

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Osika: — Thank you, Mr. Speaker. I rise again on behalf of our good citizens of Saskatchewan who are concerned about the closure of the Plains Health Centre. The prayers reads:

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

And the names of people from Leross, Punnichy, Lestock, Kelliher, and a number of other small communities throughout rural Saskatchewan, Mr. Speaker. Thank you.

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

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

The people that have signed the petition, Mr. Speaker, are from numerous communities in rural Saskatchewan, and Regina.

Ms. Julé: — Thank you, Mr. Speaker. To the Hon. the Legislative Assembly of Saskatchewan in the legislature assembled, the petition of the undersigned of the people of Saskatchewan humbly showeth that the Plains Health Centre should remain open:

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

The petitioners are from Regina, Lestock, Raymore, La Loche, and throughout Saskatchewan. I so present.

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

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

The people that have signed this petition, Mr. Speaker, are primarily from Regina, but also include Neudorf, Leross, Regina Beach, and Strasbourg. I so present.

Mr. Gantfoer: — Thank you, Mr. Speaker. I rise as well on behalf of citizens concerned about the future of the Plains Health Centre. The petition reads as follows:

Wherefore your petitioner humbly prays that your Hon.

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

The people on this petition are primarily from Regina but also from communities in the southern part of the province.

Ms. Draude: — Mr. Speaker, I too rise today regarding the closure of the Plains Health Centre. The prayer that I have reads as follows, Mr. Speaker:

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

The people that have signed this petition are from Regina. They're from Hodgeville. They're from North Portal, from Weyburn, Kipling, all over southern Saskatchewan.

Mr. McLane: — Thank you, Mr. Speaker. I rise too to present a petition regarding the closure of the Plains Health Centre, and the prayer reads as follows:

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

The petition, Mr. Speaker, is signed by residents — a lengthy list — from the city of Regina.

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

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

The people that have signed the petition, Mr. Speaker, they are from Regina here. They're from White City. They're from Pilot Butte. They're from Balgonie. They're from Oxbow and Glen Ewen, Saskatchewan. They're all from throughout Saskatchewan, Mr. Speaker.

Mr. McPherson: — Thank you, Mr. Speaker. I rise with my colleagues today to also present petitions on behalf of the Plains Health Centre. The prayer reads as follows:

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

And, Mr. Speaker, the people that have signed this petition are mainly from the community of Lestock, Grand Coulee, several from Regina, and of course Regina Albert South constituency.

READING AND RECEIVING PETITIONS

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

Of citizens of the province of Saskatchewan humbly praying that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre; and

Of citizens of the province of Saskatchewan humbly praying that your Hon. Assembly may be pleased to cause the government to take action to allow an increase in the security deposits on rental properties.

NOTICES OF MOTIONS AND QUESTIONS

Mr. McLane: — Thank you, Mr. Speaker. I give notice that I shall on day 28 ask the government the following questions:

To the Minister of Agriculture regarding the minister's participation in the Team Canada agri-food mission to several countries along the Pacific Rim, scheduled from April 6 to April 23 of this year: (1) what other Saskatchewan government officials will be accompanying the minister on the said trade mission; (2) what department is paying for the government's cost of the trade mission; (3) what is the projected cost of the Saskatchewan government officials' participation in the said trade mission; (4) what private companies from Saskatchewan are accompanying the minister on the trade mission; (5) what department is paying for the cost of the Saskatchewan private companies' participation in the said trade mission; and lastly, (6) what are the projected costs to be incurred by the private Saskatchewan companies participating in the trade mission?

INTRODUCTION OF GUESTS

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. Mr. Speaker, I notice in the west gallery a young constituent of mine by the name of Matthew Jacoby who has travelled down from Saskatoon to join his mother who works with the Saskatchewan Teachers' Federation for his spring break.

Matthew is a grade 4 student at Brunskill School in Saskatoon. He is joined by his father, Paul Jacoby, who is an English teacher at Aden Bowman Collegiate in the city of Saskatoon. And I would ask Matthew and his father, Paul, to rise so that all of our colleagues in the legislature can welcome them to the legislature.

Hon. Members: Hear, hear!

Ms. Murrell: — Mr. Speaker, I would like to introduce to you and all members of the Assembly a constituent of mine, Mrs. Carol Sego. Her husband is here — please rise, Carol — her husband is here attending the STF (Saskatchewan Teachers' Federation) annual meeting, and so Carol is joining us during question and answer period. Please help me make her welcome.

Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. I'd like to ask the House to join me in welcoming two special guests sitting in your gallery. We have Eddie and Laurent Roy of Edmonton, Alberta, and hopefully they'll become a couple of constituents

of mine in the next few months.

I'd like to ask the Assembly to please welcome these people into the Assembly today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Saskatchewan Teachers' Federation Delegates Welcomed

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, I would like to welcome all the delegates attending the Saskatchewan Teachers' Federation conference being held in Regina this week.

I had the pleasure of attending a portion of the conference last night. As a former teacher, I know what a tough job educating can be. They spend countless hours trying to equip our children for the future.

These days Saskatchewan teachers face even more challenges because of fiscal restraints, but they still aim at providing Saskatchewan students with the best education possible. STF president, Dwain Drew, summed it up when he said, and I quote:

In a time when public education is widely misunderstood and criticized, the importance of a strong, supportive voice from teachers cannot be over-emphasized.

I would like to welcome STF delegates to Regina and I look forward to hearing more of their concerns and I also hope that the government members are listening to their concerns as well. Thank you.

Some Hon. Members: Hear, hear!

Manitou Health Centre in Neilburg

Ms. Stanger: — Thank you, Mr. Speaker. The focus of my statement today concerns wellness and health care. Residents of the Twin Rivers Health District will soon have access to a new medical facility in Neilburg. It's called the Manitou Health Centre and it is in my former constituency of Cut Knife-Lloydminster. It's progressing well and they will start accepting patients in the near future.

This facility is being made possible through a Canada-Saskatchewan grant structure. Thirty-five per cent of the 800,000 of the project will come from local funds and the federal and provincial governments will provide the rest.

The Manitou Health Centre will replace the former hospital building in Neilburg which was 45 years old. The new facility will include a doctor's office, emergency and diagnostic facilities, observation beds, and rooms for therapy and community service programs. This building will become a focus of medical care in the community and also demonstrates the district's ongoing shift away from institutional care into community programs.

Mr. Speaker, in the near future the health district may also consider development of seniors' housing attached to the health centre, along with family services and services for children.

I would like to extend my best wishes to the Twin Rivers Health District and to the people of Neilburg and congratulate them on this facility. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Raymond Daigneault Bonspiel

Mr. Belanger: — Thank you, Mr. Speaker. My home town of Ile-a-la-Crosse is made up of many generous, strong, and active people. They are the heartbeat of the community. One such person was a good friend of mine, Raymond Daigneault. Raymond passed away last November, and his loss was not only felt by his family but also by the many lives he had touched throughout Ile-a-la-Crosse and area.

He was a hard-working miner for 18 years, but he still made sure he had time to enjoy his family and his community. He was a father of four of his own children and helped raise 10 foster children during his short lifetime.

Raymond loves sports like hockey, softball, and curling. While he had many friends, special friends like Pat Ratt, Leo Belanger, Jake Alcrow, Bully Kyplain, Ron Morin, Glen Boucher, Magic Case, others were for ever and specially touched by this great man. He was always welcomed with respect and admiration in every home. He was easily recognized by his great strength and his dedication to his job and family, but more so for his respect for all people — rich and poor, strong and weak.

I am so pleased to hear Raymond's memory will live on through the Raymond Daigneault Memorial Bonspiel held next weekend. I am sure that Raymond would also be pleased that such a fun, social curling event and cabaret is being held in his name. I commend the community of Ile-a-la-Crosse for such a kind gesture, and I would ask the Assembly to join me in recognizing the accomplishments of Raymond Daigneault of Ile-a-la-Crosse.

Some Hon. Members: Hear, hear!

One Hundred Years of Service

Hon. Mr. Scott: — Thank you very much, Mr. Speaker. I would like to congratulate Edward Service Ltd. in Broadview, Saskatchewan, for 100 years of continued family service in the Massey Harris-Massey Ferguson dealership.

Today Denny Edwards and his brother Allie run the business which was started by their grandfather, Albert W. Edwards. The senior Mr. Edwards signed his first Massey Harris implement contract in 1896; 1909 was one of his best years, when Mr. Edwards sold 40 seeders and 40 binders.

The Edwards family survived two world wars, the Great Depression of the 1930s, and the many ups and downs in the volatile agriculture economy so dependent on weather and

world markets.

Mr. Speaker, I'd ask that all members of this Assembly join in congratulating the Edwards family at Broadview for maintaining a Massey dealership for 100 years. Edwards Service Limited is without a doubt the oldest Massey dealer in the world. Thank you.

Some Hon. Members: Hear, hear!

Humboldt Peewee Broncos Win Hockey Championship

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I would like to congratulate the Humboldt Peewee Broncos hockey team on winning the provincial championship in the peewee A division. The Broncos defeated the Spiritwood Imperials 17 to 12, two-game total goals, to claim the title. They are presently on their way to winning the league championship.

Congratulations to the coaches, Len Hergott, Alvin Olynick and Jack Lees, and congratulations Humboldt Peewee Broncos.

Some Hon. Members: Hear, hear!

The Premier's New York Trip

Mr. Heppner: — Thank you, Mr. Speaker. Today I would like to congratulate our Premier on the remarkable restraint that he's showing on his current trip to New York. Rather than staying at a \$500-a-night suite at the Drake Hotel, as he did last year, he's slumming it at a 400-American buck-a-night suite at some dive called the Plaza Hotel. I really hope he packed his own soap and towels for that economy version.

Mr. Speaker, clearly the Premier is leading by example. He may be closing some hospitals and forcing some elderly people to cut back on oxygen, but he's doing his own part — like living like a monk at the Plaza Hotel, just \$400 a night, Mr. Speaker, American. I do hope they have running water.

Mr. Speaker, the truth is our penthouse Premier could find decent accommodations for about half that if he really wanted to, and that's exactly what he would do if he were truly serious about setting an example and showing restraint at the top.

Mr. Speaker, it's time for our penthouse Premier to come down from the Park Avenue penthouse and start living a little more like the average Saskatchewan taxpayer who is paying the bill.

Some Hon. Members: Hear, hear!

Fourth Annual Save Our Environment Guide

Mr. Trew: — Thank you, Mr. Speaker. The great folks at Z99 and CJME are rocking and rolling again — hot music, solid programming and community involvement aren't just bywords, it's the way the Z and CJME operate daily.

The fourth annual *Save Our Environment* guide is not only more useful than ever and full of useful tips, additional help and so on. The *Save Our Environment* guide is printed and available at major sponsors: Sherwood Credit Union, Cornwall

Centre, Unique Garden Centres, and the Southland Mall. Making it possible, 35 Regina businesses are actively participating this year. Thank you to those environmentally concerned Regina businesses.

The fourth annual *Save Our Environment* guide has useful tips on consumer power, Dutch elm disease, environmentally friendly yards, water conservation — it has a great kids guide — greening the workplace, conserving energy in the house. It even has an article on our new Saskatchewan scrap tire corporation set up to reuse and recycle Saskatchewan's output of 1 million scrap tires annually.

Environmentalism is not a fad. It is a commitment to our collective future. Congratulations, Z99, for environmental activism that demonstrates again the commitment to our community and our future. The environment wins; let's rock.

Some Hon. Members: Hear, hear!

New Entrepreneurs

Mr. McLane: — Thank you, Mr. Speaker. Recently the Carlton Trail Regional College and Human Resources Development Canada held a six-week entrepreneurship program at Davidson for individuals interested in putting themselves to work through self-employment. I'm most pleased to report that this program is now completed, and 15 new businesses will shortly be opening — 14 of them in the constituency of Arm River.

Darryl Mathers of Bladworth is recording a CD (compact disc) and will supply taped music at social functions. Shirley Moser of Davidson will be making clothing for the handicapped. Donna Olson is opening a convenience store at Hanley. Brenda Katrynuik will be making leisure wear at Kenaston. Arnold Bueckert is opening a shoe and leather repair shop at Davidson. Karen Gjerde will be operating a cleaning service using environmentally safe products at Saskatoon and Davidson.

Doug Hignett will specialize in raising Belgian Blue cattle at Imperial. Janice Johnson of Davidson will be doing research and conducting surveys. Jonathon Severight, an artist from Regina Beach, will market his works. Clifford Stevens will distribute organic products at Davidson. Janet Stevens will do sewing and alterations at Davidson. Marilyn White will be opening a fitness centre at Davidson. Arlean Topping will develop and present workshops including desktop publishing, and Heather Lowdermilk will be opening a crafts and woodworking and a Snapper dealership at Davidson. And lastly, James Hunter will be opening a computer learning centre specializing in children's programs in Saskatoon.

Congratulations to the new entrepreneurs, Mr. Speaker.

Some Hon. Members: Hear, hear!

Library Branch of the Year

Ms. Bradley: — Thank you, Mr. Speaker. It is hardly an exaggeration to say that in the development of Saskatchewan, closely following the explorers, the Mounties, and the pioneers, came the librarian. Books and our communities' determination

to circulate them have been a vital part of our history from the beginning. And I am proud to say the dissemination of knowledge is still a fundamental practice of our society.

As proof of this assertion, I offer the Weyburn Public Library. Recently at the annual meeting of the Southeast Regional Library, the Weyburn library was named branch of the year. The award came in recognition of Weyburn library's service to town and surrounding area — service that included the circulation of nearly 151,000 items in 1995. That number alone tells us that one, people are reading, and two, their reading needs are being met.

As well Weyburn, like all our libraries, provides special services such as pre-school story time program, summer reading program, author readings and workshops, and an active outreach program for seniors' facilities and homes.

This is the 30th anniversary for the Southeast Regional Library — 30 years of communities in the area banding together to pool their resources, and I was glad to see at the annual meeting discussions to better continue this cooperation.

Finally, this year is the last for head Weyburn librarian, Marlene Yurkowski, who is retiring. Winning the award is a good way to step aside, and I congratulate her and all her staff for their years of service. Thank you, Mr. Speaker.

ORAL QUESTIONS

SaskTel Employees' Strike

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, as this House is well aware, SaskTel employees went on strike at midnight last night, sparking a great deal of concern from the people of rural Saskatchewan. The only access to health care for many rural families is the telephone. Whether one calls it a dial-a-doctor system or two-bit health care, this is the fact.

What assurance will the minister in charge of SaskTel give this House today that appropriate phone service will be maintained to ensure access to emergency services?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, to the member opposite, I would say that management personnel have been redeployed throughout the province to maintain service at the highest possible level, and we have plans to maintain the service.

At this time of year, Mr. Speaker, when frost is going out of the ground and there are flooding problems, it's not unusual to have some interruptions in service. And we are prepared for those eventualities, to give the highest level of service possible throughout the province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. I agree with the minister that spring is possibly the worst time of year for rural Saskatchewan, and this is where a good part of our concern comes from.

Mr. Speaker, it is anyone's guess as to how long this labour dispute may carry on. And in spite of what the minister may say, there are serious questions about whether appropriate telephone access to emergency service can be maintained over the duration of a lengthy strike.

Will the minister explain how 650 managers can adequately take the place of 3,600 employees and properly maintain these and other services over the long haul?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, I should mention that in the event of emergencies, including health emergencies, the union has agreed to be available to respond for that type of service if necessary, and we certainly commend them for that, Mr. Speaker.

In terms of the anticipated length, we believe, Mr. Speaker, unlike the members opposite, in the collective bargaining process. We respect that process. Unfortunately, a tentative agreement that was reached in February, after many long months of negotiation, when taken to a vote, was rejected. We are prepared, as speaking on behalf of SaskTel management, to go back to the bargaining table at any time, Mr. Speaker.

It's very unfortunate. We know that the livelihoods and the good and welfare of a lot of Saskatchewan people, good, hard-working, productive employees of SaskTel, are at stake. We take this very seriously, Mr. Speaker, and we are prepared to go back to the collective bargaining process at any time.

Some Hon. Members: Hear, hear!

Teachers' Salary Costs

Mr. Krawetz: — Mr. Speaker, I had no idea that Robin Hood is alive and well and living in the NDP (New Democratic Party) cabinet. In fact I may have never known if I wasn't at the STF convention last night.

Listening to the Education minister praising the unselfish actions of her government, she promised teachers that her government will pick up \$8 million in salary increases for 1997. And teachers do deserve this raise. But what the Education minister didn't make clear was that they are stealing from the poor. They are actually taking the money from school boards who are facing cuts from the provincial government.

Mr. Speaker, maybe I was distracted by her shining halo, but even after last night's meeting I still don't understand why her math seems inconsistent. If the minister is telling teachers the NDP government will channel \$8 million more into education, will she explain why she's been telling the public the increase is only \$900,000?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, I want to thank the member for the question. Mr. Speaker, I was pleased to represent the New Democratic Party last night at a political

forum put on by the Saskatchewan Teachers' Federation. I noticed that the Education critic for the Liberal Party was not on the platform. So I can see where his nose might be a bit out of joint this afternoon, Mr. Speaker.

Mr. Speaker, if the member cares to look at the budget book, which I've suggested he do so in the last week or so, he will note that in the fiscal year 1996-97, this government, this NDP government, increased K to 12 spending by \$2 million. In 1997-98, there is a further \$900,000. We have made it very clear to the Saskatchewan School Trustees Association, Mr. Speaker, that we can't back-fill all of the federal Liberal funding cuts, and we've made sure that we cover teacher salary incremental increases.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — I thank the minister for her comments. I understand that the invitation was to the leaders of the political parties.

Mr. Speaker, in an SSTA (Saskatchewan School Trustees Association) newsletter dated March 31, an article on the front page states:

After shouldering funding reductions of 8 percent over the past several years, school divisions will see their operating grants held at current levels for 1996, and then decreased by two percent in 1997 and a further two percent in 1998.

I'd like to send a copy to the minister, please.

Will the minister admit that she is not giving any new money to education and that school boards will face \$7.1 million in cuts which, when combined with \$8 million more in salaries, produces the figure of \$900,000?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well, Mr. Speaker, I think any time you have \$2 million in increased funding for K to 12, that is money for education. When you look at the budget for the Department of Education, every single dime goes into ensuring that our young people have access to a quality education that is recognized as excellent in this country.

So, Mr. Speaker, I simply have to disagree, with all due respect, with the member opposite. Every dime is going into supporting our educators and our young people in the classroom.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Speaker. Madam Minister, of course we know that the educational development fund has vanished. And that is also \$2 million; check your numbers.

The minister continues to dish out money-filled promises. She says there will be money for rural technology, more money for special education, more money for distance education, and that in fact the per student allotment is also going up. According to her, Saskatchewan's education system is reaping the profits of her government's good will. But if there is no additional money, except for the \$2 million which goes directly to

teachers' salaries, who is paying for all these wonderful promises of improved services?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well, Mr. Speaker, I'm quite pleased that our government has been able to put an additional \$2.35 million in to more community schools and more programs for Indian and Metis people. I'm pleased about that. Mr. Speaker, I'm pleased that we've provided an additional \$1 million for students that have serious behavioural problems. I'm pleased that we've had an extra \$1 million to help school boards pay for high-cost disabled students. That is money that this government has made available to ensure that our school boards can provide the kinds of services necessary for our young people.

Mr. Speaker, it is true, we've got a \$3 million technology fund for school divisions in rural Saskatchewan. We think it important, Mr. Speaker, that young people of this province, regardless of where they live, have access to the same educational system, the same quality of education, as their urban counterparts. I'm sorry the member opposite is not interested in ensuring kids in rural Saskatchewan have access to a good quality education.

Some Hon. Members: Hear, hear!

Potential Flood Conditions

Mr. Goohsen: — Thank you, Mr. Speaker. My question is to the Minister of Municipal Government. Madam Minister, the people of Eastend in my constituency are facing a crisis situation. The Frenchman River has overflowed its banks and is threatening to flood the entire town. The people of the community are pulling together and so far have been able to prevent a complete disaster.

However a state of emergency has been issued by the mayor — that's Mayor Terry Haggart — and a water-use warning has been issued by environmental officials. They also had a lot of trouble finding enough sandbags yesterday and were fortunate to be able to get some from Moose Jaw and some from a local seed grower.

Madam Minister, although the crisis appears to be passing Eastend communities, the communities of Wascana-Souris and Moose Mountain rivers are bracing for even worse flooding next week. I have some photos that will better bring you up to date and I'll send them over so that you can understand the problem.

My direct question to you, Madam Minister, is this: what steps are you taking to help communities to be better prepared for flooding so that they won't have to be searching around for sandbags and have the same kind of a crisis that Eastend faced yesterday?

Hon. Mr. Lingenfelter: — Mr. Speaker, I'm pleased to answer, on behalf of the government, the question put by the member from Cypress. He obviously is aware that Her Worship Mayor Haggart has been very much involved in doing planning for the potential of a flood. And I think at this point, in fact in talking to her office within the last hour, they indicated that

things were in control and that hopefully the town would in fact be protected.

You'll also be aware that Sask Water has been involved in the last year in rebuilding the dam at Eastend. Taxpayers in general, basically putting money into an excellent project in Eastend that will go a long way to alleviating a problem that has been historic; that is, not having enough good quality water for the Eastend community, and once every 50 years having this kind of a problem.

So I think it's in hand. I accept from the member any suggestions that he has for improving the situation.

Health Districts Funding

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Minister of Health.

Mr. Minister, last Thursday we saw your latest attack on health care in Saskatchewan's smaller communities. Nineteen of Saskatchewan's 30 health districts are going to see their funding cut by as much as 3.3 per cent this year. These are primarily the rural health districts which have already seen hospitals close and services cut dramatically. Now they're going to be faced with even further service cuts or even further hospital closures.

Mr. Minister, can you tell us what impact there will be on those 19 districts that are losing that funding? What services will be cut; how many more beds will be closed; how many more hospitals will be closed?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I thank the Leader of the Third Party for the question. And I want to say to the Leader of the Third Party that what the funding system recognizes, is that regardless of where you live in this province, whether a small community or a large urban community, you should have the right to get the medical services that you need.

And that means that if you go from a small town in the member's constituency to Saskatoon or to some other centre, the money should follow you to pay for that service, because everybody should have access to the medical services they need, Mr. Speaker. That's what needs-based funding is all about.

And if the member believes that the people in his community should not have the right to seek health care wherever they like in this province, the member should so indicate, but that is not the position of this government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, that's exactly the problem. They want health care services but they want health care services in their area, in their local communities. The people in these smaller communities in rural areas understand what your wellness program means. It means get well, stay well, or farewell.

You say that you're taking money away from rural health districts because there are fewer patients. That's the vicious cycle that you started, Mr. Minister. You closed down rural hospitals so people have to go to larger centres; and then you use an excuse to even transfer further funding cuts to the rural districts, which means even more service cuts and more hospital closures. Mr. Minister, where's this all going to end? How many more hospitals have to close before your plan to destroy rural health care is completed?

Hon. Mr. Cline: — I want to tell the member, who apparently doesn't know this, Mr. Speaker, that Saskatchewan probably has as many hospitals per capita as any province in the country, and I think more, and the same is true of acute care beds.

But I say to the member, and the member knows full well, that if a person who lives in a small town in his constituency needs to have laparoscopic surgery to get their gall bladder removed, they have never had the ability to get that kind of surgery in the Kindersley riding, Mr. Speaker.

But I say to that member that the person who lives in his constituency is entitled to have their gall bladder out by laparoscopic surgery, they're entitled to get an MRI (magnetic resonance imaging), and they're entitled to other specialty services. And when they get those services in another centre, the province of Saskatchewan is going to pay for those services because everybody, regardless of where they live, is entitled to decent medical care, Mr. Speaker.

And if that member believes that this government should not be providing funding for the people of his community to go where they need to go to get medical services on a specialized basis, let that member say so. But he won't say so, Mr. Speaker, because he knows that the system cannot operate that way.

Some Hon. Members: Hear, hear!

Family Services Funding

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my questions are to the minister responsible for Social Services — I trust has a better answer than the one just given to my colleague.

Mr. Minister, and, Mr. Speaker, your government's budget has promised cuts from the top down, but so far the only cuts are to Saskatchewan families. Mr. Minister, the family support services branch of Social Services in Saskatoon has had its budget slashed by almost one-half, or \$100,000. This means that there are three staff, two of them counsellors for battered women, have been let go at a time when waiting-lists for these services are growing longer.

Mr. Minister, your own pre-budget consultations show that Saskatchewan people's third highest priority is the protection of children, after only health and education. As well you have stated that dealing with poverty and helping victims of abuse is a priority of your government.

Given what you have promised, Mr. Minister, how can you possibly justify cutting these essential services to battered

women and children who have nowhere else to turn? How does this fit into your plan to protect children and families?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I thank the member for raising the question and raising this important issue in the House. He is dead on when he says that that is a number one concern of our government and remains so, and is reflected, if I may say, Mr. Speaker, in this year's budget.

In regard to the changes in Saskatoon, the member should be aware that some of those services will now be delivered by the Saskatoon Tribal Council, more appropriately, we believe, to meet the needs of their people.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, another question to the minister. Mr. Minister, people from Interval House and other transition houses are upset about this move because abused families have few options. They need the help provided by family support services.

Mr. Minister, it all comes down to priorities. If you and your NDP colleagues would give back your \$4,000 bonus this year, the money saved could fund the family support service centre for two years.

Mr. Minister, do you and the other government MLAs (Member of the Legislative Assembly) believe you should be taking home an additional \$4,000 when you're at the same time cutting essential services to battered women and children? Do you believe this is fair and right?

Hon. Mr. Calvert: — Mr. Speaker, from that member and from that party, this is an interesting observation. That particular party, in government in other provinces around this country — take Ontario, for instance — have just cut the benefits to the poorest of the poor in Ontario by 20 per cent, Mr. Speaker. That's the way Conservatives do business.

When they were in government in this province, they bankrupted . . . (inaudible interjection) . . . Now the Leader of the Third Party from his chair says, what did they do here? Mr. Speaker, they bankrupted the province, that's what they did here. And, Mr. Speaker, we're living with the consequence of that kind of government, Mr. Speaker.

Now, Mr. Speaker, I want again to say to the member, and to all members, that the protection of children, the strengthening of families, remains and is the number one priority of this government. And, Mr. Speaker, in this budget you will note that the funding to the Department of Social Services has been held as it was a year ago.

Domestic Violence

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, last week a tragedy occurred in Vernon, B.C. (British Columbia) when an armed man gunned down his estranged wife and eight others. The one and only positive aspect of such an awful situation is

that it draws attention to the fact that many women, and particularly women in Saskatchewan, face physical abuse on a daily basis and more must be done to address the serious problem. Will the Minister of Social Services explain how his government is working to address the issue of spousal and child abuse in the province?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, again I thank the member for that important question. We're all aware of the tragedy in British Columbia and we're aware, I think, of tragedies that occur in homes across our province almost on a daily basis.

Mr. Speaker, this government has taken some real leadership in this regard. The member, while not a member of the House at that time, will know that we have passed The Victims of Domestic Violence Act, an important piece of legislation, to add further protections for any who may be abused in our community or society. We have continued to work with the transition houses and with non-profit groups across our province.

Mr. Speaker, there's so much more we can be doing. And I would appreciate any positive suggestions that the member may have.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. I appreciate the fact that this issue remains a very difficult one for this government to deal with. However there are measures a responsible government should take, and can take, to ensure that women and children who face abuse have safe havens they can turn to, not just in urban centres, Mr. Speaker, but in rural communities as well.

Mr. Speaker, it was recently brought to my attention that a woman who lives on a farm in my constituency had been badly beaten by her husband. There was nowhere for her to turn and nowhere for her to go, and in desperation she had to phone a tow truck operator to take her and her children away from a dangerous situation.

Mr. Speaker, this serves as only one example of the lack of adequate services in our rural communities. Will the minister agree that the current level of services and number of facilities providing safe haven for those who have been abused is totally inadequate?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I would commit to that member, and to all members and throughout our province, that this government will continue, as we have in the past, to work, as we are able, to provide protection for women, for men, for children, for seniors who face abuse, Mr. Speaker. And our job, of course, would be made somewhat easier if we had more support from that particular caucus and their federal counterparts in Ottawa.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, the Provincial Association of Transition Houses has determined that about 4,000 Saskatchewan women and children were provided shelter and direct service last year, and more than 12,000 enquiries were made. However I must highlight the fact that almost 2,000 women and children were turned away last year because shelters were full and unable to accommodate them.

We need a firm commitment by this government that there should be safe houses, and more of them. Will the minister commit to more safe houses today in this Assembly? This is a deplorable situation and we want to make sure that women do not have to hire tow trucks to free them from dangerous situations.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, as we've been through the course of this session, it's become very difficult to understand what the position of the Liberal Party is. Before the election, they were telling us to hire Texas auditors to cut down the size of all government and get rid of government services. We have one member of the Liberal caucus telling us on a daily basis we should be spending less, less, less, and less. The member from Humboldt now today says we should be spending more.

Mr. Speaker, what we're trying to do is strike that balance, to strike the balance of appropriate services that we can reasonably perform and provide to the Saskatchewan public while maintaining balanced budgets and sound fiscal practice.

Some Hon. Members: Hear, hear!

Child Poverty

Ms. Draude: — Mr. Speaker, a report from the National Council on Welfare indicates that Saskatchewan has the second worst rate of child poverty in this country. The report states that 59,000 children in Saskatchewan, 22.4 per cent of them, are living in poverty, and this does not include the children who live on Indian reservations.

Will the Minister of Social Services explain these numbers, given the fact that this government pledged to eliminate child poverty by the end of their first term in office?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I sincerely thank the member for her question, and I know it's sincere.

Mr. Speaker, that we should have in this province the second highest rate of child poverty in Canada is not a happy situation, and I'm sure all members would agree with that. And, Mr. Speaker, if there's one thing that motivates this minister and if there is one thing that motivates this government towards the redesign of social assistance in this province, it is that fact. We must do better for the sake of the children of Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, the minister and the government over there often blame others on things that they say are beyond their control, but I submit, and so does the rest of our caucus, that if there were more meaningful job opportunities in this province, there would be fewer people on welfare, and as a result, fewer people and children living in poverty. The figures clearly show that the government's job creation record is dismal.

While the Premier shuttles around the globe and stays in deluxe hotel accommodations, children are going hungry in this province. Will the minister explain what concrete measures he and his government are going to do to tackle this very serious problem of child poverty in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I accept the member's wisdom, that poverty is not a single-issue cause and therefore not a single-issue solution. And employment is important. That's why the member will be interested to know that employment among women in our province increased 4,000 since March 1995 to March 1996. Employment in the 25-plus age group increased 1,000. Now that's 5,000 more people working, and indeed I share the view of the member that this is important in dealing with poverty.

But equally important are the kind of social programs that we can engineer to provide for the needs of the children and families of Saskatchewan. And I tell you, Mr. Speaker, when those members get up, as Liberals in this House, when the federal Liberal government of which they are a part have cut social programing in the most recent budget by 73 per cent, I wonder where they're coming from.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Hon. Mr. Shillington: — Thank you very much. It's with great pleasure that I table the response to question no. 66.

The Speaker: — Question 66 is answered.

GOVERNMENT ORDERS

SECOND READINGS

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

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. I'm pleased today to outline to all members the key provisions of the amendments to The Education Act. The major amendments can be defined under four headings: contracts of employment for teachers, financial transactions by boards of education, confidentiality and disclosure of people records, and the change in name of the Saskatchewan Book Bureau.

Mr. Speaker, when teachers are employed by boards of

education, they're hired under one of two types of contract — a temporary contract which is intended for short-term vacancies, or an indefinite contract which continues on from one year to the next unless the teacher or the board choose to terminate.

Over the past several years, issues arose around the way in which temporary contracts were being used. Concerns expressed by teachers to the Saskatchewan Teachers' Federation culminated in a court case in 1994. The rulings in that case confirm that certain existing practices are contrary to the letter, spirit, or intent of the existing legislation.

As a result of the court ruling, the groups affected — notably teachers, trustees, educational administrators, and school business officials — all acknowledged that changes were necessary to create clear and workable rules that would ensure consistent, acceptable hiring practices across the province.

The representative organizations consulted among themselves to develop such rules. They also urged the Department of Education to take legislative action in order to eliminate the existing uncertainties and inconsistencies. The amendments in this Bill address this objective in a number of ways.

First, they create a new category of teacher employment called a replacement teacher. When an existing teacher takes a leave of absence for a full year, the board of education will now be able to hire a replacement teacher on a contract which will cover that full year but which will automatically expire at the end of the year.

Provisions are also included to deal with the status of replacement teachers in various circumstances in which they might be employed by a board for a second year, or rehired in a subsequent year.

Second, the existing definition of a temporary teacher is revised to clarify that temporary contracts are to be used only for periods of time of less than a full academic year. And third, to clarify the purpose of replacement in temporary contracts, a new term called the academic year is introduced. This refers to the period from the start of school in the fall until the end of school in June.

Mr. Speaker, related amendments will make it clear that the provisions for termination of a teacher's contract by mutual agreement between the teacher and the board apply only after the contract has actually been created. And these amendments follow from one element of the court ruling which indicated that the use of post-dated letters of resignation as a condition of hiring were contrary to the legislation.

Mr. Speaker, these amendments dealing with contracts of employment for teachers reflect some compromises.

The Saskatchewan Teachers' Federation, for its part, would have ideally preferred provisions which gave stronger employment rights for teachers. And the Saskatchewan School Trustees Association on the other hand would have preferred provisions which gave greater flexibility to boards and allowed temporary contracts to be used for longer periods of time.

Nevertheless, Mr. Speaker, I'm confident that these new provisions will deal effectively with the majority of situations in which boards of education wish to retain a teacher on some basis other than an indefinite contract. And to the extent that compromises have been necessary, these will affect only a small minority of situations.

Mr. Speaker, I now want to turn to the second major subject contained in the Bill. As members know, the role and the world of financial transactions has been revolutionized by technology. Most employees now receive their pay by means of direct deposit rather than a cheque. We can pay bills by pre-authorized withdrawals from our bank accounts or even pay them over the phone.

Boards of education are increasingly interested in taking advantage of new technologies for a variety of administrative reasons. However the existing provisions of The Education Act are still based on the traditional idea of payments being made by cheques with original signatures or by payroll systems with preprinted cheques.

To enable boards to function more effectively, we are removing these specific requirements and creating the flexibility for each board to determine who they wish to handle these types of financial transactions. We've avoided referring to specific technologies available today in order that further amendments will not be needed as technologies become obsolete.

The third main topic dealt with in this Bill is pupil records. The existing provisions set out very specific and limited circumstances under which pupil records can be disclosed. Confidentiality of all personal records, including those of students, is obviously something we need to be concerned about from two perspectives.

On the one hand, confidentiality requirements must be sufficiently stringent as to protect the privacy of students' personal information. On the other hand, Mr. Speaker, the ability to disclose information must be sufficiently broad to enable the interests of individual students to be respected. Mr. Speaker, various government departments involved in integrated services initiatives, including the departments of Justice and Education, have examined relevant provincial statutes to assess changes required to allow for a more integrated service approach.

And while we want to protect the privacy of personal information, it's important that service providers be able to share information of mutual concern. The existing provisions of The Education Act have been determined to be a barrier in this regard in that they do not permit appropriate — and I stress appropriate — sharing of information. And with these legislative barriers removed, our government can work toward more efficient and integrated services.

Further, Mr. Speaker, the existing provisions are inconsistent with the principles and concepts incorporated in our own provincial freedom of information and protection of privacy legislation. For example, they did not give a student the right to consent to the disclosure of his or her own records, nor do they give a student in most cases any right to see their records except

in the presence of a student's parent.

The approach being taken is to repeal the existing provisions entirely. And since boards of education are local authorities within the meaning of The Local Authority Freedom of Information and Protection of Privacy Act, the provisions of that Act will now apply.

Mr. Speaker, our department will work with the Saskatchewan School Trustees Association and school divisions before the amendment is proclaimed, in order to ensure a smooth transition.

Mr. Speaker, the fourth and final element in this Bill deals with the Saskatchewan Book Bureau. The bureau is part of the Department of Education and is responsible for making textbooks, curriculum documents, and a variety of other educational materials, available to school divisions, educators, and the public. And over the years, Mr. Speaker, the materials handled by the bureau have grown in volume and have become much more diverse. It seems appropriate that the name of the bureau be changed to more accurately reflect its function, and for this reason the bureau will be known from now on as the Saskatchewan Learning Resources Distribution Centre. This new name is consistent with the names of similar agencies in other provinces.

Mr. Speaker, The Education Act is one of the longer and more complex of our provincial statutes. It deals with all aspects of our K to 12 education system in our province. The Act needs amending on a regular basis to reflect developments in our education system and to address issues as they arise. The amendments included in this Bill are designed to deal with a variety of important matters which require attention at this time.

So, Mr. Speaker, I'm therefore pleased to move that Bill No. 5, An Act to amend The Education Act, be now read a second time.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. The Education Amendment Act put forward by the government attempts to clarify and correct some of the current problems in our education system. Unfortunately the government's proposed changes are not adequate, at least not as they are presented in this Bill. I would like to briefly outline some of our concerns about this Bill today, although we believe it warrants a far more thorough examination before the members opposite push it through.

Mr. Speaker, any time we talk about education, we're talking about the future of our province. Any decisions we make could now seriously influence our children and the opportunities they have become productive . . . in the hopes that they become productive adults.

Already this government has started to chip away at our education base, Mr. Speaker. For the past five years, operating grants to school boards have dropped significantly. From 1990-91 fiscal year to the 1995-96 school year, grants have plummeted by over \$20 million, Mr. Speaker.

And that's not the worst news. According to the Saskatchewan Teachers' Federation, only Prince Edward Island spends less money per pupil than the Saskatchewan government. This is a disturbing fact, Mr. Speaker. However, this government seems oblivious to the comparison.

I want to know, is the government trying to tell the people of this province that their children's education is so unimportant that it's okay to have one of the worst records in the country? And Saskatchewan's record isn't any better when it comes to student-teacher ratios. In fact it's worse. Our classrooms have the highest number of students per teacher in all of Canada.

Mr. Speaker, this government should be ashamed that its commitments to education rank so low, especially when compared to other provinces. Do the members opposite believe that the public supports their actions when they turn their back on our children to save money? If they do, they are dead wrong.

In a 1995 survey commissioned by the SSTA, people of this province identified lack of funding as the biggest problem schools face. So the public is noticing, Mr. Speaker, and we intend to make sure that their concerns and their protests are heard loud and clear by the members opposite.

Mr. Speaker, to some extent the changes proposed in this Bill will make at least some teachers happy. For one, the amendment to the Act addresses the issue of replacement teachers. In my understanding, if on or before May 31, a teacher's leave of absence is reviewed for another academic year, the replacement teacher: (a) has the right to refuse to replace that absent teacher for that academic year; (b) is deemed to have an indefinite contract from the day the teacher was retained for the first academic year by the board or the conseil scolaire.

(1430)

Mr. Speaker, we have talked with people who are familiar with The Education Act and they have some concerns about this amendment. For example, the government has proposed changes to sections 9, 10, and 11. The significance of these sections is that at the end of two or more years, a teacher on leave of absence may return and that board would have to invoke either the redundancy or misconduct sections to get rid of one or the other. To avoid this, boards may refuse leaves or look for reasons to dismiss replacement teachers in May. Neither of these options is desirable. In the committee as a whole, we will propose our own amendment to try to alleviate this potential problem.

Another less contentious proposal in this Bill is the changing of the name from the Saskatchewan Book Bureau to the Saskatchewan Learning Resources Distribution Centre. While we have no problem with the name change, only if it does not end up costing the taxpayers money. We have far more important things to spend our money on than changing letterheads and business cards. We have to channel it to the quality of education, as an example.

Mr. Speaker, we also do not object to the change in financial enumerations by boards or conseils. The proposed amendment

would presumably keep pace with technological advances, and this is a positive thing. This government is so far behind the rest of the country in their commitment to education, we should applaud even these minimal steps and attempts to catch up.

The final amendment to this Act which I make . . . I'd like to touch on briefly today, concerns the repeal of the confidentiality of student records section of this Act. Previously records were not released to anyone except parents, guardians, pupils over 16 living independently, youth workers, school officials, and authorized officers of the department. However, the local authority and freedom of information Act is now in place and appears to be in conflict with this section. If this is indeed the case, Mr. Speaker, we'll be calling for an immediate repeal of the 146 without delay for proclamation.

Mr. Speaker, there are a lot of points in this Act which still need to be discussed, but I don't have enough of the legal background to make these points here today. I strongly believe though they do need to be addressed because, as I already emphasized, changes made to legislation now could have a significant impact on our classrooms in the future.

Mr. Speaker, leading up to this legislative session, we have heard a lot of making choices from the government. Well now it's time for those choices to be made. And when choices are made in our education systems, Mr. Speaker, they must be in the best interest of our children. We want and need a strong, effective school system in this province.

My hat goes off to the leaders of our school system who have managed to survive; to survive despite the pressures of barbaric cut-backs by the members opposite. These school boards, teachers and staff, have done an admirable job, but at some point the financial pressure on them must be released. We need to start giving something back to our schools.

Mr. Speaker, education is so important, and I know the members opposite agree with me. Once again I'll bring up the Premier's comments from 1990. He said, and I quote: "Increased education is a priority. All I can say is, we simply have to find more money". Well I can simply say: yes, we do.

Mr. Speaker, I don't mean to stray from the issue of this Bill, but we are talking about amending an Act that deals with our very important education system and I think it warrants some meaningful discussion. In my comments, I have made it clear that the government's proposed amendments to The Education Act are not in the best interests of all people involved.

Although we have little problems with some of the changes, we have very deep concerns about others. Therefore, Mr. Speaker, we would like to ask that this House adjourn debate on this issue so that we can collect a wider variety of opinions and can ensure that the best interests of everyone are represented in any changes in this Act. Thank you.

Debate adjourned.

Some Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 36

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mrs. Teichrob that **Bill No. 36 — An Act to amend or repeal Miscellaneous Statutes concerning Municipal Government** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, our caucus spoke at some length on this Bill when it was introduced in second reading. At that time, we asked the Assembly to adjourn debate and we wanted to look at the Bill more closely. Well, Mr. Speaker, we have had time to look through the Bill and, although we would like to pass it on to Committee of the Whole, some of the concerns we raised in second reading still stand.

For example, we still find the decision to exempt SAMA (Saskatchewan Assessment Management Agency) from printing its new assessment manual in the *Saskatchewan Gazette* disheartening. This is typically how people learn about the new regulations.

The members opposite seem to be using this Bill as a shield. They are worried the public will be flinging abuse at them and they are using this new rule to limit access to the new assessment manual. This is both unfair and undemocratic.

But the members opposite must remember that they were elected by the people of this province. They should be accountable to those same people. And that means opening up documents to the public eye, even if those documents are controversial — or I should say, especially if those documents are controversial. It is pathetic to think that the members opposite would rather hide behind a piece of legislation than welcome open public input. We sincerely hope that they will reconsider this decision. And if not, we'll find a way to open up access to the public.

In the Committee of the Whole, we will be asking for an amendment to help ensure this manual is easily accessible to the public. We will also be asking for further clarification on the time frame for filing petitions for or against local improvements.

The final concern I would like to touch on today deals with the appeals to the assessment appeal committee of the Saskatchewan Municipal Board. This board proposes to lengthen the appeal period from 15 to 21 days and to centralize hearings. The members opposite believe this centralization will save money. Before we support this amendment, we will be asking for more details on how this will affect the people of this province, particularly in rural areas.

In our earlier discussions about this Bill, we raised some questions. And we would like to see these ambiguous statements addressed in the legislation itself. When do the petitions have to be submitted? And when do they have to be certified by the assessor? Perhaps an amendment to the wording would suffice, but there's no sense creating new legislation that

is unclear or confusing.

Besides these issues I have brought forward today, Mr. Speaker, this Bill does appear to have some validity. For example, it is ludicrous that Wanuskewin Park employees have been contributing to the provincial government's employees' superannuation plan but are not entitled to the benefits. This is one of the changes we strongly support.

Mr. Speaker, we have not raised any new or startling concerns today, but the concerns we have raised must be addressed before we vote on this Bill. The most effective way to raise our concerns, we'll go through the Bill section by section. Therefore, Mr. Speaker, we ask that Bill No. 36 be discussed in the Committee of the Whole. Thank you.

Some Hon. Members: Hear, hear!

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

Bill No. 24

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Shillington that **Bill No. 24 — An Act respecting the Prescription of Pharmaceutical Agents and Contact Lenses** be now read a second time.

Mr. Gantefer: — Thank you very much, Mr. Speaker. As we indicated when we moved for adjournment on second reading, we are largely in favour of the intent and the direction of this Bill.

In our discussions with the optometry association and optometrists around the province, they have also indicated that the government has consulted fairly widely in this regard. And while a person may be tempted to make the obvious comments about how this Bill will provide much clearer vision in terms of how optometry and the optometric society will work in this province, I will forgo that.

We also have indicated that there is one area of concern that has been raised in our discussion with the association across the province, and that has to do with the whole area of who is responsible if services are not provided in such an effect that it could create problems. And while we think that that is an inadequacy of this Bill as stated, we're also very hopeful that the government will entertain in Committee of the Whole that a positive, friendly amendment could be considered so that this small deficiency could be clarified.

And so, Mr. Speaker, I am very pleased to see that the government has consulted with the industry in this regard. It's going to update the providing of particularly contact lenses across the province. It's a good deal in terms of the consumers of the province are going to find the cost of this service decreased because it clarifies the dispensing of certain drugs and pharmaceuticals. It's also going to make it much more cost effective for the whole health care system and therefore, Mr. Speaker, I suggest we move this Bill to Committee of the Whole.

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

Bill No. 40

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 40 — An Act respecting Pharmacists and Pharmacies** be now read a second time.

Mr. Gantefoer: — Thank you very much, Mr. Speaker. I stand today to address the issue of the pending debate on The Pharmacy Act, 1996. New legislation in this area has long been overdue, as it has been 18 years since the last Act with regard to pharmacies and the regulations thereof was introduced and consequently enacted in this House.

Pharmacists play an extremely important role in our society and the legislation that governs them and their profession needs to be modernized. The Bill before us today will, if passed, replace the outdated pharmacy Act of 1978. This Act no longer addresses nor meets the needs of pharmacists and their businesses in Saskatchewan. The new professional legislation that has been passed in our province affects all pharmacists and pharmacies, and this Bill is needed to deal with and implement these changes.

The Act before us today does address many of the shortcomings of the current legislation, but it also leaves a series of questions and concerns that beg answers. I feel that these questions should be dealt with in more detail when we proceed to Committee of the Whole.

The Pharmacy Act, 1996 will require the Saskatchewan Pharmaceutical Association to file an annual report to the Minister of Health, and we as a caucus see this as a positive step in the right direction because it highlights accountability. A large part of this Act deals with professional and criminal misconduct and the consequent charges and penalties that may be imposed. The penalties for professional misconduct range from suspension of a pharmaceutical licence to criminal charges. Penalties for some re-offences will increase dramatically in this new legislation. This, in my mind, is a step towards more responsible administration of drugs and pharmaceutical products.

When dealing with the dispensing of drugs to the public, penalties for betraying the trust and endangering the health of the general public cannot go unnoticed and without sufficient punishment. The safety of the public must always come first.

This Bill brings the pharmacy profession into the 1990s in many ways, but there are still some concerns on the part of our caucus and on the part of pharmacists who will be affected by this new legislation.

There are areas that we as a caucus feel need more clarification. These areas are with regard to the possibility of pharmacy ownership by government or district health boards. It is not fair that yet another area of our economy should face the fear that they may have to compete with government for profits.

(1445)

Section 19 deals with the issue of a permit to run a proprietary pharmacy to anyone who meets the predisposed conditions. There is concern on the part of pharmacists that the door may be open for district health boards to own and run pharmacies in an attempt to make money or to meet their bottom line. Many small or local pharmacies and pharmacists see this as a threat to their economic well-being. Competition is welcome, but competition with government is often difficult to win.

Although we still have some concerns of the possible impacts of many of the proposed amendments to this Bill, I feel that these questions will be better dealt with in the Committee of the Whole. For this reason I see no reason to hold up debate on this Bill any longer, and I recommend that this Bill be passed on to the Committee of the Whole. 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. 8

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 8 — An Act to amend The Saskatchewan Opportunities Corporation Act** be now read a second time.

Ms. Julé: — Thank you, Mr. Speaker. First of all, I want to take a closer look at the Saskatchewan Opportunities Corporation.

As stated during the first go-around on this amendment, the Saskatchewan Opportunities Corporation is a new Crown corporation. At least that is what the Minister of Economic Development would like everyone to believe. He believes that changing the name and rewording the mandate of a very similar Crown corporation we all knew as SEDCO (Saskatchewan Economic Development Corporation) makes this corporation infinitely valuable to the province.

If this corporation put the decision-making power into the hands of the business people, then perhaps it may be beneficial. Mr. Speaker, right now the minister has the power to decide which business will be successful and which will not. He does this simply by approving or, more often than not, rejecting applicants.

Mr. Speaker, we have been repeatedly told by the Minister of Economic Development that the business people of Saskatchewan are very intelligent, innovative, and capable. They can do so much for themselves if the minister would simply move back and allow them to do it, yet he refuses. He wants to maintain strict control over the business community so as to allow him to take credit for any positive happenings. Mr. Speaker, this is not acceptable.

The minister now wants SOCO (Saskatchewan Opportunities Corporation) to have access to an additional \$100 million. This is the same minister and government who have repeatedly claimed that a reduction of \$100 million in federal transfers will cause the sky to fall on Saskatchewan. One hundred million dollars is a lot of money to hand over to a corporation that has

yet to differentiate itself from a horror story named SEDCO.

Mr. Speaker, the people of Saskatchewan need things like health care, quality education, accessible social programs, and safe highways to mention a few; \$100 million could go a long way in the hands of the educators and the care-givers of this province.

This NDP government accused the federal government of threatening our essential programs and services through the alleged reduction of \$100 million. Mr. Speaker, now all of a sudden we have \$100 million for the Minister of Economic Development to allocate as he wishes. Perhaps, Mr. Speaker, the Minister of Economic Development is grasping at straws trying to figure out how to handle his accounting glitch after purchasing Innovation Place.

Mr. Speaker, I would like to discuss the issue of job creation. This government has, over and over again, patted themselves on the back for creating jobs. The fact of the matter is that everyone on this side of the House, and the million people in this province, know full well and have experienced firsthand the effects of NDP job cremation.

The stats don't lie. These are the stats put out by one of the government's very own agencies. These are the stats that clearly show Saskatchewan is rapidly losing jobs. The minister knows it, but he would rather hide behind his glossy documents instead of taking on the huge task of undoing what they so carelessly did. Mr. Speaker, this is shameful.

Mr. Speaker, in the short time that we have been official opposition, the business people of this province have time and time again told us they want less government involvement. I am quite certain that the Minister of Economic Development has heard the same pleas, but this would mean that the minister couldn't act as the omnipotent being he has led himself to believe he is. This amendment is just another example of how the minister and his government want absolute control over economic development in this province.

Mr. Speaker, I say again, we are dealing with \$100 million. This is at the same time the minister has not answered the pleas of the business people to reduce taxes, reduce restrictive labour legislation, and reduce regulations.

I don't know what it will take, but giving the minister access to \$100 million for research and development parks is not the solution. Mr. Speaker, we do need research and development in the province, but not under the strict control of government. We have said before and we'll say again, it's not the job of government to decide who may have business, where the business should be, how the business should operate, and if the business will be successful.

The approach of this NDP government is to give the answer to these questions. Mr. Speaker, it is not their job. No chance. The business people will answer these questions, and I can assure you they have the correct answers.

Mr. Speaker, getting back to the \$100 million. Coupled with the existing \$100 million, we are talking about an enormous

amount of money — \$200 million. What is truly sad is that the Minister of Economic Development will sit back and take credit for every single job that may be created as a result.

I say to the minister that businesses will come to Saskatchewan, and they will invest in Saskatchewan. They don't need the minister setting up roadblocks. By reducing roadblocks, the Saskatchewan economy would thrive and prosper into the next century. We would finally experience substantial job creation and economic growth, but the Minister of Economic Development has yet to realize this.

He seems to be stuck in the 1980s, when the Tory government would just give huge hand-outs to business as their means to economic development. Mr. Speaker, economic development is the job of business. Government must provide a framework for economic activity, but they cannot continue to make the mistake of tying the hands of business, which is ultimately stifling growth.

Mr. Speaker, I hope that as we go into committee and discuss this in detail that we can make some significant input that will improve this Act. Therefore we will not be limiting its process right now. Thank you.

Some Hon. Members: Hear, hear!

The division bells rang from 2:55 p.m. until 3:20 p.m.

Motion agreed to on the following recorded division.

Yeas — 22

Van Mulligen	Lingenfelter	Shillington
Anguish	Atkinson	Johnson
Whitmore	Crofford	Renaud
Koenker	Trew	Bradley
Lorje	Scott	Stanger
Murray	Langford	Wall
Kasperski	Ward	Flavel
Thomson		

Nays — 7

Osika	Draude	Belanger
Bjornerud	Julé	Krawetz
Gantefoer		

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

COMMITTEE OF THE WHOLE

Bill No. 6 — An Act to amend The Community Bonds Act

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

Hon. Mr. Lingenfelter: — Mr. Chairman, I'd like to introduce to the Assembly and the committee my staff person, Denise Gustavson, who heads up the community bond program for the Department of Economic Development.

Clause 1

Ms. Draude: — Thank you, Mr. Chairman. And welcome, Denise, to the Assembly. We're glad you could be here today.

I have a number of questions for you or the minister on this Bill. And I guess maybe I can start by asking you what you feel this review process . . . what type of changes there have been made that you feel are going to be beneficial to the Act right now.

Hon. Mr. Lingenfelter: — Yes, I want to just say that there are three main changes to the legislation that will be achieved by the amendments. And I want to say first of all, it will eliminate all references to the environmental bonds as a separate class of bonds and add environmental projects as eligible investments for community bonds. So that's one aspect that changes.

Secondly, and I think probably for many members of the community, the biggest change will be to eliminate the guarantee fee the investors were required to pay under the Act, currently equal to \$3.75 per hundred investment on a five-year term. And this was causing, I think, an extra burden for the bond co's; especially some of the smaller ones seem to have the biggest problem. But it was a problem for all of them. And I think that is probably the most substantive change and will be seen as a very popular move by bond co's across the province.

And the third main point is to authorize repayment of all guarantees collected to date to ensure equitable treatment under the program.

So those are the three changes that we are making. And the community bond program, in relative terms being relatively a new program, I think you can expect to see minor changes like this on a regular basis in order to keep the program current and, I think, working in the best interests of communities across the province.

Ms. Draude: — Okay. And it's also going to allow different classes of bonds and different terms and conditions for each classes. Why is this necessary? Has there been requests for this?

Hon. Mr. Lingenfelter: — It doesn't allow for different terms in different classes. In fact it makes common, across the board, coverage. So it tries to eliminate different categories in different groups.

Ms. Draude: — And the age restriction was changed. Was there a special reason for that?

Hon. Mr. Lingenfelter: — Well there's two reasons of course, as you know. And I have noticed from the second reading speech and also the comments that I have made, that raising the limit from 16 to 18, it was very difficult to get people between 16 and 17 to sit on these boards because obviously they would be at school and not feeling comfortable. So the age was increased from 16 to 18. That's at the one end of the spectrum.

And at the other end, we increased the limit from 25 to 30 for the youth member to do the same thing. In many communities,

it was difficult for the bond co's to get people between that age. This actually expands the number of years that they can draw from. And also by moving it up that five years, it gives them I think more impetus and more opportunity to attract those in that younger age group.

Mr. Krawetz: — Thank you, Mr. Chair. Mr. Minister, thank you for your answer there. As I read subsection 3 on the bottom of page 1, I see that you must have one person who is between the age of 18 and 30. You've just elaborated that you've actually increased the age from 16 to 18 and from 25 to 30. There's only one person to be selected between the ages of 18 and 30. Or at least one, at least one. I'm sorry. Yes, okay, you're right.

Now does that mean though that the old Act said that you also have the provisions of one person, minimum, between age 16 and 25? What greater flexibility is provided now for the bond creation . . . or the bond company to have 18 to 30? Sixteen to 25 are like . . . If we now have a person who is selected who is age 28, are we eliminating someone who represents the youth which is like usually age 24?

Hon. Mr. Lingenfelter: — The problem was — is — that we were getting virtually none between the age of 16 and 18 because it just wasn't . . . most bond co's didn't think that that was an appropriate age to have a board member. So you basically were eliminating those people between 16 and 18, because the bond co's were either believing that was too young or just not able to attract people. And by adding the five years on the top, between 25 and 30, you were actually opening up a bigger segment in the youth category.

And dealing with the different bond organizations around the province, this was a request that a good number of them were asking for, and this legislation responds to those requests.

I just might add if I could, Mr. Chairman, before I take my place, that the member is right in assuming this does not restrict that you can only have one person in this age group. In fact this is a minimum clause. So in fact if they wanted to have their whole bond board in the group of 18 to 30, there would be nothing restricting them from having as many as they would like.

Ms. Draude: — Can you tell me why there should be at least one? Is there a certain reason why you're asking for one member to be between the ages of 18 and 30?

Hon. Mr. Lingenfelter: — Well I think it's an attempt to include entrepreneurial skills and entrepreneurial appreciation at a much younger age. And if you look at our *Partnership for Growth* document, to take it one step further, we're also trying to make sure that entrepreneurial skills are taught even earlier than this — within the school system.

And this has been one of the parts of *Partnership for Growth* that has got a lot of attention. And I've received a number of letters of congratulation to the business community and the government for establishing the need for . . . within our school system and in terms of training young people at a very early age; that looking at the private sector of being a small-business

person or a business person is something that traditionally within our school system — and this is true I think in many jurisdictions in North America — that we just haven't emphasized enough with our young people that they should not only look at where they might get a good job working for someone else, but every one of them should include in their litany of opportunities the possibility of them themselves going out and starting a business and actually employing other people.

So this is an attempt to include young people in the bond corporations. But it's part of our more general thrust of trying to get entrepreneurial skills included in families and in the school system at a much earlier age.

(1530)

Mr. Gantefoer: — Mr. Chairman, Minister, I've had — and I say it very sincerely — the pleasure of being involved with Melfort and district community bonds association, and so I bring a little bit of firsthand experience about the whole process of community bonds. One of the things that was frustrating for some of the people that were coming to us is a number of issues and I want to ask you if you're addressing this in any way in this amendment.

The first one was the whole process of review that has to be done on any projects. And I am very much supportive of the concept of due diligence and making sure that the interests of the Saskatchewan taxpayers are protected and all those things, but the comment that seemed to come quite generally was the whole question of timeliness and how much time it would take between the time that these projects were submitted for review and the time that the review process would be completed.

I wondered if you may speak briefly about your thoughts on this, because I don't know if it's just something specific to our projects or if it is something more generally a problem and I wondered if you're considering addressing that?

Hon. Mr. Lingenfelter: — The problem that the member identifies is, I guess, is not unusual when you're going to a bank or a credit union, or in this case, asking other taxpayers to guarantee the bonds, because as the member has indicated — and just to elaborate on it for a moment — when these bonds are received and people put money into the local projects, other taxpayers across the province guarantee 100 per cent repayment of that bond if the local project fails. And this is something we've debated in the House, as to whether or not there wouldn't be an opportunity for the federal government to pick up some of the guarantee, or even the local municipal government at the local level, because that's the community that, broadly defined, benefits most initially from the investment.

Therefore some would argue why wouldn't the local government guarantee 25 per cent; that puts a check and balance on it, and if it's good for their community . . . if it does fail some of it would come directly back the responsibility to the local community.

We haven't gone that route but what we have done is insist on, as you call it, proper due diligence to make sure that the taxpayers who are footing the bill are well protected.

Now what we would like to do, and have been able to do, is streamline the process, because I don't think due diligence and long process are necessarily synonymous. And we've tried to compress the time line in which the due diligence has to take place, and in the last set of changes in the legislation that process has been improved. And I think what it is, is striking a balance between meeting the needs of the community to get on with the development and job creation, and meeting the needs of the investors or the protector of the investors, that being other taxpayers, who are putting their money on the line by guaranteeing the bonds.

And I think it's improved and probably can be improved further. But I just say that, whether you're a manager of these bond corporations in protecting the taxpayers' money or whether you're a credit union manager or whether you're the Royal Bank, taking time to make sure the project has legs, so to speak, will continue to be an important part of setting up a bond corporation.

Mr. Gantefoer: — Thank you, Minister, and I appreciate the difficulty and the balance. One of the other things that struck me in my experience with the bond corporation is that it has to do with the projects that will come forward to bond corporations. And of course, depending on the success that the bond corporation has had in raising funds, that will attract different kinds of projects.

And I'm very concerned about the fact that, for example, the Saskatoon bond experience was not all that happy. A fair bit of money was raised, but after the two-year time limit on finding suitable projects, there really were no suitable projects to any extent that came through the process, and so the money got returned. And that's all well and good.

And I wondered if the minister, through this process, is contemplating some type of assistance in terms of attracting projects that would, you know, have a high likelihood of meeting the due diligence process and would actually then be good projects that the investors that have put up all this money . . . because that is always a very difficult thing to do especially if it isn't a project specific bond or it's just a general bond where you're just raising money then to have considered for investment. Saskatoon project, P.A. (Prince Albert) project, and even initially the Melfort project was not project specific.

And so it seemed as if there was a great deal of frustration and drag between the time that the money was raised and really good projects were coming forward. And I wondered if in this process that there is some contemplation of a searching for projects. I mean there always seem to be people saying they need money and yet then when you raised the money there didn't seem to be any projects that easily met the qualifications. And that was very frustrating to see that that money would go back, because a lot of time and energy was put into the raising of it and it's sort of unfortunate that this potential investment pool went back. Is that being considered?

Hon. Mr. Lingenfelter: — Well within the Department of Economic Development we do have officials and department strength in the area of project management, not only within our

department, but also in Saskatchewan Opportunities Corporation, as well as in Crown Investments Corporation or CIC as we commonly call it.

Now when we are working on projects with individuals or companies or relocating companies to the province, community bonds is one of the tools in the toolbox that we tell companies about that they would be able to use. At the present time, as you know, there are a number of communities that use the community bonds and a number of them that don't. The one where I would have expected community bonds might have been used and they chose not to go that route, is the very successful project in Moose Jaw where the spa raised a lot of capital at the local level through local investment and chose not to use the community bond program.

So we shouldn't assume the community bonds are in some way the only set of tools that communities have for doing economic development. There are many, many of them. And having said that, the community bond program seems to be working very well for some areas.

I want to say as well though, that this is a community-driven program and we are really intent on making sure that the ideas and concepts, as they come forward, are not being driven by Regina or by the bureaucracy in Regina but are being driven by the local folks.

So while we can go out and assist once projects are thought of and intentions are made known, I think part of the problem of the previous administration was trying to force-feed economic development literally with hundreds of millions of dollars, saying, look if you just get out there and spend a bunch of money somehow you're going to have economic success.

I challenge anyone to look at the job creation record during the 1980s when we were spending hundreds of millions of dollars, and I'll provide for you . . . but the outflow and the out-migration during the 1980s as compared to today, even though we're spending very, very many fewer tax dollars to drive these initiatives, the out-migration has gone down very, very considerably.

Also the population of the province has now grown continuously for almost three years, whereas in the 1980s, at least in the last half of the 1980s, the population was going down. And you know full well that at the time the previous administration was putting hundreds of millions of dollars into upgraders, and GigaText and the Supercarts, and trying to force-feed an economy from the top down.

And so here again, while I accept that we do have a role to search out and try to put some ideas in front of people, I much prefer those ideas that come from the local community. And whether that's processing of food products or hog production, I tell them, when I go out there, bring the projects forward. There's lots of them available, but know that they have to be your vision and your dream of what your community wants to be.

If you're assuming that I, as Minister of Economic Development for example, have a long-term economic vision

for the community of Humboldt and somehow I'm going to bring it out there and give it to you and that you just have to implement it, that's the reverse of what I see economic development being.

Mr. Gantefoer: — Thank you, Minister. Looking at the projects again that come forward, it struck me that, for a lot of these potential projects, community bonds may be a funding mechanism of last resort. And I recognize that that creates a unique set of problems and why due diligence is so important. But . . . (inaudible interjection) . . . I don't know of any of those on community bonds.

The question is that quite often, because of the nature of these projects as well, is that there seems to be an overemphasis on sort of a nice packaged report or a nice packaged presentation by a bunch of outside consultants that cost a fair bit of money to the individual that's proposing the project.

And quite often it seems to be an attempt to sort of make a silk purse out of a sow's ear because the project, when you really stripped away the 50 pages of paper, really did not have a lot of validity to it. And yet they come with this great package with a wonderful looking presentation, with layers and layers and layers of baffle-gab.

And it made it very difficult, I know, for the local bond organization to actually sort through this stuff. And there seemed to be a predisposition to have this very professional, high pressured sales thing.

And I wonder if that sort of process has been encouraged by this due diligence process or where that initiative has come from, because I think it's quite disruptive and difficult for local bond corporations to sort through that quite often.

Hon. Mr. Lingenfelter: — Well I'm not going to say very much about that, but I'll just accept that the member has experience with a bond co and I'll just take that under advisement.

Ms. Draude: — Thank you. I'm wondering, the community bonds, when I talk about companies like Shuttle Craft in Prince Albert, and they had the opportunity to use . . . or there was money through the community bonds in Prince Albert, and they chose to go to SOCO and move to Saskatoon. In your opinion, do you feel that there was restrictions through the community bonds that made it easier for them to use SOCO, or was there too many regulations or red tape within community bonds that didn't provide the right atmosphere for them to remain in Prince Albert?

Hon. Mr. Lingenfelter: — I just want to be clear that the Shuttle Craft didn't use a community bond program and chose to borrow the money from Sask Opportunities Corporation or, I suppose, could have went to the Royal Bank or the credit union.

But SOCO's role is really a very unique one and fundamentally different than what was there on the previous lending administration known as SEDCO, where SEDCO really did loans for many, many purposes on Main Street, Saskatchewan. They could have set up a motel or a laundromat or a Kentucky

fried chicken outlet by borrowing money through SEDCO.

Sask Opportunities Corporation does not see in its mandate any of those kind of retail ventures as being in their responsibility. Saskatchewan Opportunities Corporation, in addition to managing and operating Innovation Place in Saskatoon and other research parks' potential in the future, also lends money or takes equity position in non-traditional kind of investments in the province.

Shuttle Craft is one of those ventures because there's no competitor in the province for Shuttle Craft. The competitors are all outside of the borders of the province. No one else builds a craft like this in the province. So the criteria of meeting the . . . or meeting the needs of the criteria of SOCO were there when it came to Shuttle Craft. And of course they would have had just as much chance of getting a SOCO loan if they had stayed in Prince Albert or Saskatoon or if they had chosen to go anywhere else in the province of Saskatchewan because size of community or location of community is not one of the criteria that Saskatchewan Opportunities Corporation would take into consideration.

(1545)

Ms. Draude: — Why do you think the community bonds, in places like Prince Albert and Saskatoon then, aren't utilized?

Hon. Mr. Lingenfelter: — As I said, every community seems to take their own approach. I sometimes wonder why communities choose to use one set of tools to do the economic development as opposed to another. But here again, I think it has to be very much a local decision. Some areas of the province choose not to use very much government program at all. They don't choose Sask Opportunities Corporation. They don't use CIC, and they don't use community bonds. They just deal with the regular lending institutions.

And that actually, I think, pleases me very much because of course then the other taxpayers in the province aren't on the hook, Moose Jaw being one of the examples where they raise their money selling shares but didn't use the community bond program.

And so every community chooses to do their economic development in their own way. And community bonds work for some community, and for others they don't, but I think these are local decisions. And I think each community might have a set of reasons. But to say one reason or another, it just wouldn't be appropriate here.

Ms. Draude: — I guess I believed that there is sort of a . . . a lot of our entrepreneurs in Saskatchewan have actually left this province, and I believe that some of the high taxation and the labour legislation that are around actually create an unfavourable environment.

And I also think that the repayment window on community bonds is a problem. Have you been asked by community bond people to extend or to lengthen that repayment window for the bonds? The repayment window usually . . . to repay the loans usually . . . or within, like December 31, '97. Like there's a time

frame that they have to repay the bond.

Hon. Mr. Lingenfelter: — The length of the bond . . . Here again, it's trying to find a balance to which you as an individual . . . if you're putting your money into a bond in your home community, if you had it for longer than five years, it would actually be an impediment for people putting their money in because most people simply don't like tying their money up for longer than five-year blocks; in fact, even five years for most people is a considerable length of time.

If your argument is why don't you make it a longer period that people have to leave their money in, I think very quickly you'd see a diminishing amount of money coming into the program just because people like, I think, to have flexibility over their investment as to when the money comes and goes. So after a lot of discussion and debate, doing it in five-year blocks seemed to be about as long a period as you could ask people to leave their money in the bond without starting to lose some serious investors on the other end.

So here again, I suppose in a perfect world we'd like to be able to say to the public, we're taking the community bond in for 10 or even 15 or 20 years. But of course being a voluntary program, the number of people who would invest in a community bond for 15 or 20 years, I think, you would find to be very, very few.

Ms. Draude: — There's actually two committees that review a bond or an application for funding through the bond, and I've found from one of the clients, one of the people that have bought a community bond, that they've found that this process is very time-consuming and that . . . And I'm not sure. You can probably enlighten me if the review committee — once it's been approved by the bond committee — has a regular meeting time, or if there's some kind of schedule where they meet on a basis that can hurry the procedure along. Most business people know that there is a time frame that has to be met in order for business to be carried out in an efficient way. So I'm wondering if this review board does meet at a regular time?

Hon. Mr. Lingenfelter: — As you mentioned, there's two review processes: our own and then a private-sector review that takes place as well. And both meet on a monthly basis. So if the timing is right, it could happen very quickly.

But on the other hand, I think a month wait is not an extremely long time either. So we try to coordinate in the event of . . . for example, if it went through our board and then there wasn't another meeting for a month for the private sector board, we would arrange our meeting on more than a monthly basis in order to try to accommodate the bond co.

So I really think that process has been streamlined a great deal, and I really, quite honestly, don't get very many complaints on that part of it. We think the program at this time is working quite effectively, has created a number of hundreds of jobs across the province. And quite honestly, we encourage communities to look at the community bond program as a tool that is quite meaningful.

Clause 1 agreed to.

Clauses 2 to 15 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 6—An Act to amend The Community Bonds Act

Hon. Mr. Lingenfelter: — Mr. Speaker, I move the Bill now be read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

COMMITTEE OF FINANCE

General Revenue Fund Economic Development Vote 45

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

Hon. Mr. Lingenfelter: — Mr. Chairman, it's a pleasure to introduce the staff I have with me today. Seated right beside me is Bob Perrin who is the assistant deputy minister responsible for regional economic development, the services division. And seated behind me and slightly to my right is Janis Rathwell who is assistant deputy minister responsible for programs and corporate service division. And Tom Douglas who is seated to my left, executive director, diversification division; and David McQuinn, senior policy coordinator, policy and coordination division. And we look forward to attempting to answer the questions from the members of the official opposition.

Item 1

Ms. Draude: — Thank you, Mr. Deputy Speaker. And welcome to the officials with the minister. We welcome you into the legislature today. And this is the first time as official opposition we have the opportunity to discuss the budget with the ministers, and we look forward to discussing the direction this government is taking as we head into the next millennium.

I think it's very fitting that the first department we get to discuss is Economic Development because, as we all know, without the economy's drive and thrust forward, there won't be the money we need for highways and education and health and everything the rest of the province is looking to see some growth in in the next four years.

I'm going to ask if the minister will actually summarize or tell us about the last year in his Department of Economic Development and the activities within the department, just to give us an overview.

(1600)

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to say that clearly the opportunity for us to be the first department to come before the review of this committee is indeed an honour today.

And I think it's appropriate, too, to pick up on the comments made by the hon. member who spoke before me, that this is the first opportunity for the official opposition . . . I think all of them who are with us today in committee are new members and I want to say to them that this is an important part of the process in the legislature and in a democracy, and that is for members of the opposition to ask questions of government ministers.

And I think it's clear, too, that it's not only an opportunity to ask questions, but also to lay out positive alternatives of where we may be able to pick up and seek advice from you as well. Because I always found that in the nine years I spent in opposition it was an opportune time for us to make positive suggestions of where we might want the government of that day, the Devine administration, to go.

I think having the wealth of experience that the member opposite has as a small-business person, I think this is an advantage that you have. So I look forward to comments that you might have about ways and means, particularly in some of the smaller communities, where you may have ideas or concepts that you see where we may not be quite hitting the mark. And I accept that a department that is close-minded to suggestions or ideas is one that is not doing its job. So I look forward to those comments.

But as you know, in the last year we have had a very, very busy year in the department. For the first four years of our administration, particularly between the period from 1992 to 1995, we started out by developing an economic development plan known as *Partnership for Renewal*. And you go back to those days, and I'm not sure if the member was aware, but it started out with a process in Saskatoon where 30 or 40 members of the public, a blue ribbon committee, got together with myself and the Premier and other members of our cabinet for two or three days and did a blue sky session on where we thought the economy could go by the year 2000.

And I think what happened at that time was, after 10 years of exaggeration of what the province might be or could be . . . and you remember all the slogans that there were in the 1980s about "there's so much more we could be" and the premier of the day going to New York and saying there's so much money in Saskatchewan that you can afford to mismanage the economy and still be profitable and the great exaggeration there was about what the economy of Saskatchewan was really about.

In fact some people argue that this is really the first period where there has been a realistic view of the potential of Saskatchewan. At that time, all of the reports that we got said that if everyone worked as hard as they could, Saskatchewan's population would grow in coming years to somewhere around 1.1 million.

If things didn't go well, the population of the province could actually decrease to 900,000. And these analyses that were done then became a bit of a parameter of what was within the realm of possibility. And if people came to you and said, well if you just elect me we'll grow the population to 2 million, everybody in the province now knows that these are pipe dreams and that there is no strategy around, and can be no strategy, for those

kind of exaggerated political statements to be made.

So the basis of the document *Partnership for Renewal* was a very realistic one. It was based on commitments by the private sector that if we did a set of things in this province — the most important being trying to create a climate that was positive and conducive in terms of atmosphere for economic development . . . that is, everyone being positive about their community in the province. That was number one.

Secondly, they said, the key was to balance the books of the province — that you couldn't sustain the very large annual deficits that were being incurred during the 1980s. And the third main point, they told us — the business people and working people — is that strategic tax changes were necessary, but only as you could afford them. That they didn't want tax cuts that would lead to higher debt or that would result in the government coming back in a few years and saying we couldn't sustain those kind of tax cuts.

So those three primary elements were the advice that we got in a consensus fashion from working people and from business people, and then out of that flowed *Partnership for Renewal* and the 31 initiatives that you are aware of and became the basis for our first term in office of economic development.

The other thing they said is, that if we strived hard between the period of 1992 and the end of the year 2000, the economy of Saskatchewan — not the government or government agencies, but the economy of the province — could create a net 30,000 new jobs. And some will argue, as the member . . . the Leader of the Conservative Party, that Alberta's created 100,000 jobs and therefore our economy should create 100,000 jobs.

This is nonsense. There isn't any economist around, who is believable, who would believe that our economy the way it exists today would be able to achieve that — 30,000 is a realistic, best-efforts number that we believe the economy of Saskatchewan can create between 1992 and the year 2000.

You ask where are we at today? So far in the first three years of the plan, 10,000 new jobs have been created. Between 1992 and 1995 there are 10,000 more people working in the province than there was back in 1992 — so 1993, 3,500 new jobs; 1994, 3,500 new jobs; and 1995, 3,500 new jobs.

In our new plan, *Partnership for Growth*, which we worked on and consulted extensively with, the plan remains. We still believe that that 30,000 job target — and I say we; I include business in that — is still attainable. So the first 10,000 are created by 1995, that leaves '95. That leaves '96, '97, '98, '99, and the year 2000 to create another 20,000 jobs; five years for another 20,000 jobs or 4,000 jobs a year.

This is the goal and objective that we, in conjunction with labour and business, have set; in the co-op movement. We think it's attainable. And with the proper set of tools and, I might argue, with the proper, responsible opposition response in a positive way to the economy of the province, 4,000 jobs per annum is attainable and is a believable number.

So this is what we've been doing in the lead-up to today. The economy of Saskatchewan is very strong right now and I think you would have to look far and wide to find an economist or banker who would disagree that the economy, if not hitting on every cylinder, is very close to it. You need only look at the Chicago market for grain prices to realize that now, for the first time I have ever seen it, that for far as you can look down the road in buying wheat futures, the price is over \$5 a bushel right into 1997 and even into early 1998. This is really phenomenal because much of our budget structure is not based on wheat that is that high.

If you look at the price of oil today, around 22, \$23 a barrel. If you look in our budget document we're predicting 18, 18.10, 18.50 a barrel. So our numbers are coming in higher, on many of our resources, than we had dreamed of.

And so I think setting goal targets of 4,000 per year for the next five years is probably within a pretty good realm of possibility.

I say as well that I really think it's necessary, and I don't want to overstate this, but I think it's important that each and every person in this province begin to have a positive view of what the economy of Saskatchewan should be and will be by the year 2000.

Ms. Draude: — Thank you very much. First of all I'd also like to thank you for your willingness to listen to the alternatives that we will put forward, and we'll be willing to do that.

But I guess I have some questions on your *Partnership for Growth* document. The minister has spent some time telling us about the job creation that has occurred and the opportunity that is available. I do agree with him. The economy in this province has great potential and that's because of the people out here.

I do have great problems coming up with the numbers or believing the numbers of 10,000 jobs that have been created at this time. We have spoken on previous occasions about the numbers, and I guess to start with I'd like to ask you how the number of 10,000 is actually come by at this time. And I realize that we were talking about another 20,000. But I'm going to ask you to explain to me about the 10,000 jobs that are created since 1992.

Hon. Mr. Lingenfelter: — The member will know that the document *Partnership for Renewal* was released in November of 1992. And the goal, as the press and everyone has accepted, started with the release of *Partnership for Renewal*.

If you look at the numbers in 1993, for the full year of 1993, from January 1 to the end of December 1993 — these are not my numbers but StatsCanada — you will find that for the year 1993 there were 3,500 more jobs than there were in 1992.

If you go to 1994, the full year, the full calendar year, you will find approximately 3,500. And so what I'm doing is taking, year over year, since 1992 when the document was released projecting 30,000 new jobs between the release of the document and in the end of the year 2000, approximately 3,500 jobs a year . . . These are not department numbers or Government of Saskatchewan numbers; these come from the

federal agency known as StatsCanada, and each year there has been approximately 3,500 new jobs.

The reason that the analysts and the people believe that we can pick that up by about 500 jobs per year is because the books of the province are balanced. And we don't have to continually crunch as hard as we did in the first term, government agencies and government programs, which will mean that even within our own house of government we won't have to make the severe cuts that we were, and all agreed to during the first term, which will mean that there will be a few extra jobs; therefore moving our goal and objective from 3,500 a year to 4,000 a year. And if we create 4,000 jobs a year in '96, '97, '98, '99 and the year 2000, that's where you get the next 20,000 jobs from.

Now there's a lot of confusion around, and I hear the Leader of the Third Party — and I'm sure with great intent — saying that we have now downscaled our goals, and we were saying 30,000, and we're now saying 20,000. All this is being done in an attempt to confuse the public about what our goals, as stated, have always been.

(1615)

Since 1992, we said in a very realistic way — and I say again, we as a group, business people, bankers, unions, co-ops — have said that the economy of Saskatchewan can probably create between 3,500 and 4,000 jobs a year net, knowing full well that in agriculture we're probably going to see a decreasing number of people working, which means the economy actually has to increase way more jobs than the 3,500 net in other areas in order to make up for what government is downsizing and agriculture is downsizing because of new equipment which requires fewer employees at the farm gate.

And the economy is doing it. And I would be very, very surprised if that goal couldn't be met by the year 2000. But these numbers that we're using come directly from the federal agency, StatsCanada.

Ms. Draude: — I just want to assure the minister that I'm not confused about the numbers. And I think it's only fair, when we compare numbers, to compare the month of February of '92 to February of '96. That's the only way you can do a fair comparison. Because to take an overall total over the year is going to take in the months of July, August . . . or June, July, and August, when there is summer students working, and they're not full-time, sustainable jobs.

When I look at the same numbers that you're looking at, I can see that in the month of January and February there was actually at least 4,000 people less working in '96 than there was in '92. I believe I'm a fairly optimistic person and I believe that 30,000 jobs could be created, but I don't think we can be starting saying that we only have 20 to go right now; I believe we still have 30 to go.

And I think that in order to start on the same basis, we're going to have to see . . . If you're going to start from November of 1992, then I think we should have a wage . . . a job scale of some sort where we can actually analyse the figures each

month, and then at the end of . . . and each month when *Sask Trends* come out on the 8th of the month we can look at it and see: where are we sitting each month?

I know, since the time I've sat . . . been in the House, elected in June of last year, there hasn't been more jobs each month than there was since '92.

I'm going to ask the minister if we can actually come up with a . . . the same way of describing job creation, or at least the same basis of getting our numbers. Because I don't want to spend the next four years arguing, first of all, where we're starting from and where we're going to.

Hon. Mr. Lingenfelter: — I think this is a good idea. What I did when I was first a minister was . . . or first a member, was doing what you're doing, comparing month over month. But of course some months you're going to be way up; some months you're going to be way down. And so what I have done with the StatsCanada number is taken the yearly average number as the basis for . . . and this is accepted throughout the industry.

If you went to the provincial chamber of commerce or the co-op movement or the labour movement, they have now accepted that the average number of people working in the province, which really takes all the months of the year, puts them together, and then does an average of how many people were working in the province during the year . . .

In 1992 there were 450,000 people, on average, for all of the months of 1992. In 1993 that number went to 455,000; in 1994 that went to 457,000; and in 1995 that number went to 460,000. And so we use, as the basis for our number, averaging all the months, and we call it the annual average of people working, each month, add them up. So for example, in 1995, you will find in January '95 versus January of '94, year over year, it went from 438,000 to 450,000 or an increase of 12,000 for the month of January last year, month over month.

But that trend didn't continue throughout the year and so I can't stand up and say, well we created 12,000 jobs, because later on in the year, not only did we not get 12,000, some months there were fewer jobs. And so those would be the days when you would stand up and say the government's losing jobs — neither of which is accurate.

The only accurate thing is at the end of the year take all of the numbers, average them out, and this is now accepted within business, within chambers of commerce, as being the number that is relevant and takes away from the idea of the minister standing up in those months where there's good job creation, saying, well, hurrah, we've created 12,000 — because that isn't accurate. I mean I can do that, but it's not playing fair ball.

Or the months where there's job losses, of you standing up and saying, well the government has lost a bunch of jobs. The only thing in my mind that matters is at the end of the day, is year over year, whether there have been more people working or not.

And so that's where we get our numbers from, and if we could agree with that basis. Otherwise we just go back and forth — one month jobs are way up, one month they're way down. And

they will vary a lot during the year.

For example in 1995, just to give you an example of how these numbers vary month over month, and I'll just take a minute of the committee to run through them because they're quite fascinating; and you're absolutely right, in the wintertime there are fewer people working, in the summer there are more. And this is the same every year.

But in January of 1995, there was 450,000 people working; in February, 450; in March it went down by a thousand to 449; April down to 448; and then the big jump when agriculture kicks in — up to 468,000; up further in June to 473; down a little bit in July to 472; holding at 472 in August; then down, as the farms start to slow down, to 467 in September; 464 in October; 454 in November; and 453 in December; which gave an average of 460 last year.

Now one could get very excited in January about huge job losses over August, but every year this cycle continues. The only thing we know, that in the three years since we introduced *Partnerships for Renewal*, it's gone up a little bit — the average each year — to the point where on average, year over year, we have 10,000 more people working on a yearly average than we had when we started. And if this trend continues — as we believe it will given the projections on oil and gas, wheat economy, potash, uranium — that we will continue to grow by 4,000 per year.

And here I want to make it absolutely clear, that's not government creating it; that's the economies that exist out there.

Ms. Draude: — I guess I still . . . I don't agree that by averaging the whole year and we come up with 10,000 more, that actually means there's 10,000 more sustainable jobs. It doesn't mean that those people are still working in January. I employ people from June till they go back to university in September and that doesn't give me a full-time job and keeping food on the table for more people.

And I guess I also don't have the numbers that I wish I had available to me, so instead of continuing on with our job creation debate here for a few minutes, maybe the next time we come into the House to discuss Economic Development I can bring the numbers that I would like to talk to you about.

We could maybe move to the next topic that I have a question on in your *Partnership for Growth*, when we talk about less regulation. As a business person I would like to tell you that I did a survey. Out of businesses in the province there is 250 businesses that I talked to, and one of the . . . the second most important item that they told me was the regulations that they found were very overbearing and they were, especially for small businesses, causing a big concern and costing us a lot of money. Small business people cannot afford to hire somebody just to fill out forms all day long because they are not productive people.

I am very disappointed in the *Partnership for Growth* document that is going to take 10 years to cut back 25 per cent, when I believe the last four years has cost us more than . . . caused more than 25 per cent regulation increase.

I would like for you to talk to us or to explain to us about the regulations and what you feel are going to be some of the first steps you're going to take with cut-backs and regulations.

Hon. Mr. Lingenfelter: — Yes, the reduction in regulatory administrative burden on business is the no. 2 objective of the *Partnership for Growth* which includes, I think, 21 initiatives.

But just so we know what a priority we've put on this area, not only starting today but going back to 1991, if you were to go to Calgary and talk to the oil industry about whether there was ease to deal with the Alberta government or the Saskatchewan government as it came to regulation, it would almost be universal that Saskatchewan is an easier place to invest, based on regulations, because our department and regulatory structure for oil and gas is much easier and more streamlined than in Alberta.

And this is common knowledge within the industry. And they will readily tell you that we have streamlined the regulatory process as it would apply to oil and gas in such a way as to make investment in Saskatchewan relatively easy.

The other area of course where we have made significant change is standardizing and working with the federal government on the regulatory side as it would apply to uranium mining, because oftentimes streamlining regulations does not mean that you have fewer regulations or weaker environmental laws. In fact it can mean quite the opposite, as we talked about earlier with community bonds. Due diligence and good due diligence is not necessarily synonymous with the length of time it takes to do the process.

So in dealing with business, we find that on the oil and gas side and uranium side that these industries would tell you that when it comes to regulation, it is much easier here than in many other places in the world. And even at that, we've maintained some of the best environmental laws of anywhere in the world.

So I think streamlining and getting the regulatory processes in place that work efficiently for business, and at the same time, achieve the goals that the regulations were set out to, is what is important.

But I would like to then quickly add that there are many other regulatory changes that we can . . . believe we can make in the relatively near future. Ten years is set out as a guideline because this is what we believe the full 25 per cent cut would take. But you can believe me that the changes to the regulatory structures started the day we announced and we will be making much of those changes at the front end of the 10 years as opposed to in the later years.

So when it comes to regulation, I think you'll find that Saskatchewan is very competitive with other provinces and will get much better as we implement the section no. 2 within *Partnership for Growth*.

Ms. Draude: — I guess I'd really feel a lot more comfortable if you'll assure me that in the next four years you're not going to add some more regulations so that by the time the next four

years is up I won't have to . . . there won't be an added number to add onto your 25 per cent.

Also we were talking about Alberta; we shouldn't . . . if we're going to compare to Alberta, then we better compare about job growth there compared to Saskatchewan as well.

I'm also interested in what you're saying in your *Partnership for Growth* regarding tax relief for businesses. What do you have in mind for that?

Hon. Mr. Lingenfelter: — Well when we talk about tax relief for business, I think it's important to see where we have made changes and I think it then leads to some other conclusions that we will look at.

First of all, one of the first changes we made even while we were balancing the books back in the period between 1991 and 1995 was the elimination of the E&H (education and health) tax on 1-800 numbers for businesses in general. And we did that initially to attract the Sears call centre to Saskatchewan when we were competing against other jurisdictions across Canada.

One of the things that was a hindrance to getting call centres in Saskatchewan was the fact that we charged E&H tax on 1-800 numbers. So in the deal that we made with Sears and the 500 jobs or 600 jobs that they now have in Saskatchewan, was the elimination of the E&H tax on 1-800 numbers. In the following budget, then we applied that to all businesses in the province.

The other area where we were able to make tax changes was the reduction in the small-business tax — a reduction of 20 per cent small-business tax, from 10 per cent flat tax for small business to 8 per cent. And this went a long way to . . . And you'll see the job numbers in the service industry, for example, they have gone up considerably, in part because reducing taxes meant that more money can be spent on employees or hiring people.

One of the other areas of course is on the E&H tax remission that now applies to process and manufacturing equipment in the province of Saskatchewan. And this was done in large part to help with the expanding of our machinery manufacturing and processing. The crushing plant for canola, the expansion of the Flexi-coil plant in Saskatoon, and the expansion of Bourgault in Saskatchewan. And a number of other manufacturing.

So we were able to reduce the E&H tax through a remission plan for companies in terms of processing and manufacturing. One then can see down the road . . . Or the aviation fuel, for example, to make sure that more flights were landing in Saskatchewan to refuel. That has meant some more jobs.

(1630)

So these are the kind of selective tax cuts that I think one can look at in the future. And the list would include such things as potential of E&H tax remission on expanded agricultural production such as hog barns. This is one where we have, I think, significant discussion going on with the pork industry, where they are telling us that this is needed in order to move our hog production from where it is at today, of about 1.1 million hogs, to 2 million, which is part of our goal in Ag 2000. They

say applying the same remission standards that we do to processing and manufacturing to large hog barns would mean that you would get a reciprocal increase in construction.

So I think these are the kinds of areas that you will see our government continuing — those areas where we see some immediate job creation and expenditures resulting from the tax changes.

Ms. Draude: — I guess I'm happy but at the same time disappointed to hear you say that you realize it's taking tax reductions in order to encourage business in this province, and yet you're still being selective about which taxes — the tax on the 800 numbers, the tax on certain manufacturing and processing equipment.

If you would expand that thought, I think that you will hear what the opposition is saying — that reducing the taxes is what it's going to take to actually get this economy moving and getting job creation going. I think that the taxation system we have right now is the biggest deterrent to business that there is.

And I assure you that the hog industry, the many producers that I have been speaking to, are waiting to hear you make this announcement — it's one of the questions that I have been wanting to ask — but I feel it's something that, if it's under advisement right now, I think it's probably one of the biggest helps that you'll see to the hog industry, which is one of the biggest potentials we have in rural Saskatchewan.

And if anything in this province needs help right now, it's rural Saskatchewan. I'm going to ask you, you also speak about less government involvement in business. Can you give me some specifics about what you're saying about less involvement in my business?

Hon. Mr. Lingenfelter: — I think the whole area that I talked about earlier, about the role of SEDCO for example, of lending money in a competitive way where you would see a government agency lending out taxpayers' money for a new business on Main Street to compete with businesses that were already there and established, we have very much moved away from that because our analysis of that kind of lending didn't mean any net new jobs, it just meant that one person had an advantage over the person down the street. And oftentimes legitimate businesses that had gone to the credit union or to the bank to borrow money to set up their business, was driven out of business by taxpayer-funded loans from government. And so we have removed government from that kind of competitive lending.

I think you will also see much more emphasis on community-driven economic development as opposed to Regina- or Ottawa-driven economic development. Well what do I mean by that?

Well obviously when you look at some of the programs that we may be able to deliver through the regional economic development authorities, which are really local boards that have the potential, I think, of delivering even more economic development than they do at the present time, I would like to think that we could do some experimenting with a delivery

service, for example, for the small-business loans program through the regional economic development authorities.

I know in Maple Creek this past year, in the provincial park, a committee of local people was set up to manage the ski hill which had been closed down for several years simply because it was too costly to do through the park system. So I think in the area of regional and provincial parks, there will be more things that communities and local business people may be able to do.

And there's just a litany of areas where I think private sector can be brought in to help deliver programs — the Tourism Authority, for example, where we've moved government employees out of the Department of Economic Development in the tourism area over to a joint venture between the private sector and public, and now with the announcement of the Saskatchewan Trade Corporation or STEP (Saskatchewan Trade and Export Partnership Inc.), you will see people moving out of the department as government employees to be employed by a joint venture again between the private sector and government.

And I think in these ways of doing partnerships, as opposed to having private sector doing one thing and government doing another, we can actually achieve much more and in some areas do it with less, although that's not the main objective. The main objective is to do a better job and get more jobs created.

Ms. Draude: — You made a statement a minute ago I was going to ask you about and I forgot. When you said that the small-business tax had been reduced — and I think that's great news for companies that are paying tax — but I know of a great number of small businesses who don't pay income tax. That's not helping them at all.

I'm wondering if you could tell me what percentage . . . what number of the small businesses in this province are actually paying tax so that this change in the taxation system has actually helped.

Hon. Mr. Lingenfelter: — Yes, I think one has to be very careful about a simplistic view of relating tax cuts in every instance to job creation, and somehow this being the panacea for job creation and economic creation.

You remember back to the days of David Stockman, who was the chief adviser to Ronald Reagan, who in a very simplistic way said the only thing you have to do to stimulate an economy is cut taxes. You don't have to look far back to remember when Grant Devine said if we just eliminate the gas tax, tourists would just flock to Saskatchewan.

It doesn't work that way. Grant Devine eliminated the gas tax. He eliminated it. Our tourism numbers went down. We had fewer people coming, because the fact of the matter is that very few of us, when we decide to go on a holiday, bother to check out what the price of gas is in the jurisdiction that we're going to go to tour in.

If my friend from northern Saskatchewan decided that he and his family were going to drive to California to Disneyland, I doubt that he would get out a handbook that would check out state by state what the gas price was before he headed out.

That's simply not how we think.

And so anyone who would simplistically say, as Grant Devine did back in the '80s, if you eliminate the gas tax, get rid of \$100 million in revenue, somehow the increase in tourism would make up for it, it didn't work and it doesn't work. And so when you're looking at tax as a tool for economic development, you have to really work hard to find out which tax cuts are going to deliver the most punch.

And I have, I think, an excellent article here, I believe from *The Globe and Mail*, written by Jeffrey Simpson, that relates to that. And I want to take a minute, Mr. Chairman, to quote from it because it talks about simplistic tax changes not doing what they're intended.

But in the article he says the most American idea of all is the one tried in the United States with the spectacularly negative results. He calls it a "stimulative tax cut." President Ronald Reagan tried it, egged on by the supply side or the David Stockmans of the world, whose major mouthpiece was the editorial page of the *Wall Street Journal*. And the policy produced monstrous deficits.

And that is exactly what would happen if in a simplistic way we said we're going to eliminate all the taxes in Saskatchewan. The fact is then you wouldn't have the \$850 million to pay the interest on the debt; you couldn't run the health care system; you couldn't have any highways. And so this is very much an exercise of study, analysis, and careful judgement of which taxes you should change and when. And I appreciate the member saying that we have to look at those, and I would appreciate knowing . . . I mean, this is a good opportunity for us to challenge which taxes you would change, for example in your regime, in order to get economic development. I say that sincerely.

If you believe that eliminating the gas tax or getting rid of the sales tax would be the impetus, I would like to see some study and analysis that would show that this is a well thought through process. Because just simply playing to the public and saying, if I'm elected I'll get rid of the gas tax, I mean we've been there. We were there in 1982 and the public of Saskatchewan fell for that once. I don't think they'll do it again. But what it led to was \$15 billion in debt and the reimplementation of the gas tax with a vengeance, in order to try to catch up for the money that was lost and the lack of jobs that were created.

Ms. Draude: — Thank you. I can tell you I feel a little slighted when you tell me that I'm being very simplistic when I say that reducing tax . . . I don't believe that reducing the tax for small businesses helped a lot of businesses get going because I don't believe there's a large percentage of the small businesses actually paying tax. And what I asked you is if you can tell me how many of the small businesses actually do pay income tax, that would have been affected by this number.

Hon. Mr. Lingenfelter: — Yes, I want to say to the member opposite, I'm not referring in any way to you or even your caucus as being simplistic in the idea of tax cuts. That's not my intent.

My only intent by saying that is to say that some very sophisticated people in the world have tried this already, the simple statement. I'm not referring to you, but I'm talking about the American government — which is the most sophisticated in the world — under Ronald Reagan believed that if they just cut taxes, somehow miraculously there would be all these jobs created and wealth created. And they tried it with disastrous effect and impact.

And I would argue that the former premier here tried it, with his idea that you could simply reduce taxes and hand out hundreds of millions of dollars, and somehow that would create an economy that then would flourish and create jobs.

And what we found is two things happened. There were no jobs created; we went in debt by \$15 billion; and leaving you and I here, and the population of Saskatchewan, after that government has disappeared off the face of the earth, to pay off the debt that they created.

And so I think your ideas about economic development and selective tax changes, what I would urge you though is to identify those tax changes that you see in your community, or other members of your caucus see, within the parameters that we know we have, of having need for over a billion dollars for health and close to a billion dollars for education; \$850 million for payment on the debt that we can't get rid of. So we need taxes to pay for those items. I don't think . . . you or I have no question about that.

And we know we will be able to now manage for the first time in 14 or 15 years, small surpluses. We have identified that one-third of those surpluses we will allocate to reducing taxes. So then it becomes, within those parameters, what is it that you and I and other members of the community identify as selective tax changes that could mean the maximum number of jobs being created.

And I guess what I appreciate about this debate, it's being done in a reasonable way, without the nonsense that we heard back in the 1980s about eliminating whole ranges of taxes. Because everybody now knows, having tried it once in the 1980s, that those options just aren't on.

Ms. Draude: — Thank you. I have one question before I go into my next set of questions. And that is, at some time can you tell me how many businesses were actually affected by the tax break.

Hon. Mr. Lingenfelter: — I might be able to get that for the member. But I just want to say that what I do have here is sort of the profitability of Saskatchewan businesses, which would give you some indication because if they're profitable they would pay tax. And just to say that the vast majority of companies are profitable, therefore would have benefited from them.

But just to give you an idea of the sectors, the logging and forestry industry, the average net profit by firm would be 14,200; mining and oil companies — and many of these of course being small companies — would be 25,000 on average; manufacturing, 24,000; construction, 8,000; transport and

storage, 14,000; communications, 14,000; wholesale and trade, 13,000.

Now you may get the idea that these numbers are very low, but I will also give you for these the Canadian average. For example in wholesale and trade, the average net profit for Saskatchewan firms is 13,500; the Canadian average, 9,000. And so in the area of retail trade, the average in Saskatchewan, 8,176; the Canadian average, 5,000. So these are numbers that tell you what the average profitability of these companies.

And so I can probably get you the actual number of companies, but the truth of the matter is most of them are profitable and most of them would have received some benefit. And all industries all-in, the average net profit per firm in Saskatchewan — this is the average for the province — is \$14,106. So if you applied that across all businesses and then reduce what their rate of small business tax was, you would get an idea what the implication would be.

(1645)

Ms. Draude: — I know that you're well aware that over 90 per cent of the jobs created in this province are created by small employers that hire less than five employees. And I will be interested when you can give me those numbers because I believe most of those small businesses aren't paying a lot of tax.

But just to move on, I'd like you . . . could you give me an idea of the consultation process that was built in to the day-to-day operation of the department. When you say you've consulted extensively to build this *Partnership for Growth* document, can you talk about the type of people you've been consulting with and what this process actually led to?

Hon. Mr. Lingenfelter: — I will get for the member the numbers and groups that we met with. But my understanding is we met with about 50 different organizations throughout the period of November and December as we led up to the consultation — several thousand people.

But just going back to the business climate in Saskatchewan to show how it's changed in the last couple of years . . . and I don't take very much credit for the change because a lot of it, as you know, comes from having wheat prices over \$5. In fact this year the wheat prices are quite spectacular, and they're going to keep going up. Oil prices have strengthened. Even uranium prices which were rock-bottom are now coming up nicely. The economy of the province is doing very, very well.

And it's indicated in the number of bankruptcies and the number of incorporations. And I just want to quote these for you because I think they're important. But the total number of business bankruptcies for Saskatchewan in 1995 was 366, and this is the lowest level of business bankruptcies in the province since 1987.

And so that tells you that as the bankruptcies go down . . . not to say that there won't be bankruptcies; obviously there always will be. And on the other hand, the total number of provincial incorporations is at an all time high of 31,813. And the other

thing is, in a survey of businesses anticipating job creation in the coming year, it is also high by comparison with any other year; 32.4 per cent of these businesses, I believe . . . No, but it says that in the survey indicates Saskatchewan business anticipate the largest relative job creation of all provinces.

And so when compared in the survey, the Canadian Federation of Independent Business, when they checked with the businesses across the country, Saskatchewan has the largest number of companies believing that they would create jobs in the coming year.

And while that doesn't mean that our job numbers will be spectacular, it only adds to the litany of things that would indicate that the economy of the province has strengthened and will continue to strengthen for a large number of reasons, not the least of which though is the spirit of cooperation that exists between the government in Saskatchewan, between working people, and between the businesses and co-ops. And I think if you're being fair — and I know the member opposite is a fair person — I think you would know that in terms of a partnership in Saskatchewan, it's as good now as we have seen at any other time in recent history.

Ms. Draude: — Can the minister explain to me at the same time that business bankruptcies have dropped, why the number of personal bankruptcies have gone up then?

Hon. Mr. Lingenfelter: — I don't have the personal bankruptcy numbers here, but I'll take a look at those.

Ms. Draude: — I also . . . you were going to give me a list of the businesses that you've been talking to. I have a question about the *Partnership for Renewal*. Were the goals and objectives set out in your original *Partnership for Renewal*, were they met?

Hon. Mr. Lingenfelter: — Yes, I just want to say that in a general way almost all of the 31 initiatives were met: the commitment to set up the provincial action committee on the economy, for example; the Tourism Authority; the establishment of regional economic development authorities. And when you go through the list, you'll find that almost all were met.

And I think it's important for government agencies to set these kind of goals. And it's not that you're going to get them right all the time or that you're going to meet every one of those goals. But I find in life that if you don't have that list in front of you all the time of what your objectives are, that you don't reach very many. And so I think setting goals that are almost higher than what you think you're going to be able to achieve is probably the right way to go.

And there were also many people who said look, setting goals and objectives in terms of number of jobs that an economy will create is not realistic. And we challenged that and said look, no, we're going to put 30,000 down by the year 2000, and we're going to use the criteria . . . average year over year because there really is no other way that we could figure out to do it.

Now we may be wrong on that. We may have put ourselves at risk because maybe you end up creating 25,000 instead of 30.

But I would still argue that if you hadn't set the goal of 30, you probably wouldn't have got 25. You probably would have got 20. So I think it's really important that governments . . . just as business or individuals setting goals for what they want to achieve over a period of time . . . although risky, it's important to do it.

But I just have here several letters from individuals and groups who were involved in the consultation on *Partnership for Growth*. The Canadian banking association sent letters saying, I'd like to thank on behalf of colleagues, providing input and future direction on the economic development of the province through *Partnership for Growth*.

SMPIA which is the Saskatchewan Motion Picture Industry Association, they said:

I'd like to express our appreciation to you and your cabinet colleagues for taking time to meet with our delegation February 2. We are pleased to learn that culture industries have been identified as a growth sector in *Partnership for Growth*.

The Saskatchewan Wheat Pool says, during the past month Saskatchewan Wheat Pool representatives have had an opportunity to meet with yourself, members of the department, and go on to say that following their submission, it is a further contribution to this consultative process.

And there have been . . . there really is a lot of people who, whether they accept everything in the document or not, were very pleased with the fact that consultation had gone on. And most of these letters were written after the document was delivered and made public.

BDM Information Services sent a letter. Bioproducts Centre, on March 7 sent a letter saying how much they appreciated:

Thank you very much, *Partnership for Growth*, which arrived on my desk this week. Having been involved in the original *Partnership for Renewal*, I was very interested to learn the Government of Saskatchewan plans to implement the next and most important stage of the process, that is, growing the economy.

Saskatchewan seed potato growers say they received a copy and are pleased to see the commitment to working with the industry.

The Saskatchewan Business Teachers Association, commending the government for its recent release — and this one I think you will find interesting because it . . . in particular our association is very pleased with the objective no. 5 which emphasized the importance of and the need for entrepreneurship education for Saskatchewan students. And I think this is one of the areas where you and I have talked about the need to start at a very early age of training people for the possibility of looking at a business career.

The city of Moose Jaw, Ray Boughen, the mayor, writes and saying:

Thank you very much for the invitation to be involved.

And I'm sure I speak not only for myself but also the council of Moose Jaw when I say the initiative and possibility for economic expansion are exciting developments for all of us.

And Minds Eye Pictures, Kevin Dewalt writes to say that he wants to say that he appreciates the opportunity to have input into the process of *Partnership for Growth* and goes on to say that Minds Eye looks forward to continued partnership with SaskFILM corporation to ensure the Saskatchewan film industry continues to grow and create jobs and prosper in our province.

So that gives you a flavour of the kind of response that I have got to the consultations that went on. And it's fair to say that again, while obviously not meeting everybody's needs, it certainly has met a broad spectrum of people's and business needs.

And I guess the truth will be known when this four-year segment is completed, and we find out whether or not the public says the next time we go to the polls, as they did in 1995, that while not perfect, it was a pretty good effort.

The committee reported progress.

The Assembly adjourned at 4:58 p.m.

