategy of a sustainable development and provided the basis on which the real summit in 1991 was organized.

I would like the Assembly today to recognize from the Saskatchewan Norwegian Council, Mr. John Nilson, who is in the west gallery facing us. And I would like the members of the Assembly to welcome him and to wish all Norwegians in Saskatchewan the very best of days.

Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 80 -- An Act to amend The Tobacco Tax Act and to make certain Consequential Amendments resulting from the enactment of this Act

Hon. Mr. Lingenfelter: -- Mr. Speaker, I rise today to

move second reading of a Bill, An Act to amend The Tobacco Tax Act. And this Bill provides legislative authority for the federal government to collect the tobacco tax at international border crossings in Saskatchewan.

This agreement will be entered into between the Government of Saskatchewan, the Government of Canada, which will provide the details of the collection mechanism. It is anticipated that the federal government will begin collecting the tax on July 1, 1993.

Essentially, Mr. Speaker, Revenue Canada customs officers will collect the provincial tax for Saskatchewan on tobacco products that are brought into the province by residents returning from the United States. This will make the price of cigarettes imported from the U.S. (United States) about the same as if they had been purchased here in Saskatchewan. In this way, Mr. Speaker, Saskatchewan retailers of tobacco products will no longer be at a competitive disadvantage with retailers in the U.S. where the tax on tobacco is much lower.

Mr. Speaker, the rules to determine when the provincial tax on tobacco imports is payable at the border will be the same as it is with GST (goods and services tax) rules. This means that if a person is required to pay the GST on tobacco imports, then he or she must also pay the provincial tobacco tax which is currently about \$16 on a carton of 200 cigarettes.

Mr. Speaker, a consumer will still be able to bring back one carton of 200 cigarettes, 50 cigars, and 40 grams of . . . or 400 grams of cut tobacco, tax free for personal consumption. However the person must be outside of Canada for at least 48 hours in order to qualify for his or her personal exemption.

A consequential amendment is also being made to The Revenue and Financial Services Act to ensure that an importing consumer of tobacco products is subject to the same enforcement provisions as individuals who purchase tobacco in Saskatchewan. For example, if a person brings tobacco into the province from the United States without declaring importation, Revenue Canada may seize the tobacco and hold it until both the federal and provincial taxes are paid.

Mr. Speaker, in addition to tobacco, Saskatchewan will also be entering into an agreement for the collection of provincial alcohol levies at the international border. It is anticipated that this too will begin on July 1, 1993. The Government of Saskatchewan will be required to reimburse the federal government for the start-up and ongoing costs of collecting our tobacco tax and alcohol levies. This is consistent with the arrangement the federal government has with other provinces that have entered into similar agreements.

Mr. Speaker, by requiring the Saskatchewan tax to be paid at the border, we will be ensuring that those Saskatchewan businesses that sell tobacco products, particularly those businesses located close to the

international border, will not be at a competitive disadvantage with their United States counterparts because of the tax difference.

Therefore, Mr. Speaker, I move second reading of An Act to amend The Tobacco Tax Act.

Some Hon. Members: Hear, hear!

Mr. Toth: -- Thank you, Mr. Speaker. Mr. Speaker, I've listened carefully to the comments by the minister regarding the reasoning for the implementation of this piece of legislation. And one has to wonder how many more promises that the government is going to break before this term is out.

We all remember the comments made by the Premier -- and I'm certain most of the NDP candidates, if not all the members that are presently sitting here -- who suggested that there would never be an expanded, harmonized sales tax. In fact they were going to eliminate the sales tax and indeed the harmonized portion. And that as we see today the government is now quietly and very subtly moving in to further harmonization of the sales tax with the goods and services tax, something that the former government had spoken about and indeed had gone to the electorate with back in 1991. And the member from Regina North West knows it very well. And, Mr. Speaker, I find it interesting that the member from Regina North West would be disputing it when he's using this legislature as a means to lobby his constituents for a federal run in the upcoming federal election.

But while the Minister of Economic Development talks about here about harmonizing the tax, when he spoke about not increasing taxes upon the people of Saskatchewan, it's interesting to sense that the Minister of Economic Development is standing here now and suggesting well we'll do a tobacco tax and then we're going to include it on alcohol products in the near future.

Don't get me wrong, Mr. Speaker, whether it's tobacco or whether it's alcohol -- two products that I don't partake of -- it really is not a problem with me, but at the same time, Mr. Speaker, I think to say one thing and then to turn around and do the other, one has to wonder how far before we have a totally harmonized tax. When in the end, Mr. Speaker, the fact is the harmonized tax in the province of Saskatchewan would be more economical, it would be easier to administer, it would be a lot simpler for the consumer.

I mean instead of having an increase from 7 to 9 per cent, Mr. Speaker, we could have stayed with the 7, maybe even had 6 and still had a greater resource moving into the province of Saskatchewan as far as revenue that was coming into the hands of the Minister of Finance. And the minister knows that very well.

So even though we don't have a lot of problems with the Bill and the harmonization, we just have to bring

forward the fact that it's interesting to see a government today, when at one time talking of no more harmonization, just adding a little bit at a time to the point that before the end of the day, we're going to see a totally harmonized tax in the province of Saskatchewan.

However, Mr. Speaker, I think there are a few other areas we must take a little bit of time to address and look at and therefore I move adjournment of debate.

Debate adjourned.

(1445)

Bill No. 81 -- An Act to amend The Alcohol Control Act and to make certain consequential amendments to certain Acts as a result of the enactment of this Act

Hon. Mr. Lautermilch: -- Thank you, Mr. Speaker. I'm pleased to rise today to move second reading of The Alcohol Control Amendment Act, 1993.

This Act will merge the operations of the Saskatchewan Liquor Board, Saskatchewan Liquor Licensing Commission, and the Saskatchewan Gaming Commission. It will streamline procedures for interest groups who may be involved in both gaming and liquor enterprises, as well as streamlining government operations and saving the taxpayers of the province a considerable sum of money.

The amalgamation of these entities was announced by the Premier in March as part of a government reorganization. It is part of a package of proposals which is expected to save \$5 million annually.

Reorganization of government is not taken lightly. This reorganization was based on the importance of providing important core services and programs to the people of Saskatchewan while also recognizing the fiscal and budget restraints which face this province.

Reorganization and streamlining is part of the process of rebuilding Saskatchewan which began in November of 1991. We have made significant gains already, with overall government spending cut by more than 3 per cent, salaries for cabinet ministers cut by 5 per cent, salaries for MLAs (Member of the Legislative Assembly) being frozen, and discretionary spending cut back.

In our budget this year, we were able to streamline even further, and our four-year plan for reaching a balanced budget will ensure that we will continue on the right track.

This Bill allows the sensible move of streamlining the procedures and regulations for gaming and liquor enterprises in the province. Through its measures we will be able to make it easier for a reputable business to operate both liquor and gaming operations in the province such as the type of operations proposed in our VLT (video lottery terminal) program.

Regulations of gaming and liquor enterprises will also

be made easier through the new Liquor and Gaming Authority. There will be one board which will have a wider view of the issues and be able to better meet the needs of businesses in this province and the people of this province. The structures of the operation of liquor and gaming are very similar, and streamlining them can occur with little difficulty.

In addition to these reasons, Mr. Speaker, I believe amalgamation of the Gaming Commission and the Liquor Board and the Liquor Licensing Commission will make sense in decision making.

The Liquor Board is one of the oldest established boards in the province with a long history in meeting the needs of the public. By adding this experience to the new challenge facing the less mature Gaming Commission, I believe we will have a stronger, more consistent and stable process for licensing and regulation of liquor and gaming in this province.

Mr. Speaker, I hereby move second reading of An Act to amend The Alcohol Control Act and to make certain consequential amendments to certain Acts as a result of the enactment of this Act.

Some Hon. Members: Hear, hear!

Mr. Toth: -- Thank you, Mr. Speaker. Mr. Speaker, as I was listening to the member's comments . . . minister's comments, I certainly don't have a problem, I don't think my colleagues would have a problem with the fact that the minister is talking of forming one board to address a number of issues that are being brought before this Bill.

But I find it interesting that the government of today is talking about it expanding gambling in this province of Saskatchewan when their counterparts in Manitoba are asking the Manitoba government to cease and to put a hold on and slow down the process, in fact if not discontinue it. So it's interesting to have the government on one hand saying let's expand while the same party that represents them happens to be in opposition in another part of this country is saying, whoa let's hold onto the process. And I think there are a number of hurdles and problems that we need to take a look at.

I also find it interesting that when the government talks about the openness and being more accountable, and yet today in question period when we were trying to get some answers from the minister responsible for Labour we couldn't seem to get a straight answer regarding contracts and letting of contracts.

And the minister talked about having to be more accountable and that's why they re-rendered the contract with Sask Water, and yet the re-rendering, the paper indicates there is a significant increase in the costs that the taxpayers are going to face. And the minister in his Bill is just telling us there is going to be a saving. So no wonder we need to . . . all the ministers on the other parts . . . benches here in Saskatchewan are looking at trying to find a few savings here because certain other ministers are eating it up. And I can have

some sympathy for the minister responsible here.

But I think there are a few areas, Mr. Speaker, that we should take a little broader look at the Bill, and therefore I move adjournment of debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 72

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. MacKinnon that **Bill No. 72 -- An Act to amend The Superannuation (Supplementary Provisions) Act** be now read a second time.

Mr. Toth: -- Mr. Speaker, the questions we really have to raise regarding The Superannuation (Supplementary Provisions) Amendment Act, we feel we can raise these in committee; therefore we're prepared to let this move to committee.

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

Bill No. 73

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 73 -- An Act to amend The Crop Insurance Act** be now read a second time.

Mr. Toth: -- Mr. Speaker, as well as with the previous Bill, this Bill, The Crop Insurance Amendment Act, Bill No. 73, the number of questions that we have can certainly be dealt with expeditiously in committee. And so we are prepared to move it to committee as well.

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

Bill No. 75

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Anguish that **Bill No. 75 -- An Act to amend The Freehold Oil and Gas Production Tax Act** be now read a second time.

Mr. Britton: -- Thank you, Mr. Speaker. Mr. Speaker, this Bill was also a Bill that we feel needs a little bit of discussion on, but we feel that we could handle it in Committee of the Whole. So on that, Mr. Speaker, we are prepared to allow it to go to committee.

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

Bill No. 76

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Anguish that **Bill No. 76 -- An Act to amend The Oil and Gas Conservation Act** be now read a second time.

Mr. Britton: -- Thank you, Mr. Speaker. Mr. Speaker, this Bill also is a Bill that we'll, I think, handle quite easily in Committee of the Whole. So at this time, Mr. Speaker, we're prepared to let this go to committee.

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

Bill No. 39

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mrs. Teichrob that **Bill No. 39 -- An Act to amend The Education Act** be now read a second time.

Mr. Goohsen: -- Thank you, Mr. Speaker. I want to discuss the implications of this Bill for a few minutes for the government's consideration before they decide to use the heavy hand of their majority to bring upon Saskatchewan taxpayers the results of this particular Bill.

What we see here, Mr. Speaker, is an Act that attempts to bring fairness to a dominion problem, the problem of the nation, to try to make our nation into a truly bilingual and friendly place for all people within the two major languages that have been declared by our federal government.

Unfortunately the reality of life is that no matter how many of these kinds of Bills Saskatchewan passes and no matter how many millions of dollars we waste, we will never accomplish the end result of the desire that was in place when these ideas were first formulated because in fact the reality is that there are very few French-speaking people in Saskatchewan. We have less than 3 per cent, I'm told, of our population that has any connection to French in any significant way. And of that 3 per cent, I suggest that probably less than half of them can even speak the language.

The reality is, Mr. Speaker, that to spend millions of dollars to change our Education Act and to spend millions of dollars to support another school board system is an absolute and total, complete waste of money in the province of Saskatchewan. And we will hear the argument of course that the federal government is going to put up the funding initially. Always remember the word "initially".

Within a year or two's time, as soon as this Act is put into place and everything is established, I absolutely guarantee it -- you watch and read these words later -- they will download on us. The federal government will not fund French education boards in Saskatchewan for very long. They will do it for a year or two until it's established, and then they'll dump the whole thing on our laps, and they'll say: here, you guys got it, you fund it. And the taxpayer of

Saskatchewan will be stuck with the bill totally and completely.

Not to say that we're going to get away scot-free right now. The reality is that you're going to have a situation . . . and I'll relate to you a story about Lafleche, Saskatchewan, Mr. Speaker, to make my point. In Lafleche, Saskatchewan, they had the Catholic school board and the separate school board already under the old Act in years gone by. A few years back -- not so many -- they came in that community to the realization that they could no longer finance two school boards.

And so the people in the community themselves, mostly driven I understand by the people in the Catholic school board system, realizing that they couldn't afford to have the two systems any more, they asked for a meeting of the community, of both boards and all community-concerned citizens. At that meeting they discussed the possibility of an amalgamation in order to save costs. They in fact went ahead and did that.

They amalgamated and they now run one school board at a fraction of the cost of what they used to run two, because they came to the realization that, in a rural part of the country where the depression and the recession of this province had hit earlier than it has hit Regina and Saskatoon, they could no longer afford the extra costs of running two school boards. The people themselves had to come together and decide that this was just too much money and they couldn't afford it. And so they did that on their own.

And what are we doing here in Regina today? We're talking about setting up yet another system of school boards at additional costs when people out in the country are recognizing the fact that we have to consolidate these school boards and not be buying these frivolous things like Cadillac school systems when we can only afford Chevy prices. And that's what it's really all about.

We've got a government that's on a champagne budget for school boards and they've really got a taxation base that can only afford beer. And that's the reality of it. We're trying to buy what we can't afford. And we're trying to do it perhaps for lofty, high, idealistic ideas and reasons, but we can't afford to do that; we don't have that kind of money in this province to be throwing away.

It would be nice if we could cater to every language group; it would be nice if we could cater to every religious group, every ethnic group, everybody there is. But the truth of the matter is that in Saskatchewan we have such a diversity of languages and backgrounds that there's no possible way that our society could even collectively afford to do these kind of things. We could not afford to cater to everyone individually.

And reality is that if you were going to give a third school board to the French-speaking people of Saskatchewan, in all fairness we should be doing it for

Ukrainian-speaking people in Saskatchewan; we should be doing it for our Native people in Saskatchewan; we should be doing it for German-ancestry people in Saskatchewan. All of those I understand outnumber the French people that are in our province.

(1500)

So what is fair about setting up a very expensive third school board system for an ethnic group that has less than 3 per cent of the population when we totally ignore all of the other groups in our society? That's not fair and it's not being bigoted to say that we can't afford it, because it's a fact of life; we just can't afford this kind of catering as much as we would possibly like to.

Now we've got a very strong lobby group that has pressed the past administration as they have pressed this administration. I've done some checking into this and the best information I can find out is that this is nothing but a very small but very noisy lobby group who, we understand, and I haven't been able to prove this so don't take me to court to swear on it, but we are led to understand that most of this group actually came from Quebec and came to Saskatchewan for the purpose of lobbying our governments.

They were actually not even Saskatchewan citizens originally. They came to this province exclusively to drive home this lobby group, and this becomes the American style of politics that so many of our residents has been telling me that they do not like. They abhor the whole situation of the way the American lobby groups set-up has developed down there, and we see it now happening in Saskatchewan.

And we ought to be very much aware of the fact that we are catering here to a very small but noisy lobby group who have very few supporters in our province, I say. And I challenge the members of the government to check this out.

We understand that a survey in the Gravelbourg area, which is the centre of most French-driven things in our understanding within the province, we understand that a survey in that area has revealed that the people in that area are not in favour of a third school board system and a French school board system that would cost more money, and they don't want it and they don't support it. They see no need for it.

They have said straight out, as I'll say here today, that under our present school board system we can provide French classes, we can provide French education, we can even provide whole French schools. It would not be impossible to do under our present structure. Why do we need a whole, new, separate set of administrators, a whole new set of school board officials to run what we can already run with what we've got in place?

It just doesn't make any sense to cater to a small lobby group of noisy people at millions of dollars of expense when we can handle the whole situation with the

structure we have in place. Well it just doesn't make any sense to me to do it this way at all.

In all fairness, the governments of the past federally have said we want to have this bilingual country. In order for it to be totally bilingual, everybody has to do the same thing throughout society from coast to coast to coast, as it were.

And yet Quebec has an only-French sign law for many years now. When I was in Quebec I could find signs with no English whatsoever. In fact I couldn't find signs with English; they were all French. They had to be, under the law. Were they being bilingual? Were they allowing English? Of course not. They were being very one-minded in their approach to language.

And yet in Saskatchewan we're supposed to be fair-minded and waste millions of dollars catering to a bilingual concept of a federal government's when the main French province of our country would not cooperate themselves.

Why would we want to spend millions of dollars trying to be fair to the province of Quebec when they likely don't even know where we are. And the only way anybody ever finds out where Saskatchewan is, is if we have a school exchange program like the one they had in our town just a few days back. It's a good thing that we do that, or I'm quite sure that nobody from Quebec would ever even find out where Saskatchewan was.

There is no doubt in my mind, Mr. Speaker, that we don't need this law. We don't need this school board in our province. We can do without it. We can provide all the services that are needed to be fair to this group of people. We can do it with the system we have.

I am absolutely convinced that the federal government, no matter what political stripe they happen to be after the next federal election, I care not who they are, they will all do the same thing. They will download this cost on us. They will forsake us and leave us. They'll suck us into this third set of school boards. And as soon as the thing is all set up, they'll unload the bills on us and we'll end up paying for it.

And I think we ought to take a second look at this thing. I strongly advise the government to pull this Bill off of the order paper, to ignore the noises of a handful of loud lobby people. They'll grab the headlines for two or three days, maybe a week at the most, and that's the last you'll hear of them, because they're going to go back to Quebec when they see they're defeated. If they find out you won't cater to their needs, lobby groups being what they are, will go home and find a new cause to lobby for. They'll leave you alone.

So take the heat for a little while, pull this thing off the order paper, put it in the garbage can where it belongs, and forget it. We can't afford it. We're in a depression in this country. Thank you, Mr. Speaker.

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Speaker, I'm only going to make a very few short comments on this Bill.

But I agree with my colleague from Maple Creek that we as a society in Saskatchewan dealing with educational issues need to seriously think about how the very, very few dollars that are going to be available are to be handled.

The fondest wish that I have for my children is that they be functionally and literately bilingual in the country of Canada. We as a nation have had an official bilingual policy in our land for a couple of decades now. And I think it's a policy that if treated properly will encourage Canadians to respect people of other linguistic groups better than we have in our past.

But I always think, Mr. Speaker, that it still has to be a matter of choice in this issue. That when we talk about spending 5 or 10 or 15 or \$20 million, that we direct that in such a way as that individual Canadians will make individual choices.

One of the ways that we can do that, Mr. Speaker, is through our school board system through our educational facilities. It is a good system because we elect our trustees the same way that we elect, for instance, our provincial politicians. They have accountability, Mr. Speaker, and they have to be accountable to the rate base in their particular area.

My fear with this particular initiative -- and it was there with my government as it is with this government -- is that once into this system that the federal largesse, which I believe is there from an era that is rapidly going by, that that federal largesse will not be there in perpetuity down the road.

Mr. Speaker, we have seen the federal government moving out of areas that they have traditionally funded in many different forms. We have seen it in agriculture, we've seen it health, we've seen it in energy, we've seen it in mining -- all sorts of areas that traditionally had more federal funding are now being redefined . . . (inaudible interjection) . . . And we have the member from the New Democrats over there yelling from his seat about Tories cutting back.

Well, Mr. Speaker, I say that this government has set a record for offloading onto the tax base of this province like we've never seen before in our history.

And, Mr. Speaker, what I'm trying to reflect is what I get from the people that own property in my particular constituency. My constituency is a large, land-based riding, Mr. Speaker, that has a couple of French communities in it -- hard-working, industrious people who came to this province a hundred years ago, or more in some cases, and like everyone else, carved out a livelihood. They homesteaded, they went through all the trials and tribulations, and have been able to maintain their cultural identity very well, Mr. Speaker.

The separate school system was amalgamated into the public school system. The Thunder Creek unit has both, where we have children from all faiths attending what at one time were separate schools in my riding, schools that were founded by French-Canadians a hundred years ago.

Mr. Speaker, to perpetuate that cultural heritage I say takes more than a yearly grant from the federal government to set up a third school board in the province of Saskatchewan. For the people in my constituency to maintain their linguistic and cultural identity, I believe, Mr. Speaker, means that it will come from within. It will come from within the home. It will come from within the cultural organizations that they choose voluntarily to belong to. It will be maintained because people in Saskatchewan respect cultural diversity. They respect the linguistic groupings that make up this province, and they are many.

Mr. Speaker, there are all sorts of places in this province where you can still go to homes and hear German spoke. You can go to homes and hear Ukrainian spoke. You can go to homes and hear Chinese spoken. There isn't an area of our province that hasn't been enriched because there is linguistic and cultural identities that are still as strong today as when the people came here and homesteaded decades ago.

So, Mr. Speaker, I really wonder at this attempt by the federal government and by, as my colleague said, a very small minority in our province to have a third system of educational governance brought into the province of Saskatchewan at a time when there isn't a property owner in this province that doesn't understand rising mill rates, that doesn't understand the pressure that will be upon them to maintain our scholastic and educational system.

Mr. Speaker, we are seeing, in the case of Saskatchewan, a government that has brought in policy change after policy change, vis-a-vis rural Saskatchewan. It's taking away medical services. It's taking away agricultural services. It's taking away educational services from that large area that's out there that we call rural Saskatchewan.

Mr. Speaker, in order to maintain a quality educational system, the tax base, the property tax base as it exists in our province, is going to have to pony up even more. I hear rumours of 2 to 300 teachers being laid off come fall. I hear school boards talking about mill rate increases of 3, 4, 5, as much as 10 mills because of the changes that are coming down to the system. It means that classroom sizes are going to have to be larger, that programs are going to have to be cut back.

Mr. Speaker, you cannot bus a child in this province and have them excel in any way like we are looking at in the future. We've got children now in my school unit getting on the school bus at a quarter after seven in the morning.

Mr. Speaker, a five-year-old who is having the accessibility to kindergarten, getting on the bus at a quarter after seven in the morning and getting off of that bus at five o'clock at night, I say to you is going to be one tired child. That is a child that is going to have a great deal of difficulty liking school and excelling at the curriculum that is available to them. That is the kind of pressure that we are under in this province on our educational side.

Mr. Speaker, there are going to be decisions made in rural Saskatchewan in the next few years that are going to be very, very difficult to handle. The concept of the one-room school may be all that's left to people in rural Saskatchewan once again in order to see that their children have the fundamentals of an educational background.

Now we have the offer -- and it's been on the table for many, many years in this province -- of millions of dollars to set up this third school board. I say to you, Mr. Speaker, if the will of Fransaskois people in the province of Saskatchewan to maintain cultural and linguistic ideals is there, then maybe, Mr. Speaker, we should look for ways within our existing system, existing system, to maintain that integrity.

(1515)

Because certainly the buildings are there, the school buses are there, the parents that serve on school boards and serve in voluntary organizations are there and, Mr. Speaker, we don't have a history in this province of bigotry that would drive people from the French-language group away from their neighbours. And it could be, Mr. Speaker, if we have these millions of dollars available that we look at some new and innovative ways to, number one, meet the criteria as laid down by the Supreme Court of Canada without having to go to another separate school board. Because once that institution is in place, Mr. Speaker, it is going to be very, very difficult for some future government under extreme financial duress or cultural duress or socio-economic duress to take it away.

And we can hear all of the assurances that we want from the minister that there is no down side to this. But I can tell you, Mr. Speaker, if people, particularly in the rural areas of our province, are faced with putting their children on a school bus, their six-year-old kids for a two-hour ride in the morning and a two-hour ride at night, and they see in place another school board costing several million dollars a year to operate, they are going to ask themselves, are we making the proper choices? Because maybe those millions of dollars combined with my tax dollars would make us a better system where all of our children will have the opportunity for linguistic duality or if they choose, even a third language.

Mr. Speaker, there is no question in the world of trade, in the world of shrinking boundaries because of technology, that the children of the future in this province may have to learn, as we saw from our friends in the gallery today, the ability to

communicate with people in Inner Mongolia. They may have to have the ability to speak a language that fits in with the cultural identity of the Pacific Rim where so much of Saskatchewan's trade is done.

And, Mr. Speaker, the demand on the tax base, on the property, on the farm land and the home owner to provide enough money for that capability, I would say to you, sir, is going to get tougher to meet rather than easier.

And those are the choices that are before us, Mr. Speaker, in the area of education. And I think it is very, very narrow of this government and this minister to simply say, well the money is there; the federal government says the money's there, and we've got a court decision that says we have to do this without thinking of other ways.

And, Mr. Speaker, I can assure you that these arguments went around the cabinet table when we were in government, and I hope they've gone around the table with this New Democratic Party government. Because we're talking about a lot of money here, Mr. Speaker, and we're talking about whole sections of our province who are going to face some very difficult educational choices not very far down the road.

And I can tell you, Mr. Speaker, I don't think my farm, given the international prices, given what I'm going to receive from my commodities in the next few years, I don't think my farm can bear a whole lot more educational tax on it than what's on it right now. And I would tell you, Mr. Speaker, that you can drive from home to home and farm to farm and town to town in the riding of Thunder Creek and you will get that opinion echoed over and over and over again.

And I would say to the members of the government here, the silent back benches, that if you went out and drove from home to home and farm to farm and town to town, you would get the same reaction in their constituencies also, because those same stark choices are in front of them. And I would challenge any member of the government here today, a property owner, a ratepayer, to stand up and tell me that their farm or their business or their home can stand a whole lot more educational tax upon it and keep themselves and their family viable.

Mr. Speaker, those choices are coming down and we cannot avoid them. And yet the government says no, we'll commit to a third level of governance, a third level of jurisdiction and everything that possibly can go with it, and we'll take this 20 million or whatever it is from the federal government right now and we won't worry about the future.

Well I can say to you, Mr. Speaker, try putting your seven-year-old on a school bus or your six-year-old for an hour and a half to two-hour ride in the morning and the same at night, and see what quality of life there is at the end of the day. Mr. Speaker, people in downtown Regina and Saskatoon wouldn't stand for that, and they won't

do it in Moose Jaw and they won't do it in Prince Albert.

And I think it's time that this government started to think about that and start thinking about maybe some ways that that money could be put to use to satisfy and encourage people of a French background or French linguistic background on ways that we can maintain that linguistic heritage without putting our entire system at risk. And if someone over there can tell me that that's simply not possible, then I say they haven't thought long and hard enough about this particular subject.

Mr. D'Autremont: -- Thank you, Mr. Speaker. I'd like to thank the members who spoke before me for bringing forward some of the concerns that we have, particularly those economic concerns. The sole purpose for Bill 39 is to allow for the establishment of a francophone school system within this province.

But I guess the first question should be why, why create a third school system when taxpayers are already struggling to maintain the two systems that we have -- the public system and the separate system. The members opposite have introduced this legislation at the very same time as they are cutting back funding to education and to other areas of programing within this province. In fact, Mr. Speaker, the NDP government's fiscal plan calls for cut-backs in all major spending areas including education for at least the next three years.

I've been receiving letters from a good number of the school boards across the province, Mr. Speaker, both the public system and the separate system. And in all of those letters there is cut-backs to the funding they have received. In almost all of the letters, Mr. Speaker, they are talking of mill rate increases, they are talking of cuts to professional staff and to their other employees. They're even talking of cuts to programs and the closures of schools, Mr. Speaker. And not just rural schools. We've seen in Regina the closure of three schools and the potential for more. So, Mr. Speaker, the cuts to education go across this province.

So, Mr. Speaker, when you look at the establishment of a third school board, does it make any sense? We have to stop and think about that for a moment, Mr. Speaker. A third school system adds yet another layer of government in Saskatchewan. There are already 115 school divisions, 300 RMs (rural municipality), 540 municipalities, and we will soon have another level with the super health boards.

And as the member from Riversdale said, enough is enough. There's only one taxpayer who supports all of these government levels. The Saskatchewan people, Mr. Speaker, are being taxed to death and we should look at ways of reducing the size and cost of government, not increasing it. Mr. Speaker, the people are finding ways to reduce this tax burden by leaving.

The Minister of Education says it won't cost the province any more money. Well it's difficult to believe that establishing a completely new third

school system, the buying or building of the required facilities, the purchasing of all the required materials, hiring of teachers and administration staff, providing bussing services for students, will not add up to the total cost of education in Saskatchewan.

And it's just not the cost that would be associated immediately with this new third school board, it's those costs that would be imposed on the existing boards as students would leave a particular school to attend the third school board; you're going to see reductions there. You're going to see reductions in student population which will result in either staff cuts or a higher expense to maintain that facility because there's going to be less pupils using it. If you close that school, then your bussing costs go up to transport those remaining children to another location.

Since any additional expenditures by the federal or provincial government results in an increase in the size of the government's deficit and debt service costs, how can the government and the NDP justify establishing a third school system at the present time?

Currently, Mr. Speaker, our province offers type B programs in areas where parents want their children educated in French. These type B programs deliver 80 per cent of their programs in French. The only English part is the English language arts which we're obviously taught, Mr. Speaker, in English.

In my own constituency we have a totally French school at Bellegarde. They're part of the Arcola School Division, part of the existing system. They operate with their own local school board, Mr. Speaker. And there will be very little change for the education at this school if the third school system comes into place -- very little change.

And the same is taking place currently at Gravelbourg. The Gravelbourg School Division in fact, Mr. Speaker, is opposed to this legislation. They do not feel it will serve their community well at all.

I understand the argument put forward by the proponents for the francophone system, and that argument has been that parents want not only French-based language curriculum, but they also want the teaching of French . . .

The Speaker: -- Why is the member on his feet?

Mr. Trew: -- Beg leave to introduce guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Trew: -- I thank you, Mr. Speaker. And I thank my friend from Souris-Cannington for allowing this interruption of his speech.

Mr. Speaker, I notice seated in the west gallery, two friends of mine, former constituents in my former constituency. Now they are members of Regina

Churchill Downs. Rita and Francis Medernach. I've had the pleasure of sharing a meal with Rita and Francis, certainly always enjoyed every chance I had to stop by their place. I ask all members to join me in welcoming them to the legislature.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 39 (continued)

Mr. D'Autremont: -- Thank you, Mr. Speaker. As I was saying, the proponents for the francophone system want not only their children educated in the French language, they also want that educational component to include French culture. But under the economic circumstances and considering that French is already offered through the type B programs in our province, I don't believe that now is the time to be implementing such a third school system.

Mr. Speaker, the Gallant report was commissioned by the minister of Education in 1989 to look into the establishment of the francophone system in this province. That report was accepted and endorsed by the PC (Progressive Conservative) cabinet in 1990, and then it was shelved because of the cost implementation was too great, too high, given the economic circumstances of the province.

That cabinet recognized the constitutional statutes, or status of francophone schools and their school boards. However, it also recognized it was going to cost too much money. The members opposite are now always claiming that the previous administration went out and spent money willy-nilly without any considerations. Well, Mr. Speaker, this is an example of them recognizing those costs.

And yet now the members opposite, while in government and likewise while they were in opposition, are demanding that more money be spent. The members opposite keep talking about this province being on the verge of bankruptcy. If that's true, Mr. Speaker, and again I ask: how can the NDP government justify additional expenditures on a third school system that most of the province's population do not support?

(1530)

Mr. Speaker, it's not just the non-francophones of this province who do not support this project at this time, many people of French ancestry also feel that a third school system cannot be justified. It is becoming pretty clear that the members opposite don't seem to listen to the vast majority of Saskatchewan's people, and it seems especially true that rural people's opinions just don't count with the NDP. In fact they are doing their best to see that rural people have no voice at all.

Not only is the government doing whatever possible to undermine agriculture producers, they are closing health facilities, schools will close, and now they're taking away rural representation in this legislature. Mr. Speaker, all of these things, the NDP say they are doing to save money. All of this hurt, they claim, is to save money. And it's not true, Mr. Speaker, and the members opposite know it. Saving money doesn't matter when the members opposite think that their political agenda can be fulfilled, as we saw today with the contracts being let. A non-union contractor received the tender. The NDP's political friends, the unions, complained about it, so the tenders were reopened. And the additional cost will be a million dollars, Mr. Speaker, a million dollars.

Another good example was the giving of \$800,000 to the provincial secretariat's office, or should I say, the NDP's get elected office. I guess using saving money as an excuse only works when the NDP government needs another excuse to pull the rug out from further rural communities.

Mr. Speaker, it's clear that this is not the proper time to be spending money on a third school system. This government is slashing the budgets of the two systems already in place. They're cutting teaching jobs, cutting funding to vital programs like core curriculum, cutting capital expenditures and closing schools. And then they say, let's spend money on another system. It doesn't make sense, Mr. Speaker.

They claim that federal money is on the table, that they must use it or lose it. Mr. Speaker, what of all the money left on the table with the changes to the GRIP program? They didn't seem to have any real problem with leaving that money on the table because it affected rural residents, Mr. Speaker.

I know that the vast majority of Saskatchewan people agree that this is not the time to implement this legislation. And I guess we'll just have to see if this government thinks it's time to start listening to people. But I'm sorry to say, Mr. Speaker, I don't think that will be the case.

Mr. Speaker, we have many questions to ask concerning this Bill. We have a number of amendments we wish to propose. Thank you, Mr. Speaker.

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

Bill No. 59

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mrs. Teichrob that **Bill No. 59 -- An Act to amend The Education Act (No. 2)** be now read a second time.

Mr. D'Autremont: -- Thank you, Mr. Speaker. Across this province there are a number of people who utilize the idea of home-based schooling; they would prefer to have their schooling provided by themselves rather

than going through the two school systems that we have in place -- the public and the separate system.

But there needs to be some control, Mr. Speaker, and we agree to that, that there needs to be some form of implementation so that the children of those people who provide their own educational services receive a proper education; that they can read and write and all the other things that we wish to have all our children do when they complete their school grading.

A number of people got together. The minister appointed a panel. Chris Gerrard was the chairman of it, I believe, or at least was instrumental in preparing the report. And they toured the province, Mr. Speaker, and met with a number of different groups, including the home-based schooling association, to put together a recommendation to the government as to how this sort of a program should be put through. And I believe, Mr. Speaker, that this report formed the basis for the legislation that the minister is bringing forward.

One of the things that needs to be carefully considered here though, Mr. Speaker, is that the government does not impose a heavy hand on this process, that it allows parents some latitude to be able to choose the educational curriculum and format that they feel best suits their children and their own circumstances.

There is talk in this Bill of allowing local school superintendents or directors of education to be part of the process of monitoring the children who are taking advantage of the home-based schooling, and that may very well be appropriate, Mr. Speaker. But those directors of education are going to have to be sensitive to the needs and wishes of the parents and the children involved. I think that will be a very important component of this whole system once it goes into place. We need to be careful, Mr. Speaker, that indeed the children are receiving the education that is needed, but it must be based on some very broad concepts of what we feel is the educational needs of children within this province.

One of the components that could be handled under home-based schooling would be access to second or third or fourth language opportunities, and it may be very difficult for the Department of Education to outline curriculum for that kind of an educational system. So they need to be able to broaden the scope of what they are going to contemplate when this takes place, Mr. Speaker.

We do have some questions and concerns to deal with this legislation, and we feel that can be handled, Mr. Speaker, in Committee of the Whole. Thank you.

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

COMMITTEE OF FINANCE

General Revenue Fund Municipal Government Vote 24

The Chair: -- I would ask the minister at this time to introduce the officials who have joined us here today.

Hon. Ms. Carson: -- Mr. Chairman, the officials here today are the same as were here on Friday.

Item 1

Mr. Goohsen: -- Thank you, Mr. Chairman. Madam Minister, the colleagues of mine that were discussing your portfolio on Friday had suggested to me that they haven't gone into the areas that used to be covered by Rural Development as a ministry which are now under your jurisdiction we understand.

Now in order for the public to understand which parts of Rural Development have fallen into your hands, as the Minister of Highways has indicated that the road system is now under his jurisdiction, could you briefly explain to us which parts of the previous Department of Rural Development you are now in control of?

Hon. Ms. Carson: -- Yes, Mr. Chairman, thank you for the question, to the member opposite.

When the two departments were amalgamated from Rural Development, we have municipal finance and advisory services, community planning, some administration, and the revenue-sharing pool.

Mr. Goohsen: -- I take it that the revenue-sharing pool then would include the grants that are affected in the change from the cash basis to the accrual basis in the change-over that occurred this year in the accounting procedures of the government. Is that correct?

Hon. Ms. Carson: -- Yes, that's right.

Mr. Goohsen: -- I'll just take a minute to read to you a letter from a municipality that I received, dated May 11. I know that my colleague has some other resolutions and letters from other RMs that he will discuss with you, and this may double up somewhat, but I think it's important that I read this one to you because it comes from my constituency, the rural municipality of Clinworth No. 230.

It's addressed to yourself, and you probably have a copy but with all the mail you get you may not have noted it. "Cost-sharing road construction" it says.

We would like to express our concerns with the recent announcement from your government regarding the limited monies allocated for road construction through the conditional grant. There may be many revenue and expenditure items that will change with your new accrual accounting, but we do not believe that our road system should be placed in jeopardy because of this change.

Now we are well aware of the difficult financial situation that Saskatchewan is facing and we are not requesting any extra funding. What we

request is that municipalities be allowed to establish their own construction priorities. Construction of any significance would rapidly deplete two years of allocation; thus a municipality could be responsible for the balance of any construction that needed to be finished at 100 per cent of the construction cost. If municipalities are forced to do this, the road standards may not be followed and could ultimately result in the demise of the existing road system.

Road systems are not used solely by the local ratepayers and they should not be totally responsible for the costs of building the main road system. There will be many municipalities that have a higher percentage of traffic, thus causing more construction requirements.

The government has done an excellent job of building a good road system for the residents of Saskatchewan through the conditional grants and we urge you to reconsider your decision regarding these grants so the system can be maintained to these standards.

Now the following resolution was passed at our regular council meeting on May 6, 1993.

It goes on, Minister:

Whereas effective April 1, 1993, the province of Saskatchewan converted from the modified basis of accounting to the accrual method of accounting; and

whereas the department has been instructed by the Minister of Municipal Government only to consider those RMs which have futures in an amount not greater than two times the RM's current construction allocation; and

whereas as a result of this policy it is estimated that a high percentage of RMs will not even be considered; and

whereas the Minister of Municipal Government has stated that if an RM does not receive construction approval and they wish to do some work on the designated road system in 1993, this work must be undertaken on a 100 per cent municipal cost basis, resulting in a substandard road network; and

whereas this policy could very well spell the demise of the existing road network and the construction industry which includes road contractors, consulting engineers, culvert companies, and surveyors;

Therefore be it resolved that we request the Minister of Municipal Government to reconsider the decision of allowing only those RMs with futures less than two times the current construction allocation by having the province slow the process and reducing the accounts

payable.

(1545)

Now that was addressed to you and comes from Naida Dillman, the administrator of the RM of Clinworth. And I guess I should just let you answer in general what your reply to this and to many other municipalities will be.

Hon. Ms. Carson: -- Mr. Chairman, there has been a lot of misunderstanding I believe about the change in the futures program and the change to accrual accounting.

First of all, I would like to place on the record that this year the allocation for conditional grants for RMs is \$23.16 million. Last year it was \$23.16 million. There has been no decrease in conditional funding for the grant system for RMs.

In regards to a couple of other points, it is true that we have frozen the futures program in order not to any further go into debt on that program. It was capped at \$15 million this year, so there was a need to pay it down from 19.6 million down to 15 million. That \$4.6 million is part of the grant structure and it will be distributed to all the RMs as their allocation as well.

In regard to the remarks made about roads being substandard, all roads within the grid system that is cost shared with the province of Saskatchewan will continue to be under engineered specifications. And if an RM wishes to build within that system they can do so but it will have to be funded 100 per cent by their own money if they are more than two and a half years of their allocation into the futures. But it will be under engineered specifications from the Department of Highways.

Mr. Goohsen: -- Are you saying that even if a municipality pays 100 per cent of the cost of the building of a road, that you are going to force them to maintain a certain standard by engineering?

Hon. Ms. Carson: -- That is true because it's part of the designated system and it has to be kept up to a certain standard. And if they want to build within that system it has to be to engineered specs by the Department of Highways.

Mr. Goohsen: -- Is it possible for an RM to have a road taken out of the designated system?

Hon. Ms. Carson: -- Yes they can have a road taken out of the system.

In regard to the last answer, I will qualify that too, that if they do not build it to standards, engineered standards, then they won't be eligible for maintenance grants.

Mr. Goohsen: -- With all due respect I don't think they care one iota about maintenance grants if they haven't gotten a construction grant. They'll take care of that themselves.

Is it not true that a municipality doesn't have to have any roads in a designated system if they choose to opt out?

Hon. Ms. Carson: -- Yes, that's true.

Mr. Goohsen: -- Then is it not true, Minister, that the RMs' point is well taken that if they're going to pay 100 per cent of the costs, they are not going to accept you dictating to them what kind of standards they have to have. They'll simply opt out, and they'll allow their roads to be built at half standards or quarter standards or whatever it takes in order to be able to finance whatever kind of trails they put in.

And in reality you don't have a road system in Saskatchewan any more that has any standards at all because all the municipalities will opt out if they have to pay all the costs, and they'll build whatever comes to mind that they can afford, wherever they choose to. And there won't be interlinking road networks any more. They'll simply build for themselves, their own private needs, and they won't take into consideration the through traffic from one part of the province to the other. They'll simply . . . each municipality will take care of their own problems, and they'll build at the standards they can afford. And the whole system goes down the drain. Is that not a fact?

Hon. Ms. Carson: -- With due respect I think you paint by far the worst-case scenario about what is happening. First of all, there are only 90 RMs who have grant allocations more than two and a half times into their futures. So there's only 90 RMs who will not be able to participate in the program this year.

In regard to the issue about substandard roads, again we'll make the point that if they want to have gravel and maintenance grants applied to their RMs, their road construction will have to be up to certain specs.

Mr. Goohsen: -- Is it not true, Minister, that most municipalities already have their road systems built up so that they can collect the maximum for maintenance and gravel grants that are available? And that if they constructed new roads, would it in fact not be a fact that they couldn't collect any more because they've already reached their maximums?

Hon. Ms. Carson: -- In answer to that question, there are about 8,000 clicks, or about 16 per cent of the system that was never constructed to standards, and 40 per cent of the system which represents 22,000 kilometres, need new construction.

Mr. Goohsen: -- I'm tempted to say, so what? It's got nothing to do with the question I asked you.

What I said was, you're threatening to take away grant money for gravel and maintenance if they don't build road to your standards. What I'm saying to you is that most municipalities are already receiving the maximum amount of gravel and maintenance monies available through your department with the road system they already have in place.

If they can choose to construct new roads now at 100 per cent of their cost, then they're not going to lose anything because they're already getting the maximum amounts. And that was my question. Are they getting the maximum amounts or do you have some control over them?

Hon. Ms. Carson: -- In regard to the grant allocation, with maintenance, the allocation for last year was taken up 100 per cent, which was about \$2.9 million. In the regravelling program, \$2.9 million were used out of a total budget of 3.2. So there were some RMs who did not take up the grants allocated for that year.

Mr. Goohsen: -- Well I'll suggest to you, having been a reeve for a number of years, Madam Minister, that the fact that they didn't take you up on the maximum on the gravel has absolutely nothing to do with the amount of roads that they're going to construct for the future or might apply for.

It has to do with common sense used by municipal councils throughout the province in that when they see a road has enough gravel on it, they don't simply put some more on it because they can hook you with half the price. They look at their roads; they say they don't need gravel, they don't put it on; if they do need gravel, they do put it on.

And you have only the good judgement and the honorary characteristics of the people that are involved in municipal government throughout the province to thank for that saving, because they are people that use discretion. And even when there is a free dollar available, they know very well that it's not free, that it's going to be their tax dollar. They're the taxpayer; they'll end up having to pay it some place. So they use discretion in that area.

It has nothing to do with you having the ability to maintain any kind of control whatsoever on the standards of roads except through the grant system. That's why it was set up that way many years ago, was to provide the province with an intricate system of interlinking roads from one municipality to the other with a stable standard of construction and safety.

Mainly the standards that roads are built by has to do with the safety factor. It's got to do with lines of vision. It's got to do with slopes of ditches so that you can ride a car through the ditch without rolling it. It's got to do with the ability of machinery and equipment to be able to operate on those kinds of slopes, because they're made at certain regulations and are clearly indicated to the workers where there are variances to that so that they don't get killed when they're mowing grass, and all those kinds of things. You have the rocks removed from the ditches and whatnot.

So the whole system was put into place in order for there to be an incentive for municipalities to cooperate in this system of road networks which now is breaking down because of your choices -- the choices that you are making with your government to not extend these programs because you no longer now have anything to offer to the municipalities as an

incentive if they have to finance it on their own.

And by the way, I've already seen letters from municipalities who tried to circumvent the old system of standards. And of course they were turned down; I saw the replies. And the reasons for those replies were given.

The reality is that if there were municipalities that were thinking that it would be advantageous to them to reduce the standards in their municipalities before this incentive was taken away, they certainly now, if they have to pay the 100 per cent of the costs themselves and can get out of your administrative clutches, they will certainly build substandard roads because they've already indicated that desire by those letters previously.

So the road system is in jeopardy, as the people who write this letter from the RM of Clinworth and several hundreds of others have indicated to you.

The reality is that the road system is seriously in jeopardy because there is no longer a standard that can be maintained in the province when you went to this decision to change from the accrual to the cash system and used that as a manipulative tool to reduce the funding from 19 million to \$15 million, which of course means that all you're really doing is trying to take another \$4 million out of the municipal system through the futures program as time goes by in order to get a saving bigger than the 3 per cent that you have put in the budget for this year.

In other words, what I'm saying to you is that you are manipulating the grant structure the same as the minister did last year when we caught him saying that he had reduced by 7 per cent the amount of monies that we're going to municipalities, and it turned out in fact on his own pieces of paper that he supplied to us that he had reduced the funding to the municipalities by 18 per cent and more.

And the reality is that you're using the system to manipulate again the reduction of monies to the municipalities. You're offloading through this system, and you're destroying the road system as you do it. And the municipalities are saying they've caught you red-handed doing it and they're bringing it to your attention in a very nice and honourable way and offering you a chance to save face by bailing out and extending the future's program, because it costs you absolutely nothing in terms of this year's cost.

It's a cost for two years down the road or three years down the road, has absolutely nothing to do with your \$23.16 million of conditional funding for this year that you were giving 100 per cent or last year that you gave 100 per cent. It has to do with the funding under that particular grant formula for the years to come -- two years down the road, three years down the road. It has nothing to do with this year's cost.

And it's only a cost that is vaguely related to the governments because of their accrual accounting system, which most municipalities recognize as

nothing but a phoney attempt to try to download on them some more of your downloaded procedures and costs.

The other day I'm told that you had promised to deliver a revenue-sharing breakdown for each RM in the province. Have you got that with you today?

(1600)

Hon. Ms. Carson: -- We have here the data for the revenue sharing by RMs for 1993-94. We also have it by urbans and we have it for the northern municipalities. And we'll ask the page to deliver it.

Mr. Goohsen: -- Thank you, Madam Minister. We will be happy to review your figures.

A minute ago you referred to 90 municipalities as having been directly affected by the future's revenue changes that have been made with regards to limiting to two years the amount of funding that people can be owed. Of the other 208 municipalities in the province, how many of them will be building roads and how many miles will they be building under this program of revenue sharing?

Hon. Ms. Carson: -- At this point in time, 117 RMs have indicated that they will be building this year a total of 552 klicks at a total cost of \$7.2 million.

Mr. Goohsen: -- Of that 117 that are going to be building these 552 klicks, have they . . . any of those 117 asked for more klicks than they have been granted?

Hon. Ms. Carson: -- Yes, they have.

Mr. Goohsen: -- Would you say that that might be in the order of about 90?

Hon. Ms. Carson: -- Apparently no more than a dozen have asked, not 90. Maybe 12.

Mr. Goohsen: -- Well there's no sense in playing with the figures, Minister. What I'm simply going to do is say exactly what's on my mind here. And that is that in reality you've got maybe 90 or 100 RMs that wish to go into large construction programs. The other 200 municipalities probably are either caught up in their needs for building programs or find themselves in a financial position where they can't afford their half share of the cost any more because their taxes haven't come in, or perhaps they're municipalities where roads are not as important as they might be in some other areas.

So the reality is that probably in any given year only a hundred municipalities would be considering major construction programs in the province of Saskatchewan, so that if you eliminate 90 of them because they are overexpended due to a formula that you have changed, then in fact you have affected probably 90 per cent of all the municipalities that were intending to use the program to begin with.

Now how many kilometres have been turned down in the province of Saskatchewan this year that municipalities would have built if you hadn't brought in this new regulation?

Hon. Ms. Carson: -- In the last two years between 160 to 170 RMs built between 650 and 700 kilometres. And so subtracting that from our figures we have now, we're down about 150 kilometres from what would be normal.

Mr. Goohsen: -- Is it not true that you've had meetings with municipalities in the eastern part of our province where they indicated to you that they estimated a thousand kilometres had been affected in their area alone?

Hon. Ms. Carson: -- There was a meeting. Their estimation was far overstated, and according to our figures it is not correct.

Mr. Goohsen: -- So you're saying the people in those municipalities don't know what they're talking about.

Hon. Ms. Carson: -- I guess it would depend on how far back you go in history. In 1990 -- and you'll recall that was under the former administration -- there was about 14 to 1,500 kilometres built per year. In the budget of 1991, which you brought in, you reduced the grant allocation by 40 per cent, and this is where we dropped to about 700 kilometres, which I spoke of a minute ago.

So I guess if you or some RMs are making an estimate about the number of kilometres that have decreased, it depends on what you use as your base year. If you're using the base year of 1990, it might be that amount. But if you use a base year of 1992, it is of course much less.

Mr. Goohsen: -- Well, Madam Minister, I think that the municipalities that had the meeting in the Yorkton area were talking about the road conditions and the road construction programs that they were planning for 1993. I don't think they cared one bit about 1990 or 1991 or 1992. They want to talk about 1993, the year in question, this year, the year that they're saying that you have seriously curtailed their construction program throughout that area and throughout the province.

And their estimate is that a thousand kilometres of road will be built less in this province this year, 1993, as a direct result of your actions in this grant process.

Hon. Ms. Carson: -- To the member opposite, I think whether you're an urban municipality or rural municipality, whenever there's a change in grant allocation, it hurts. They obviously have certain responsibilities and certain services that they have always provided for their constituents and for their people. And it is simply a fact of living in Saskatchewan at this point in time that when there are cuts, everybody is obliged to share in some way in those cuts.

If we had choices that you had five and six years ago, if we would have had those choices today, we would not be making the cuts that we have to make today. I will just for the record point out to you, if we had even 10 per cent of the money that we spend on interest payments -- interest payment being \$847 million -- if we had 10 per cent of that to allocate to RMs instead of to foreign debt holders we would, of course, would have a very, very fine infrastructure program in Saskatchewan. But that is not the case at this point in time. We have to live within our means.

I know that SARM (Saskatchewan Association of Rural Municipalities) at a number of conventions, going back four and five years ago, were asking for the provincial government to balance their budget. They realize that we can't go on going further and further into debt.

I would say to you, sir, that if Mr. Kirwan and the board of directors of SARM had been managing this province in the last 10 years, we would not have to pay that \$847 million interest payment that we have to now, because I believe those people are very aware of balanced budgets and they are very good administrators, and I don't believe that we would be facing the crisis that we are today. But we are. They have acknowledged it as well as everybody else, and they are participating in the move towards getting this province's fiscal situation under control.

Mr. Goohsen: -- Mr. Chairman, I don't know where the minister thinks she gets off at by lecturing me about the past administration. The fact of life is it's got nothing to do with the question I asked. First of all, I didn't ask you to give me a big long spiel about how a municipality should be willing to share the responsibility of cuts.

What I asked you to do was to confirm how many kilometres of road are not going to be constructed this year in the province of Saskatchewan as a direct result of your decisions -- nothing more, nothing less, nothing back in history.

But just for your information, if it hadn't been for \$15 billion worth of debt, half of which is accumulated bailing out the agricultural sector in this province, you'd have 25,000 farmers left in Saskatchewan instead of 50,000. You'd have lost half the base of your taxation and half of the people in that primary industry.

That money was well spent to take debt out of the hands of farmers that couldn't control it and couldn't do anything about it. Now it's either-or. Either you sink the ship of the farmers individually, or the government takes over the responsibility and tries to handle it for them. That's what was done and that's where your deficit came from.

Money wisely spent in order to purchase something for the future is not wrongly spent, even if it is a debt. Every person in this province that mortgages a house has to pay his interest. It's a question of how you administrate it and how you tune that debt to your

ability to repay.

And I'll say to you that if the SARM had been in charge of things as you say, they would have done so much better. They would have negotiated this year that instead of paying 12 per cent interest to some German firms, or 11 per cent, in order to borrow money, they'd be borrowing money at 5 and 6 per cent and they'd have saved that \$700 million quite easily on \$15 billion worth of debt. Get your calculator out. The difference between 5 per cent and 11 per cent interest, they'd have saved more than \$700 million in interest payments right there just by renegotiating and doing some proper and decent fiscal management and some responsible financing.

You don't know how to run a wheelbarrow, let alone the finances of the province. And you're going to stand here and lecture me about how come we've got a debt and how it's affecting your ability to let the municipalities build roads in this province. Get real, lady.

Now I want you to confirm how many miles of road . . . or how many kilometres are not going to be built in this province as a result of your grant structure changes.

Hon. Ms. Carson: -- Once again -- I told you a few minutes ago and I'll repeat it -- 650 to 700 kilometres for 117 RMs are anticipating construction this year.

Mr. Goohsen: -- That wasn't the question. How many have been turned down? How many will not be built because you turned them down?

Hon. Ms. Carson: -- There have been about 150 kilometres turned down.

Mr. Goohsen: -- Madam Minister, the municipalities of this province have been run by some of the most financially responsible and fiscally responsible and citizen responsible people that the world could ever hope to find in any kind of administration. And they have said to you quite simply this: we want to continue to build good roads and we want to continue to have a good road network.

I think that's why the SARM and the people involved with the rural municipalities fought so long and so hard to keep a ministry of Rural Development, because they knew the minute that there was no ministry of Rural Development with people that knew them and understood them, that the whole thing would blow up.

I'm not taking anything away from you, but I'm suggesting that you don't know what you're talking about when it comes to rural municipalities and rural affairs. And if you had a ministry of Rural Development and Rural Affairs with people that were put into those positions and into those jobs to handle the problems in rural Saskatchewan with the rural road network, you wouldn't be in this bind right now.

Because those people would have understood that

there's ways of getting around the accounting procedures and the snags that you've built into the process for no real legitimate reason. And because these people are so astute at financing their own affairs, they know how wacky it is to put into place a system of grants such as you have done. Because you have to plan for the future in building roads. You can't just expect the whole system to fall into place each year. You've got to plan ahead and you've got to do it in segments as you can afford it as time goes by.

(1615)

And the whole process, Madam Minister, is deteriorating because of the move to eliminate the ministry of Rural Development. It should never have been eliminated this year to start with.

And I will say with all due respect that you are the wrong person for the job. You shouldn't be doing what you're doing. You shouldn't be there. You don't understand rural road networks. You don't understand rural people.

You went to the meeting supposedly, or you were invited to be there. I don't know if you ever showed up or not. Apparently you must not have been there because you certainly don't seem to know anything about the facts and the figures and the reports that were given to everybody that went. They were distributed to other people in the mail. I'm sure you must have some contact. But you don't seem to know anything about what went on at those meetings. You don't relate the right figures to the right answers. You haven't got a clue what's going on here.

So I see very little reason to ask many more questions. Because it's quite obvious that you think you're so much more intelligent than all the people in rural Saskatchewan running the rural municipal systems that you don't have to answer to their questions. All they want is the ability and the right to continue to build a good road network and a road system, and you're denying them that.

Now I suggest, madam, that you could answer for them a question that might alleviate some of their concerns and their worries. Will you meet with the municipal officials and assure them that you will work out with them a process that will work, that will allow them to continue with the road construction programs in the province of Saskatchewan to allow the contractors, the culvert manufacturing companies, the engineers, and all of the people related with the construction industry and the system -- will you allow them all to go back to work? Will you meet with them and come to some kind of a compromise on getting this process back to work to provide all of these jobs that are so necessary this year?

I see the member wants to introduce guests, and I'll give the floor to him.

The Chair: -- Why is the member for Saskatoon Eastview-Haultain on his feet?

Mr. Pringle: -- Thank you, Mr. Chairman. I would beg leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Pringle: -- Thank you very much, Mr. Chairman. And thanks to my hon. friend from Maple Creek, and to the minister.

It is my pleasure, Mr. Chairman, to introduce in the Speaker's gallery to you and through you to members of the Assembly, some 27 grade 8 students from Alvin Buckwold School in Saskatoon, along with Mr. Semko, the principal; Mr. Joorisity, the teacher; and chaperons Mrs. Gedir, Mrs. Rudolf, Mrs. Ast, Mrs. Porter, Mrs. Cammidge, Mrs. Krieger; and the bus driver, Joe. And I hope I have everybody that's on my list here.

I say it's a special honour, Mr. Chairman, and members, because of course Alvin Buckwold School is just around the corner from our house. That school was named after a very special physician, doctor, in Saskatoon, and our boys went from kindergarten to grade 8 in that school -- very dedicated teachers and parents in the area.

And also, Mr. Chairman, Alvin Buckwold had one of the very first out-of-school child care centre programs in Saskatchewan, and I had the pleasure of being the chairman of the board for that centre for the first three years. And it's still operating. So that's maybe a surprise to some of the members here, but it's a great facility.

The students are spending the day in Regina. We'll be meeting in a few minutes, and I look forward to having the photo taken with you, and to your questions and comments. Have a safe trip back to Saskatoon. And I know all members will want to join with me in extending a very warm welcome to you here. Thank you.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Municipal Government Vote 24

Item 1

Hon. Ms. Carson: -- Mr. Chairman, to the member opposite's question. Just so that we have no misunderstanding, the amount of grant allocation this year, under revenue sharing there's \$36.12 million. That breaks down into \$31.52 million plus 4.6 out of the futures program.

Now when we decided that we would proceed in this direction, we met with the president of SARM to discuss how we would allocate funds this year. The SARM was aware that we would be freezing the

futures allocation at \$15 million. He was aware that some 90 RMs would have allocations frozen because they were more than two and a half years into the futures.

We have had many discussions with the SARM. The officials in my department are in constant communication with them. I have met with the board of directors once already. I will be attending all of their regional meetings that they will be having in June, and tomorrow I'm meeting with the rural administrators association.

I believe that people in rural Saskatchewan are very much aware that the province is managing a very difficult situation in regards to its budget. They're willing to participate. It is difficult to maintain the rural infrastructure network, but I believe that they have made a determination that they will contribute the best they can to get through this difficult period. And I respect them for that and I commend them for that.

Mr. Goohsen: -- About all you could respect and commend them for is having the decency not to tell you how upset they really are. The fact of the matter is that just because people listen to you and are aware of what you're doing doesn't mean they necessarily agree.

And I suggest to you, Madam Minister, that they don't agree. They don't agree with your process because there is a different way of doing it. You can balance the books and you can make your system work and you can allow the construction work and the job creation to go on in this province.

There is no need to have road construction crews sitting idle in rural Saskatchewan when municipalities have roads that need to be built and they want to build them. There are processes and ways of getting around these things to do them. They can do it. They can finance it at the start, so long as they get their share in the future.

You see, that's why they call it futures grants. It's something you pay back in the future. It's something that they then can build into their budgetary process for years down the road. That's what's called planning, you know, looking ahead, getting things in order.

Now, Madam Minister, all I've asked you very simply in the last question was this. I'm glad that you met with the RM officials and I hope you continue, but will you give them assurance that you will go back to the drawing table and try to figure out a way with them, with their input, of how you can get this thousand kilometres of road built this year that is scheduled by different municipalities that have now been turned down?

Hon. Ms. Carson: -- We are in constant communication with the RMs and with the administration at the SARM. We give our assurances that we will continue to stay on top of this issue. It is a difficult issue and we realize there's a lot of pressures,

but there are virtually very few options that we have to work with here, and we anticipate that, as we continue to work together, the SARM and the individual RMs will be able to allocate their funds that we provide through the various grant allocations in the best way possible to provide the best infrastructure network in Saskatchewan.

Mr. Goohsen: -- Well there's no question, Madam Minister, that the municipalities are intelligent enough to survive until they get rid of your government. And they will do that; they've done that before.

You haven't seemed to have the ability to commit to a process of negotiation and compromise with the municipalities. So maybe after supper you might find it easier to think, so we'll just go on to some other areas for a while.

I'd like to know on these lists that you sent over, revenue sharing, could you tell me in the town of Assiniboia, I think it is, or it says Assiniboia anyway, I'm presuming that's for the town, \$199,418. What would they get that grant for?

Hon. Ms. Carson: -- I'm afraid I didn't hear the last part of the member opposite's question, but I take it he was looking at the urban assistance program, not the RM assistance program. It's an unconditional grant allocated to urban governments under a funding formula that we have.

Mr. Goohsen: -- Okay, under all of these sheets I've got here, I've got names of all kinds of towns and are all of these just the towns or are the rural municipal grants separate from these sheets?

Hon. Ms. Carson: -- The information that you have is for all of the urban governments for their revenue-sharing program and for all of the RMs.

Mr. Goohsen: -- Thank you, Madam Minister. I have it sorted out now. In my left hand I have all of the towns and cities in Saskatchewan, and in my right hand I have all the rural municipalities, I guess -- at least up to 160 of them I see for sure, so I'm presuming they're all here.

The significance that I want to bring to your attention is this. I find most of these municipalities in around 56, 98, 73, 35, 70, \$96,000. I look over here and I see the urban grants at . . . Warman -- a very small town, I think; I'm not even sure how big it is -- 226,000 anyway. Assiniboia is, as I said, 199,000; Battlefords, 329,000. True, these are bigger centres, but there's a trend here. Biggar, the small town of Biggar, \$169,000; Swift Current, 969,000 -- almost a million dollars. Tisdale, I don't know how big that is, but it's got 215,000. Unity, 161,000; Watrous, 144,000; Weyburn, 697,000. And the list goes on and on. Yorkton here, 939,000.

Now granted these are bigger cities, and they probably need more grants to run their administration, but it seems very significant to me that the

municipalities are running in around 100,000 and less in grants while the cities are running from 300,000 to a million dollars each. And I think that that is exactly the problem we're going to run into by having these two departments amalgamated. The cities are going to get all the money, and the rural municipalities are not going to get very much.

I don't think there's any consistency in the way the grant structure is being allocated, and your manipulation of the structure that is in rural Saskatchewan has again seriously reduced the abilities of the municipalities to continue with their programs. And I think there's a deliberate manipulation in your department to convert all of the grant structure to the urban centres. Is that true, Madam Minister?

Hon. Ms. Carson: -- No, to the member opposite, absolutely it is not true. Most of the people in Saskatchewan are living in an urban municipality whether it's a city or a village or a town, and a lot of the work that's carried on by the RMs is work related to infrastructure on our transportation system. So there is a different formula for funding the RMs as opposed to funding the urban municipalities.

But by no means do we intend now or in the future to deplete the revenue-sharing pool for the RMs in order to allocate it to the urban governments. There is a sense of responsibility both to the urban and the rural, and both have services that they provide that are unique to each government. So there is a formula that is applied. It has been the same formula as in the past. The pool this year is very much like the pool that was in years past. And we'll continue along those lines in the future.

But I want to make it very clear to the member opposite and to the RMs . . . and I don't feel they feel the same sense of threat that the member opposite has alluded to, and I think it's probably an over-active imagination.

Mr. Toth: -- Thank you, Mr. Chairman. Madam Minister, I don't think my colleague has an over-active imagination.

On April 19 there was a meeting in Yorkton addressing that very issue of revenue sharing and it was hosted by the RM of Saltcoats. And some of the comments that I received when I was at that meeting were a number of the RMs at that meeting indicated that under the former administration with the Department of Rural Development, the minister at the time -- and I think the minister was well appreciated and respected, was a respected individual -- certainly appeared at most, if not all, of the regional meetings that he was invited to or had representation at them.

And one of the questions that the RMs and the individuals who took the time from their busy schedule to come and attend that meeting were asking was why you didn't have someone or why you weren't there personally at that meeting.

And I'm not sure where you were that day, Madam Minister. But maybe you could let us know where you were and why you didn't take the time to go and at least meet with the individuals, the number of RMs from that eastern portion, mid-central, I guess, district that met in Yorkton on the 19th.

(1630)

Hon. Ms. Carson: -- First of all, to the question on the meeting that Saltcoats had organized in Yorkton, a number of officials both from our department and from Highways did attend that meeting and I will be attending all the regional meetings that SARM will be having this spring and through the course of the summer.

So I anticipate that I will be meeting the councils of those RMs that have these concerns and we'll be working with them to try to resolve some of the problems that they feel might have been brought about by the reduction in revenue sharing.

But there is not much we can do to help people when the need is so great and the money that we have to allocate is so reduced, so little. So if it's a matter of trying to put more money into the system, I'm afraid our hands are tied.

But we'll certainly listen to whatever proposals they might have that could better design a system that might help in today's environment of trying to cope with reduced funding.

Mr. Toth: -- Well, Madam Minister, the major question is why you didn't take the time to attend the meeting in Yorkton on the 19th. It's certainly fine to indicate that you're planning on attending regional meetings that'll be coming up shortly. But I think this question regarding the allocation of funding for construction of roads is most rural municipalities get their budgets in place and basically a number of them are already in the process of starting to move some dirt and getting their road construction projects on the go.

And the other area that they're all concerned about as well, the RM I was councillor in a few years back, as an RM we had our own construction equipment so we did all our own construction work; we didn't hire it. But there are a number of RMs north of us around that Yorkton area and that Kamsack area and I'm not sure, maybe even in your area, where RMs hired local contractors. And because of the decisions of the government right now, it's not just RMs and the fact that they won't be able to maintain their road programs, but we have a lot of contractors on the hook as well.

Now I wonder if you could first of all indicate why you didn't take the time to at least attend that meeting to address the concerns in light of the fact that RMs were busy trying to get their road construction budgets in place. And secondly, maybe we can get into some discussion regarding the effect it's going to have on road contractors throughout this province.

Hon. Ms. Carson: -- I will have to check my schedule. I believe I was tied up that day, but I would have to check back. Again I will say that I'm willing to meet with any of the RMs as we go through this difficult period. But it's, I think, going to require some patience on all of our parts.

In regard to the issue of funding, again I will remind the minister I know that we have a reduction . . . the member opposite, we have a reduction in funding. The SARM is aware of it. The road builders were people who had a lot of concerns. I have met with the executive of the Saskatchewan road builders association. We have agreed to provide them with some information that we have at the departmental level, and we are working with them to try to best manage the problem we have regarding road construction this year in this province.

Mr. Toth: -- Madam Minister, what kind of dollars would we be talking of as far as road contractors and the loss, the spin-off that would be lost through the reduction in road construction?

I think my colleague brought out the fact . . . at the meeting in Yorkton I believe it was raised . . . the question that was raised at that time was the concern over about a thousand miles . . . or kilometres of road in this province. It would seem to me, Madam Minister, that that's going to have a very significant effect on revenue coming, even being revenue generated by the province as well.

Certainly there's an outlay by the province and by the department to RMs through the unconditional grants. But at the same time while these contractors are working, there's revenue derived through fuel taxes and road taxes and also the taxes that are paid by all the employees and a number of these employees who don't have any other source of income. They're seasonal employees and the jobs . . . their job market that they're involved in . . . or the jobs they're involved in are tied directly into seasonal jobs. And in some cases some of the road contractors indicated many of them were trying to find even enough weeks' work so that these individuals when they shut down or when they finished their construction phase that the people working for them had enough weeks so that they could apply for unemployment insurance rather than being on the welfare rolls. What kind of revenue loss is that going to be to employees involved in the construction, to construction contractors, as well as the loss to the provincial government through taxation?

Hon. Ms. Carson: -- Well in regard to what would have been the loss, 2 to \$3 million was the value of the construction that has been lost because of the change in the grant allocation. That's 2 to \$3 million which was the combined amount that both the provincial government and the municipal governments would have allocated to the construction program.

In regard to how much that has reduced the income to the Department of Finance, we don't have that study -- perhaps the Department of Finance has it -- but we

have not done a study into finding out what the reduction in spin-off would have been if these people had been working.

I do realize and our government realizes that it is a difficult time for small contractors in rural Saskatchewan, as it has been for the last number of years, and to the greatest extent possible we'll work with them and try to make sure that there is a future and a method for them to continue to provide construction work in this province.

Mr. Toth: -- Thank you, Madam Minister. Well, Madam Minister, we all realize . . . And it's not just yesterday or today that we've been facing some difficulties in the province of Saskatchewan. In fact the former government was actually bringing in some . . . trying to bring in some ways of trying to downsize and trying to streamline government. And many of your officials were there at that time as well and knew of some of the difficulties that were placed on their shoulders as they were working, not only with rural municipalities, but urban municipalities, to address the escalating costs and trying to find a way of working effectively with communities in addressing their needs and their requirements.

My colleague mentioned about the fact you . . . or I believe you had raised the question of how many RMs had actually raised the concern regarding the unconditional grants. And certainly RMs that aren't directly affected aren't going to be that concerned. They know their grants are going to be coming.

It's the RMs that have had aggressive road-building construction programs that are affected. And yes, they would be raising the issue because the fact that these conditional grants are now stretched out over four years means that they've got to look at ways of bringing in the revenue to maintain their present budgets.

It seems to me when I was at the meeting in Yorkton and someone had -- I'm not sure if it was my colleague -- indicated that it seems like RMs have been beat on the heads. And I'm just not just certain it's the rural municipalities feel that they don't have much to go . . . or anywhere to go, anywhere, that no one's really listening.

Or health boards, it's like the health boards across this province or the educational boards. Everyone that I talked to is certainly trying to . . . is looking at offering some ideas. And it seemed to me that whenever the former government made a decision like this people were ranting and raving and angry.

Now I think you're dealing with individuals as the Premier indicated. In rural Saskatchewan a lot of people there have a conservative philosophy of at least trying to address the concerns and trying to deal with the concerns in a very legitimate fashion rather than just becoming angry.

And I would suggest to you what RMs are doing is they're trying to preserve their role in Saskatchewan.

And that's why they haven't become as aggressive as some other groups would be. I would suggest if it was a union-organized type of group that they would probably have been on the Legislative Assembly steps already.

Madam Minister, what I would like to know is what your department has done regarding the resolution that came out of that Yorkton meeting. There was a resolution passed at the Yorkton meeting. And I'll just read the last part, or the resolution that was passed. I won't read the preamble.

The resolution says: Therefore be it resolved that we request the Minister of Municipal Government to reconsider the decision of allowing only those RMs with futures less than two times the current construction allocation by having the province slow the process of reducing the accounts payable.

And I wonder what the department has done in response to this resolution that came from that meeting.

Hon. Ms. Carson: -- The problem we have is of course with our debt. And whether it's a debt to the RMs or a debt to a bond holder, a debt is a debt. And we decided that we would reduce the amount of debt that the province carried.

And so it is going to be very difficult for us to reverse the situation and say it doesn't matter if it's a debt account receivable into the future on road construction to the RMs, it's still a debt, and it still rides on our books as a debt.

So there isn't too much we can do about the situation because unfortunately, like everything else that is happening in Saskatchewan, we have to be able to manage our debt load and manage the finances of the province.

And everybody has a legitimate cause why they should have more money. Of course the RMs are saying very seriously, this impacts upon us in a very negative way. We need to have this road transportation system in Saskatchewan. We provide a lot of work for our communities and so they can make a very legitimate request for us to go back and try to reformulate the policy that was developed on our last budget.

But it's just not easy. We can't find money that we don't have; it's not there. And if we're going to balance the budget and be able to maintain a credit rating, we've got to be serious about what we're doing. And I believe that the people in rural Saskatchewan have made a commitment with this government to make sure that our future is stable and secure, and they will make the sacrifices that they have to make.

There is no more money in the system; we can't find it; I can't give them what we haven't got. I can't say that we're going to change the futures program again so that they can go further into the futures; all it does is

put us further into debt. It can't be done. Even though there's a hundred ways of saying it should be done and it's the best thing for people in rural Saskatchewan, unfortunately the reality of the situation that we face says that we can't do it.

Mr. Toth: -- Well, Mr. Chairman, Madam Minister, I find that interesting, having chaired the minister's advisory committee on rural development. And you're very well aware, Madam Minister, of the requests that you brought forward regarding municipal policing, or rural policing, and the police issue, and that had everything to do regarding funding.

And at that time the issue wasn't whether we had the money to pay for it, it was that the province . . . it was the province's, the federal government's, responsibility to continue the present ratio of funding. And so if it was okay then, how come all of a sudden now we've got to look at ways of reducing the deficit?

Now I would suggest, Madam Minister, that to talk about reducing deficit -- and you mentioned that, okay, through the futures program it would be extended over four years' program instead of a two-year pay-out -- I would suggest when we're looking at deficit financing . . . and to dwell on the deficit, the deficit will not be taken care of in one or two years, and we all know that. At least I think most people in Saskatchewan are aware of that.

If you're going to look at deficit reduction, you're going to have to look at a long term. And I wonder what you have done or what your government has done in sitting down and consulting with local governments and getting their input prior to sending out letters that indicate right now that we have -- due to the difficulties, due to the financial constraints that this government is facing -- we're going to have to make certain restrictions or restrict certain programs or cut back.

What kind of consultation took place prior to these decisions that were made with the . . . let's start with Rural Development or Rural Affairs.

(1645)

Hon. Ms. Carson: -- You make a very good point, that we have to continue to work in partnership with local governments, and we are starting that process now. We understand the pressure that they're under and the pressure on the property tax, and we are working on a number of avenues in which we can engage in a process that would better keep them involved and provide us with better advice and with better information.

So in that regard I agree with you that it is going to be very difficult to initiate a plan for recovery in Saskatchewan without the full participation and encouragement of local governments.

In regard to what consultation took place as we prepared our budget, they were aware of the

reduction of \$3.8 million to their revenue-sharing pool. We had informed them about that before we announced the budget.

The issue of the \$4.6 million which is drawing down from the futures, they were not consulted. That was a decision that was made through the Department of Finance as they looked at the overall debt load of the province. And the decision was made that the futures would be drawn down from 19.6 to 15 and that 4.6 that is there would be allocated through the Department of Finance to the rural municipalities. That was not part of the consultation process prior to the budget.

Mr. Boyd: -- Thank you, Mr. Chairman. Madam Minister, I wonder if we could change the subject a little bit to deal with the situation at Sled Lake. You're familiar with the voting irregularity problem that they seem to have on a regular basis. I wonder if there's any new information about that that you might want to share with us.

Hon. Ms. Carson: -- The situation at Sled Lake has been going on for a number of years. It is a community problem and we try as best we can at the departmental level to stay out of issues where we feel there's personality conflicts or family conflicts at a community level.

So we have had officials who have been monitoring the situation at Sled Lake, but we have not intervened in that. And if you want an update, I will provide you with our latest correspondence on that.

Mr. Boyd: -- Yes, Madam Minister, that would be very much appreciated. I received a telephone call this afternoon, early afternoon, about the situation again. Apparently, the latest information that I have anyway is that there were a couple of resignations from the town council, and then there was another opportunity for an election, and subsequent to that, there was allegations once again of voter irregularities.

I think you're probably basically correct when you suggest that it's a situation that seems to be a family and a couple of other families that have some real serious personal conflicts and everything else like that. But when they bring forward allegations of voter irregularities and those kinds of things, I think they have to be at least checked out and substantiated to see if there's any truth to the matter at all.

But I would respect your thoughts on that and appreciate any information you may have on that situation.

Hon. Ms. Carson: -- We have officials in the department who have been working with the village of Sled Lake. If there are voting irregularities, then our officials will of course take action. At this point in time, I think it would be premature to make any statement around that at all.

Mr. Boyd: -- Thank you, Madam Minister. I think the

allegations, as I understand them, are such that people voting that shouldn't be allowed to vote, basically is what it amounts to; people outside of the community that are voting in the community, suggesting that they have status to vote in that community when indeed they may or may not. But that's basically the allegation, so I'd appreciate it if your department would take some opportunity to check that out.

Item 1 agreed to.

Items 2 to 10 inclusive agreed to.

Vote 24 agreed to.

Hon. Ms. Carson: -- Yes, Mr. Chairman. I would like to first, like to thank the members of the opposition for their questions today, and I would like to thank the Municipal Government officials that were here to help us this afternoon.

Mr. Boyd: -- Thank you, Mr. Chairman. Madam Minister, as well we thank you for your answers in the past few days with respect to the questions we are asking and thank the officials too for their help in answering them.

The Assembly recessed until 7 p.m.