

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I rise today to present petitions of names 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 names are of people throughout southern Saskatchewan and Regina, Mr. Speaker.

**Ms. Julé:** — Thank you, Mr. Speaker. I rise today also 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 petitions, Mr. Speaker, are all from Regina. I so present.

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

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

The people that have signed this petition are from Regina, Mr. Speaker.

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

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

And those who have signed this petition, Mr. Speaker, are from Brownlee, Chaplin, Eyebrow, Davidson, Tugaske; and then we get all the way over to the east side with Melville and Fillmore; and then a number from Regina.

**Ms. Draude:** — Thank you, Mr. Speaker. I also rise today to present petitions of names of people 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 this petition are all from Regina.

**Mr. Belanger:** — Thank you, Mr. Speaker. I rise today again 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.

And the people that have signed the petition, Mr. Speaker, they're from Regina here. They're from Glenbain, from Kincaid, and all from throughout Saskatchewan, Mr. Speaker.

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

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

The names on this petition are primarily from Indian Head and White City. Thank you, Mr. Speaker.

**READING AND RECEIVING PETITIONS**

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

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

**NOTICES OF MOTIONS AND QUESTIONS**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 43 ask the government the following question:

To the Minister of Justice regarding the Kerrobert court-house: (1) how much money is the department expecting to save by closing the Kerrobert court-house; (2) how many overall court appearances were made at the Kerrobert court-house . . . handle in 1995; (3) how many Court of Queen's Bench court actions or procedures were dealt with at the Kerrobert court-house in 1995?

**Mr. Belanger:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 45 ask the government the following question:

To the minister responsible for Northern Affairs with regards to health care in northern Saskatchewan: (1) at what stage of development are the northern health districts and district health boards; (2) when are these district health boards expected to be in place; (3) can any northern communities apart from La Ronge expect to see a new

health care centre in near future; (4) What percentage of the cost of the proposed health centre in La Ronge will be provincially funded and what percentage will be federally funded?

Thank you, Mr. Speaker.

### INTRODUCTION OF GUESTS

**Mr. Thomson:** — Thank you, Mr. Speaker. It's my pleasure to welcome here today a group of grade 11 students seated in your gallery. These students are from Campbell Collegiate and also some exchange students from the province of Quebec. They are accompanied today by their teacher, Mr. Peter Charles. And I'm looking very forward to meeting with them later on this afternoon to talk about our legislative process. So welcome.

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

**Ms. Julé:** — Thank you, Mr. Speaker. On behalf of Her Majesty's Loyal Opposition, I too would like to welcome the students from Campbell Collegiate and the exchange students from Quebec. It is our hope that while you're here in Saskatchewan you will fully enjoy our fair province.

I would ask the Assembly to warm them welcomingly . . . welcome them warmly.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Over the past couple of months people have had the opportunity of welcoming their kids here as they spend some time with mom or dad. Today it's my day, and I'd like to have my family stand and be recognized: my wife Arlene; my daughter Nancy; my son Ken, and his fiancé, Sandy. And my other daughter is just leaving Britain today to come back home after doing internship in England. Would you welcome these people to the House, please.

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

### STATEMENTS BY MEMBERS

#### Day of Mourning for Killed and Injured Workers

**Mr. Trew:** — Thank you, Mr. Speaker, April 28 is the day set aside as a day of mourning for workers killed or injured on the job during the previous year. The private members' Bill you introduced made Saskatchewan the first jurisdiction in Canada to observe this day. Now it is recognized across the country.

Eighty-two years after the first workers' compensation program was introduced, we've made considerable progress towards improving workplace safety. But the fact that we still mark the day to remember those killed tells us we haven't done enough.

Mr. Speaker, last year in Saskatchewan, 27 workers were killed on the job; 15 more were killed in farm accidents — men, women, and children. Forty-two deaths to mourn, forty-two families to heal, forty-two accusations against our society, which too often places productivity ahead of safety.

Mr. Speaker, in a few moments the Minister of Labour will read into the public record the names of those killed and we will all observe a moment of silence.

I would suggest that as we silence ourselves, we should ponder our duties as legislators. We should remind ourselves that depriving workers of the right to organize, that weakening laws regulating working conditions, that subverting occupational health and safety rules, and that promoting right-to-work legislation are all guarantees that we will be here at the same time next year mouthing the same sentiments.

Thank you.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I too would like to recognize yesterday's designation as a day of mourning for workers killed or injured on the job. Sadly, 27 Saskatchewan people were killed while at work last year. Over 13,000 others were forced to take time off from work because of job-related injuries.

On behalf of my colleagues, I would like to extend condolences to those families who have lost a loved one in work-related accidents, and I wish a speedy recovery to all of those who are still nursing work-related injuries.

Thank you, Mr. Speaker.

**Mr. Goohsen:** — Thank you, Mr. Speaker. Today we observe yesterday's day of mourning to honour workers killed in or injured in the workplace. Tragically, Mr. Speaker, Saskatchewan people are all too familiar with the problems of work-related injuries. Because our province's number one industry is agriculture, we have a lot of people working with a wide range of dangerous equipment under tight deadlines and stress. Especially with late spring and Saskatchewan about to begin its billion-dollar megaproject, which of course is spring seeding, I urge farmers to think safety.

I know already of one seed cleaner in our community who, according to his wife who called me this morning, has been working for 36 straight hours with only three hours of sleep.

To those who have suffered the loss or injury of loved ones, I offer my deepest sympathy and that of my colleagues in our caucus. To those who have been fortunate enough to avoid such experiences, please take note and exercise caution on the job and in the workplace and in all parts of your life. I want to thank the Saskatchewan employers who have continued to work diligently to make the workplace a safer place to work every day. At the same time, let's all be sure to offer our suggestions and solutions to other countries where the working conditions are far less safe than our own here at home.

Mr. Speaker, this is an important day, and I ask all members to join me in remembering the workers that have been killed or injured across the province and around the world. We will be pleased in our caucus to support the minister's call for a moment of silence later this day. Thank you, Mr. Speaker.

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

### NATO Delegation to Tour Moose Jaw

**Hon. Mr. Calvert:** — Mr. Speaker, I rise today to bring to the attention of members in the House an important event which will be happening in Saskatchewan this week.

On Tuesday and Wednesday of this week, a 24-member group representing 14 NATO (North Atlantic Treaty Organization) countries will be in Moose Jaw to tour our city and 15 Wing CFB (Canadian Forces Base) as a potential site for the training of NATO pilots. Mr. Speaker, Moose Jaw, Portage la Prairie, and Cold Lake are joining as potential sites to provide training for NATO pilots in a long-term project that would include millions of dollars for our national, provincial, and local economies.

Mr. Speaker, the group will have a whirlwind tour of the city, including a welcome from our mayor, our Premier, local MLAs (Member of the Legislative Assembly), business groups, a tour of the city to view everything from our murals, churches, schools, and the beautiful Wakamow valley, showing everything that Moose Jaw has to offer to potential trainees.

Mr. Speaker, several Moose Jaw streets will be decorated for the occasion, along with a ribbon campaign by the chamber of commerce. Mr. Speaker, tomorrow I will provide to all members of this House a blue tartan ribbon which I will invite members to wear as a way of welcoming this NATO delegation, not only to the city of Moose Jaw but to our province.

Mr. Speaker, a big thank-you to all those who've been so active in organizing the tour, demonstrating that Moose Jaw and Saskatchewan remain one of the best places in all the world to train pilots.

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

### Early Childhood Intervention Week

**Ms. Julé:** — Thank you, Mr. Speaker. I would like to recognize this week's designation as Early Childhood Intervention Week.

Across Saskatchewan there are therapists who devote their time to working with children who suffer from developmental impairments. More recently these therapists, volunteers, and parents have started directing their efforts towards home-based intervention programs. Quite often when a child suffers from a disability, a tremendous strain is placed upon his or her parents to help the youngster cope. It's extremely important that these families have access to outside help so that together they can provide a stimulating environment.

I commend all those involved for their efforts in early childhood intervention.

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

**Mr. Wall:** — Mr. Speaker, I too rise today to inform the members of the House that April 28 to May 4 has been proclaimed Early Childhood Intervention Week.

Mr. Speaker, many children in our society begin life with

development impairments, but this doesn't mean that they have less to contribute to society, but it often means that being a part of the community will be more difficult. Programs which assist these children and their families at an early stage to deal with the impairment are often a factor in the future healthy functioning of that child and family in the community.

There are many community programs which support and assist families and children in dealing with a child's developmental issue. Various government departments are working with community groups in supporting and developing these programs. One such program is the successful mothers' program which works with teen and young parents and with disabled parents and their children. This is work which is very important, and I am pleased to recognize that through the designation of this week.

Mr. Speaker, I want to ask the members of this House to join me in commending all of the many parents, staff volunteers, and community organizations involved in these important programs. Their work plays a significant role in the lives of children and families across Saskatchewan. Thank you.

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

### 90th Birthday Tribute to Bernard Korchinski

**Mr. Osika:** — Thank you, Mr. Speaker. Mr. Speaker, I was privileged over the weekend to be invited to a special dinner honouring a very special man. Family and friends of Bernard Korchinski gathered Saturday evening in Regina to pay tribute to Mr. Korchinski, a man whose 90 years on earth have been filled with remarkable achievements — the kind of achievements that helped to build our province.

Mr. Korchinski was born 90 years ago near what is now Ituna, located in my constituency. Mr. Korchinski devoted his life to teaching others, enjoying a 35-year teaching career at schools throughout Saskatchewan.

At the same time, Mr. Korchinski threw himself into literally dozens of projects and proudly showed off his strong Ukrainian heritage. The list of his achievements is long and I can't go into all of them here, but just a few of his achievements include; co-founding the Ukrainian Catholic Youth of Canada, becoming the first Canadian of Ukrainian descent to join the Knights of Columbus.

He was an organizer of the Saskatchewan Wheat Pool and had a long-time association with the Boy Scouts of Canada movement. During the war he worked for the National Film Board. He also served two terms in the legislature as a Liberal MLA from Redberry, where the press selected him as the legislature's best debater.

After his retirement in 1964, Mr. Korchinski served as provincial director of the Emergency Measures Organization and was appointed as citizenship court judge in 1967.

Today Bernard Korchinski is still going strong at age 90. I can only hope that when I turn 90, in a couple of years, I remain as strong and as vital as Mr. Korchinski. And I congratulate him

on a life well spent and wish him many years to come. Thank you.

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

### Grand Opening of Regina Community Clinic's New Facility

**Ms. Hamilton:** — Thank you, Mr. Speaker. In July of 1962 the Regina Community Clinic opened its doors for the first time, operating out of a house at College Avenue and McIntyre. The founding of this cooperatively operated clinic, one of five in the province, was one of the triumphant results of the introduction of medicare by the Woodrow Lloyd government.

In 1968 the clinic moved its services to Sherwood Drive. And last Wednesday the Premier and many colleagues, along with 200 other guests, were happy to attend the grand opening of the clinic's new facility on Winnipeg Street, a location from which it will continue to tend the health needs of its members for many years to come.

It was a modest and happy ceremony. The ribbon was cut by our Premier and the President, Nial Kuyek. The mayor brought the city's blessings. And the first member, Mrs. Beatrice Harding, was presented with a charter marking her historic entry into this innovative and increasingly relevant system of health care.

Mr. Speaker, the Regina Community Clinic has 44 full-time and part-time employees, including several dedicated, salaried health professionals. It provides a number of services all under one roof and contains two unique resource centres, as well as sponsoring a 30-space day care centre. As a girl, my health needs were met at this McIntyre centre and then continued to be met at the Sherwood Drive location, and I will be happy to be part of a membership that looks after its own health needs provided now in this excellent new centre.

Congratulations to everyone involved in the move. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Agreement with Intercontinental Packers

**Ms. Draude:** — Thank you, Mr. Speaker. Mr. Speaker, this NDP (New Democratic Party) government has again demonstrated that they will not and cannot be open and accountable with the people of Saskatchewan. Instead they continue to operate under the same back-room politics that the previous Tory administration became famous for.

Prior to the election last June, the NDP government gave a \$5 million hand-out to Intercon for a so-called expansion project. Now we have the confidential government documents supposedly outline a proposal that could close Intercontinental Packers plant in Vancouver and just end up moving 400 jobs to Saskatchewan. Mr. Speaker, these back-room politics are completely unacceptable.

Will the Minister of Economic Development come clean with the taxpayers of Saskatchewan and table this government's agreement today in the Assembly?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I notice the member reading her question. And I wonder out loud whether or not the member from the CBC (Canadian Broadcasting Corporation), Michael Tymchuk, helped draft the question.

But when it comes to back-room politics, I want to tell you there isn't a group of men and women anywhere in the province that knows more about back-room politics than those 10 sitting over there, given what they did to their Liberal leader.

But when it comes to the deal with Intercon, what you will know is that your accusation that the deal only meant moving 400 jobs from Vancouver to Saskatoon and Moose Jaw couldn't be further from the truth. The fact is that under the deal 130 new jobs will have been created by July 1 in Moose Jaw and 60 jobs have been created in Saskatoon. That's the first 200 without any change in the Vancouver position.

Now Vancouver may close their office; they may not close their office. It has nothing to do with the arrangement that was made during 1995.

So I say to the member opposite, here again, attack Crown Life. You can go ahead and get more articles in the newspaper . . .

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

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

**Ms. Draude:** — Mr. Speaker, this documents states, and I quote:

As the jobs to be created in Saskatchewan equal the jobs lost in Vancouver, the trick will be to talk about jobs without bringing attention to the Vancouver operation.

Mr. Speaker, I realize their job creation record is extremely poor but this NDP government resorts to poaching jobs from other provinces. What's alarming and frightening is that our Deputy Premier quotes:

I think this is perfectly normal.

But, and again I quote:

It is imperative that the government distance itself from the decision.

Mr. Speaker, will the Deputy Premier admit that this is in fact wrong and come clean with the details of this proposal?

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

**Hon. Mr. Lingenfelter:** — I say to the member opposite if she would quit reading her questions and listen she would understand. There have been no jobs moved from Vancouver;

no jobs have been moved. So your talk about poaching jobs in Vancouver is absolute nonsense. And I explained this to anyone who cares to listen — that the accusation that jobs have moved from Vancouver isn't true.

Now you may be opposed to jobs moving from other parts of Canada. Obviously with Crown Life you were, you were very upset, and didn't like the deal that moved jobs from Ontario to Saskatchewan. But you have to ask yourself who you represent. Do you represent the workers or the business people in Vancouver trying to protect jobs in B.C. (British Columbia) or are you on the side of working people in Saskatchewan? Now I say to you, no jobs have moved from Vancouver, but why would you be opposed to people moving to Saskatchewan from other parts of Canada?

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

**Ms. Draude:** — Mr. Speaker, I'd like to let the Deputy Premier know that I'd rather be inexperienced than unaccountable. The Deputy Premier of B.C. has issued a warning that in fact if our NDP government is poaching jobs from B.C., he will launch a blistering attack on Saskatchewan. He also said that he'll be pursuing their options under the Internal Trade Agreement.

This government has broken another agreement and this time it's with the B.C. government. Undoubtedly our Saskatchewan economy will suffer. Mr. Speaker, the action of this NDP government will have serious effects on every business person who conducts business outside of our province.

My question to the Deputy Premier is, what immediate actions are you going to take to ensure that the business people of this province won't be made to suffer under your reckless actions?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to say again to the member opposite that when it comes to job creation, I want to tell you that working with business people is what we do every day. And the thousand business people who were out to the Premier's banquet last week flies in the face of what you say — that business people don't cooperate in partnership with this government. It isn't true and it isn't accurate. So when you talk about misrepresenting the facts, you should get your story straight.

The fact of the matter is that under the deal an arrangement was made to create 400 jobs at Intercon through a forgivable loan, that if the jobs were created, the loan would be forgiven at a rate of 12,500 per job. To this point, a number of new jobs have been created by Intercon. No jobs have moved from British Columbia. So your talk about poaching or representing the people and business people in Vancouver, I'm not quite sure where you're coming from. The fact of the matter is that if jobs move from Vancouver, they will not be included in the arrangement.

But I welcome every working person who wants to come from Vancouver, Toronto, and Halifax — come here and come tomorrow.

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

### Health Care District Advertising

**Mr. Gantfoer:** — Thank you, Mr. Speaker. Mr. Speaker, media reports this morning indicate that a number of district health boards are considering advertising in order to encourage people to use local services. The reason they are having to look at this option is because of the fact that this government has chipped away at local health care to such an extent that people have very little faith in their local health care system. The Department of Health simply has to exercise stronger leadership.

Will the minister admit that because of his government's short-sighted cuts to rural health care, district boards are being forced to consider spending valuable health care dollars on advertising instead of providing services to the sick and our elderly?

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

**Hon. Mr. Cline:** — Mr. Speaker, I believe what the gentleman from the Moose Jaw District Health Board said, at least according to the report I heard, was that they were going to be looking at community announcements and so on. And I support what they're doing and I think it's a very good idea, and I have so said to a few district health boards that I've been visiting and to the Saskatchewan Medical Association, which I spoke to on Friday.

And I'll tell the member why. One of the things that is happening in our health care system is that the seven largest districts, with 61 per cent of the population, are doing 94 per cent of the surgeries.

And what we should be doing is analysing what is going on in the districts and seeing if the level of surgery done across the province could be increased. Many people are going to larger districts for procedures that could be done at home in their home district, which would be better for them and would be better for the district too, because we have to pay for surgeries that occur in the larger centres when people go there. If more surgeries can be done in the smaller centres we're 100 per cent in favour of that, and we'll work with the districts to try to encourage people to stay home if possible, Mr. Speaker.

**Mr. Gantfoer:** — Mr. Speaker, during the address that the minister referred to, to the Saskatchewan Medical Association last week, you indicated that another one of the co-challenges of health reform is convincing patients that they can receive indeed the same care of service in rural areas as larger centres. This is clearly not the case in the minds of the people. And the fact that rural districts are looking at advertising to maintain a local client base serves as proof.

The Minister also indicated that the Health department may need to consider ways to reverse the centralization of some services. Will the minister explain what he is only now coming to realize, that services to rural residents are not equal to those in urban centres? And will he explain what measures he intends to take to address this serious problem other than advertising?

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

**Hon. Mr. Cline:** — It was not me that proposed advertising. But I did say to the member, increasing the level of individual awareness is not a bad idea. And I said that to the SMA (Saskatchewan Medical Association) as well. And I think the physician that raised this matter agreed with that.

Because the fact is, I was out in Tisdale a few weeks ago and was quite impressed to meet some surgeons from Saskatoon who were doing surgery in Tisdale, where they do laparoscopic surgery by the way, and the same in Nipawin. And the thought did strike me that individuals make choices in the health care system. Sometimes they choose to go to Saskatoon to get their surgery; but if we can increase the amount of surgery that is done in other areas, we should be doing that. And those members should be working with us in that regard, Mr. Speaker, because this is one of things that we need to do, not only to take the pressure off some of the larger centres, but to have more surgery done in the rural centres.

And I've asked the department for a report as to the amount of surgery going on in each district. I'm going to study it. I'm going to work with the surgeons. I'm going to work with the local doctors and I'm going to work with the districts. And we're going to make sure that there's good services all over the province, Mr. Speaker.

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

#### Agreement with Intercontinental Packers

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Premier. Mr. Premier, according to internal cabinet documents the Intercon deal was actually approved in September of 1994. Those same documents indicate that the \$5 million was contingent upon the closure of Intercon's Vancouver plant.

And the minister talks about poaching jobs. That is what the interprovincial agreement is all about, Mr. Minister. Of course we want jobs, but that kind of action is a clear violation of the agreement that you signed, Mr. Premier.

Mr. Premier, these documents clearly show that you were personally appraised of the situation. Mr. Premier, why did you approve a deal that violates the interprovincial trade agreement? And why weren't Saskatchewan voters told the real reasons behind this deal when it was finally announced just before the last election?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to make it clear to the Leader of the Third Party that the arrangement that was made was well explained to the people of Saskatchewan and supported by the people of Saskatchewan. What we said in 1992 and 1993 in the Ag 2000 document is that hog production in Saskatchewan would increase from less than a million hogs to more than 2 million. And in that increase, there would be need for increased capacity at a kill plant and processing in Saskatoon and for cattle in Moose Jaw.

In order to eliminate a bottleneck that would occur, by everyone's admission and understanding, anyone who understands that kind of increase in production in Saskatchewan, there was need to expand the plant in Saskatoon and in Moose Jaw. To that end, an arrangement was made to allow for a forgivable loan for \$5 million to Intercon, and you understand that. This was not connected to Vancouver. In fact jobs are being created — up to 200 already — and Vancouver is still open, to prove the point that it wasn't and is not linked.

Now after this first 400 jobs are created, or while they are being created, if people from Vancouver, from Intercon, want to move to Saskatchewan, or from other areas, good luck to them. We welcome them here.

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

**The Speaker:** — Order, next question.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, I think it's time that you explain your actions. This deal was approved in September 1994. Why did you wait so long to announce it if you had nothing to hide? Why did the Treasury Board documents that I was shown clearly link the \$5 million to the closure of the Vancouver plant? And why does the communication strategy go on to say: "It is imperative that the government distance itself from the decision to close the Vancouver plant." Is because you knew it was a clear violation of the trade agreement that you signed and you went ahead and approved it anyway in order to buy votes just prior to the last election?

Mr. Premier, Saskatchewan people deserve some answers. The minister says the deal was explained properly. Well I don't think so. Mr. Premier, will you release all of the planning documents associated with the \$5 million Intercontinental deal, Intercon deal, so that the people of Saskatchewan can judge for themselves?

**Hon. Mr. Lingenfelter:** — Again to the member opposite, the arrangement to create 400 jobs in Saskatchewan at Intercon obviously has nothing to do with closing Vancouver because the jobs are being created now. Almost 200 have already been created, and no decision has been made by the company whether they close or keep Vancouver open. I think for the majority of the public who watch and observe, they will understand that the new jobs being created have nothing to do with Vancouver because Vancouver's still open. Now that may be too complicated for you understand.

But the fact of the matter is that the new jobs are being created. Vancouver's still open. How could there possibly be any conflict within internal trade when their office and the operation in Vancouver is still open?

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, I also have some questions for the Premier about this deal which has more to do with hogs to the trough than hogs to slaughter.

Not only has the \$5 million forgivable loan been a violation of

the interprovincial trade deal, Mr. Premier, it was also used to buy labour peace in Moose Jaw so your two Moose Jaw MLAs wouldn't have to face a messy strike just before and during an election.

Mr. Premier, this is a dangerous precedent that you have set. Tax dollars should not be used to settle labour problems in the private companies. We can't afford a situation where every time a company has a strike, they're going to be calling on the government for assistance.

Mr. Premier, why did you give Intercon \$5 million to buy labour peace in Moose Jaw? And we're talking about labour peace — not jobs in this instance. And why wasn't this given as one of the reasons behind the deal when it was finally announced nine months later?

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to say to the member opposite that it may be your policy, if you were government — it certainly was of the previous Conservative government, the Devine administration — to squander hundreds of millions of taxpayers' dollars. You may have said, look, we're going to give out that kind of a loan while there was a strike on. That doesn't seem to make much sense to many people in the public — to make a deal while there was a strike on. Obviously there could be no deal while there was a strike in progress.

The fact of the matter is that before the order in council was signed to make the loan, the strike had been settled for some months. So I challenge you to get your facts straight so that you understand that there was no connection to solving the strike issue and giving the loan.

But if you're making the argument that there should have been a loan given while there was a strike on, it's no wonder that you have five members here in the legislature.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. I have a supplemental.

Mr. Premier, again your minister's words simply don't match what is said in the Treasury Board documents, although I do think that I sense a clear admission of guilt in his . . . in the statement that he just made. But that's not surprising since the communications strategy was to distance yourself from the real reasons behind this \$5 million deal.

Mr. Premier, you have been caught red-handed. The strike at Moose Jaw, at the packing plant, had gone on for two years. In September 1994 you approved a \$5 million forgivable loan, and three weeks later the strike ended. Now you're denying that the two events were related at all even though it specifically said so right in your internal cabinet documents. These are documents that you people put your signatures to.

Mr. Premier, come clean with Saskatchewan people. Will you today release those documents, release all of the documents that your cabinet filled out with regards to this deal, to the people of Saskatchewan and let them be the judge of whether you are honest or not?

**Hon. Mr. Lingenfelter:** — Well I'm shocked that the member from Cypress Hills says the Premier's been caught red-handed creating jobs and balancing the budget. What a terrible thing to have happen to a Premier.

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

**Hon. Mr. Lingenfelter:** — I want to say to the member opposite, I want to say this, that the economy of Saskatchewan today is red hot when you look at wheat production, price of wheat, production of hogs, production of cattle. But I say to the members opposite, everyone will recall the terrible deals that were made during the 1980s by that administration.

And I say to you and to that member, that supporting farmers by having an operation for the slaughter of cattle and pigs, and the processing, is very encouraging. And far from attacking this government or the Premier, you should be congratulating him for the job creation program that's been undertaken.

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

### SaskTel Strike

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, the media is reporting that SaskTel's 650 managers who are filling in during the current labour dispute are receiving, in addition to \$50 an hour overtime, free dinners, suppers, cab fare, extra hour babysitting costs, and one can only guess how many other perks.

Mr. Speaker, how can the minister justify spending hundreds of thousands of dollars each week and every week to keep SaskTel managers satisfied, when private sector managers would be expected to carry out these extra duties with no extra wages, simply because they're a part of management?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I'm really sorry that the management employees of SaskTel have been caught at the crime of eating on the job. They're putting in very long hours, and yes, they do need some nourishment and some transportation to and from work.

But, Mr. Speaker, the good news on this front is that a press release has been issued by the union announcing that a tentative agreement in this labour impasse has been reached, and this is very good news, Mr. Speaker.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I think that news, Madam Minister, is good for everyone in here and we would be first to say that we're very . . .

**The Speaker:** — Order, order. Order. Order. I'll ask all members to come to order. The Speaker is unable to hear the question being put by the hon. member for Saltcoats. Order.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I just reiterate that

I think as official opposition we're very happy also that an agreement has been reached at this time for the betterment of the people of Saskatchewan.

### Wildlife Damage Compensation

**Mr. Bjornerud:** — Mr. Speaker, my second question is for the Minister of Environment and Natural Resources. Mr. Speaker, the issue of big game crop damage is one which has been raised on numerous occasions in this House. In spite of the fact that elk and deer have destroyed millions of dollars in crops, the Environment minister and this government will not commit to a compensation package.

Will the minister indicate in the House today if any compensation packages have been paid out to any individual farmers?

**Hon. Mr. Scott:** — Thank you, Mr. Speaker, and I thank the hon. member for the question. There has been no compensation packages paid out to any landowners. We have put out some money towards intercept feeding, fencing materials; but as far as outright compensation, no money has been paid out this year.

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

**Mr. Bjornerud:** — One hundred thousand dollars . . . I would suggest that the government opposite shouldn't be clapping when no compensation package is paid out and farmers in rural Saskatchewan are not really impressed.

Mr. Speaker, the overpopulation of white-tailed deer in this province is evident in the number of acres of crop they have destroyed. Will the minister indicate if this government is in the midst of negotiating a 10-year deal or agreement to sell white-tailed deer to Canadian and American game farms and, if so, will he make a commitment in this House that all such revenues will be used to compensate farmers who have suffered crop damage as a result of this same big game?

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

**Hon. Mr. Scott:** — Thank you, Mr. Speaker. In response to the question, I can assure the member that wildlife in Saskatchewan, as is throughout North America, is a public resource and we have no intentions of capturing wildlife and selling it to anybody.

### Income Supplement for Farmers

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, the working income supplement proposed in the government's discussion paper on *Redesigning Social Assistance* is geared towards the working poor. We have farmers who are, in some instances, the working poor simply because their profit margin is very low or in the negative due to high costs related to farming. These are people who are working and trying to make a living. My question to the minister responsible for Social Services is this: will the working poor farmers be entitled to this working income supplement?

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

**Hon. Mr. Calvert:** — Mr. Speaker, as we discuss these very progressive proposals with groups across the province, I certainly welcome the input of the member, and I welcome her input today. We are not at a point, today, of having made all of those decisions.

What I can say to the member today, is that the working income supplement will be based on family and household income levels. And it would be my view that should any household in the province have an income level that would qualify for the working income supplement, that that household would have access. Now again I say, Mr. Speaker, that we are in the process of spending some careful weeks and months reviewing the various terms of these programs because it is our determination that when we announce the new programs that we have as many of the questions ironed out as is possible.

**Ms. Julé:** — Thank you, Mr. Speaker. Health benefits are necessary for farmers' children, as well as for urban children. Are the children of low income farmers going to qualify for the same health benefits that poorer urban children qualify for?

**Hon. Mr. Calvert:** — Well, Mr. Speaker, one of the things that I am enthusiastic about in terms of the proposals that we're advancing, will be that proposal which will provide supplemental health benefits to the children of our province outside — outside — of the traditional welfare system.

Mr. Speaker, this is being noted across Canada as, if not the, one of the most progressive attempts to deal with the very serious issue of child poverty in our province. Again I would say to that member, we're working through the details. And it would be my view that the supplemental health benefit will be available to all of the children of this province based on their family income.

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

**Hon. Mr. Anguish:** — Mr. Speaker, I'd ask for leave to make a statement of importance to the people of Saskatchewan concerning the day of mourning.

Leave granted.

### STATEMENT BY A MEMBER

#### Day of Mourning for Workers Killed or Injured on the Job

**Hon. Mr. Anguish:** — Mr. Speaker, yesterday was the annual day of mourning for workers killed or injured on the job. Today we in this Assembly formally observe this important day.

The annual day of mourning for workers killed or injured on the job is a solemn time of reflection. In the past year, 27 men and women died as a result of workplace accidents in Saskatchewan.

Mr. Speaker, I want to read into the record the names of those men and women that have been lost to their families, friends, and colleagues.



Their names are: Andrew Robillard, Nola Belisle, Terry Phillips, John Gilchrist, Randy Lia, Eric Schultz, Verna Schinkel, James Konopelski, Glen James, Steven Beardsworth, Larry Lemke, Ken Weinheimer, Jason Nicolichuk, Simone Denis, Clifford Villeneuve, Rudy Thurlow, Aaron Warren, Dwight Sanders, Rodney Fleming, Lyndon Hushagen, Victor Cholewa, Lynn Sharber, David Wiens, Phillip Desrosiers, Richard Beasley, Michelle Kaczmar, and Perry Charbonneau.

At this point, Mr. Speaker, I think it appropriate to also acknowledge the 15 men, women, and children who lost their lives in farming accidents last year.

And whether farmers, factory, or office workers, today 42 families in Saskatchewan are grieving for the loss of a loved one. We grieve with them.

On this day of mourning, we also remember all those who have been seriously injured or have attained illness at work. And we remember the men and women left with the permanent disability as a result of hazardous conditions or accidents at work.

Mr. Speaker, we cannot undo what has happened. We cannot go back and prevent the accidents that have taken such a heavy toll, but we can renew our determination to create safe, healthy workplaces for all.

As elected members of this Assembly, we are responsible for the legislative framework to achieve that. It is up to each of us to support the ongoing education and promotion of workplace safety; to support the enforcement of health and safety rules and regulations; and to remain firm in our resolve that even one death in the workplace is too many.

Mr. Speaker, this is not some arcane or academic point. For working people, it is a matter of life and death. Mr. Speaker, I now ask that all members of the this Assembly rise in their places and observe a moment's silence.

The Assembly observed a moment of silence.

**Hon. Mr. Anguish:** — Thank you, Mr. Speaker.

#### TABLING OF REPORTS

**The Speaker:** — Before orders of the day, I wish to lay on the Table the Provincial Auditor's 1996 spring report in accordance with the provisions of section 14 of The Provincial Auditor Act.

#### ORDERS OF THE DAY

#### WRITTEN QUESTIONS

**The Speaker:** — Question 78 is converted to motions for return (debatable).

#### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

#### Motions for Interim Supply

**The Chair:** — The question before the committee is resumed debate on the motion moved by the Minister of Finance that be it:

Resolved that the sum not exceeding \$678,091,000 be granted to Her Majesty on account for the 12 months ending March 31, 1997.

I would ask the minister to introduce her officials, please.

**Hon. Ms. MacKinnon:** — Thank you, Mr. Chairman. On my left is Bill Jones, who is the deputy minister of Finance; on my right is Brian Smith, executive director, Public Employees' Benefits Agency; behind Bill is Larry Spannier, executive director, treasury board branch; behind me is Kirk McGregor, executive director, taxation and intergovernmental affairs branch; and behind Brian is Jim Marshall, executive director, economic and fiscal policy branch.

**Ms. Julé:** — Thank you, Mr. Chairman. I would like to welcome the department officials here today.

Mr. Chairman, any time we are dealing with a financial issue in this province I believe it is very important that it comes under close scrutiny. We have a massive debt in Saskatchewan and it doesn't seem like it is disappearing very quickly, if at all. The concern I have about such a massive debt is that the hard-working men and women of Saskatchewan are the ones that have to foot the bill. We have a population that is taxed to the limit, a job creation record that is absolutely destitute, and unfortunately, a government that refuses to do anything about it.

Mr. Chairman, I ask the Minister of Finance, if no money is specifically allocated in this two-twelfths for servicing the debt because it is authorized by law, then what action is being taken to pay down the debt out of this total amount that you are requesting today?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I'd like to take a moment to answer a number of her questions.

First of all, we as well believe that there has to be close scrutiny of the finances of the province and that's why there is a process in place called the estimates whereby every department of government comes before the legislature with all of their detailed information and allows the opposition members to ask whatever questions that they want of the various departments. That process is an ongoing process and when we finish interim supply we can obviously move on to that process.

I would also like to correct the member opposite in terms of the province's debt. Saskatchewan is one of the few provinces in Canada where the debt is declining. This is because we have balanced the budget.

In fact the debt reduction occurring in this province is the most dramatic of any province in Canada. In 1994 the province's debt, relative to the size of its economy, relative to the GDP (gross domestic product), which is the measure the federal Liberals always like to use, was 68 per cent. By 1998 it will be down to 44 per cent.

It's important to remember as well how far ahead Saskatchewan is, in that we have balanced our budget. The Government of Ontario has not balanced its budget; the Government of Quebec has not balanced its budget; the Government of Canada is a long way from balancing its budget. So in terms of debt reduction I think this is something the people of this province should, and I think do, take a lot of pride in.

With respect to jobs, I would say since 1992, 10,000 new jobs have been created in the province. With respect to measures taken to reduce the debt, recently we sold Cameco shares for a net benefit of over \$700 million, all of that money being used to reduce the debt of the province.

The only thing that is statutory is interest on the public debt. That is, interest on the public debt has to be paid as a matter of statute rather than as a matter of vote.

**Ms. Julé:** — Mr. Chairman, what this government has done is offloaded onto third parties at record levels. The health boards, school boards, social agencies, and municipalities have seen drastic cuts in funding from this NDP government.

This has gone on since the NDP government formed in 1991. Third parties have suffered five years of dramatic provincial offloading. They have been forced into the predicament of having to provide the same level of service with a heck of a lot less funding. Mr. Chairman, these third parties didn't like what was happening to them, but they took it on the chin and kept moving forward.

So, Mr. Chairman, I would ask the Minister of Finance to explain her government's decision to offload so dramatically onto third parties and how she expects them to continue to operate effectively with such drastic decreases in funding.

(1430)

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, this is not the House of Commons; this is not the government that has offloaded onto third parties. In fact in our budget in 1996-97, the operating budgets of all third parties are maintained. There is no cuts in this budget to third parties in education, health, social services, municipal government. All of their funding is maintained at current levels.

The government that is a master of offloading is the federal government. Three-quarters of all of their cuts in this budget was cuts to provincial governments. The next year it grows: 1997-98, 79 per cent of all the federal cuts are to third parties . . . or to provinces.

So I think that the member opposite has the wrong level of government. In fact what we've done in this budget, in this province, is we have cut the administrative side of government. That's where we have directed our savings. That's where we found the savings.

So the member has it absolutely topsy-turvy. In the '96-97 budget we maintain all of the funding for third parties at existing levels. And it's the federal government that deals with

its deficit problem by shifting it over to the provinces.

**Ms. Draude:** — Thank you, Mr. Chairman. This NDP government could learn a very valuable lesson from third parties — obviously they haven't, though. Our federal government is also faced with a massive debt and they are currently working hard to pay down that debt.

In order to do that, they too had to do some cutting. As a result, transfer payments to the provinces had to be cut. There was no other choice. Transfer payments to the provinces account for 20 per cent of Ottawa's total program spending.

Mr. Chairman, what does this NDP government say about these cuts? They say Ottawa is threatening our health care, our education, and our social programs. The Minister of Finance jets around the province telling the people of Saskatchewan that the nasty federal government is at the root of all evil.

She tells them that the federal government is cutting funding for health, education, and social programs. The people tell her they want to maintain their health, education, and social programs. Then on March 28 she stands up in this Assembly and claims that the government is back-filling 100 per cent of the cuts to these programs. She expects everyone to look at her as if she's some kind of martyr.

Mr. Chairman, I would hope the Minister of Finance knows how block funding works. I know her department officials do. The very same way they know how tax harmonization works when she uses the wrong figures. The intent of the Canadian Health and Social Transfer is to allow provinces more freedom and more flexibility in determining where they will allocate federal transfers.

If there are cuts to health, education, and social programs, it is the provincial NDP government's choice. We know that and they know that. Unfortunately the Minister of Finance and her NDP colleagues won't admit it.

Mr. Chairman, will the Minister of Finance admit that the decision to drastically cut funding for schools, health boards, and municipalities was the decision of her government and that block funding gives them the leeway to make such decisions?

**The Chair:** — Order. Order. Before the minister responds, I guess I want to bring this back to where we came from — Friday again — that the purpose of interim supply is to grant money for the operation of government departments and programs on an interim basis, while reserving the right to complete the details later in estimates. So I think we have to stay away from the policy and we're getting back into that.

**Hon. Mr. Shillington:** — Mr. Chairperson, in light of all the circumstances, I think it would appropriate, and in fact the government is prepared, by leave, to permit a broader range of questions along the lines we engaged in Friday morning. So I make that offer, I think, with leave.

Leave granted.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member

opposite. A couple of general comments. You would be well advised to set aside the personal comments. They don't hang well on you. You would also be well advised to check your facts before you make statements.

The money we get from the federal government has a name. It's called the Canada Health and Social Transfer. That's what it's called. That's what the federal government called it — that is, it's money for health and social programs. Clearly, clearly designated for that. That's the money that they're giving us for health and social programs.

Now the members opposite should really be concerned about the position they've taken in this House and in this province. What we've said is, in the recent federal budget, three-quarters of all of their cuts are to the Canada Health and Social Transfer. That is, three-quarters of the cuts that the federal government made are to cuts for health, education, social programs — their funding for it. And we have said that those are the wrong priorities.

The members opposite have not agreed with that. In fact they stand up, every day in the legislature that this issue's raised, and defend the federal government. Obviously making it clear to the people of Saskatchewan two things: they don't mind; they support a government in which three-quarters of the cutting is to health, education, social programs. Meaning that if they were the Government of Saskatchewan they probably would try a similar route here, I guess. I guess.

The other thing they're saying though, consistently to the people of Saskatchewan, is that they are prepared to come to the legislature of Saskatchewan and support the federal government. That is, not speak up for the people of Saskatchewan and what the implications of these things are for the people of Saskatchewan, but to speak up for the federal Liberals. And again, you know, the electorate will have to draw its own conclusions from that. But I would say to the member opposite, the final fact that has to be clarified is the federal government, over the next four years, is taking 250 million — a quarter of a billion dollars — out of its funding for health, education, social programs. And there's no disputing those numbers.

This province is putting back \$240 million of new provincial funding. So yes, we are back-filling close to 100 per cent — 96 per cent back-filling of the federal cuts — because we don't agree with their priorities. And if you want to add another layer onto it, I don't believe they should be going around, if they have a billion dollars, spending a billion dollars to bribe provinces to change their tax regime.

If they had a billion dollars, they should have put it where the people of Canada want it put — into health, education, social programs. They shouldn't be hacking and slashing at health, education, social programs, at the same time as they're saying to Liberal provinces, here's a billion dollars to try to — as the press has called it, it's not my words, the press calls it — bribing people to change their tax regime.

What are the priorities and what are the priorities of the members opposite? They seem to be saying they support cuts to

health, education, and social programs. They don't mind governments being bribed to change their tax regimes.

**Ms. Julé:** — Thank you, Mr. Chairman. I have a question, basically of clarification, that I would like to present to the Minister of Finance. I would like to ask you, Minister, just for the information of the people in the province that are watching this, could you let these people know what CAP (Canada Assistance Plan) stood for at the time that program was in place?

**Hon. Ms. MacKinnon:** — CAP was the Canada Assistance Plan. It was money that went into social assistance.

**Ms. Julé:** — Thank you. When is CAP going to be changed to the Canada Health and Social Transfer? When is the date for that?

**Hon. Ms. MacKinnon:** — April Fool's Day — April 1, 1996 — a very sad day for Canada because what it meant when we moved from the old system to the new system is there are now no national standards for welfare beyond the fact that you can't deny welfare to somebody from another province. So that any province has the freedom to decide that they want to cut off a certain group of people from social assistance; they want to drop their social assistance rates through the floor so families can't possibly live on the money that they're getting. And besides the funding problem — a problem we have — is that under the new system, there are no national standards.

One of the things Canadians have always prided themselves in, is making them distinctive from Americans, is that we have a universal health care system and we have a social safety net. The beginning of the unravelling of the social safety net in Canada began April 1, 1996.

**Ms. Julé:** — Thank you, Madam Minister. Madam Minister, if in fact April 1, 1996 was the date that the transfer took place from CAP to the Canada Health and Social Transfer, how is it that this government has placed a lot of blame on the federal government for a program that had not yet changed over?

The poverty rate had escalated in this province prior to April 1. There were many social problems going on in the province that this government was not taking care of, in spite of the fact that the same funding was coming from Ottawa before April 1.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what this government has said is that our capacity to deal with any of the social problems in the province — whether it's poverty, whether it's requiring more in health, whether it's enhancing education — has been greatly diminished by the fact that the federal government is taking so much money out of the system.

From 1991 to 1995, what we were dealing with was the mess left by the Conservatives: massive, massive debt — deficit too — but massive debt and deficit. So we were getting the province back on an even footing by having to make very, very troubling choices, having to cut things to deal with the problem that we inherited.

1995 we get it back on an even footing. We're actually looking forward to a future of some enhancements. The federal government says, we have a problem of our own deficit. No doubt about it; we believe they should handle that problem.

How do they handle their problem? By taking the cuts that they make and handing three-quarters of the problem over to the provinces and saying here, you take our problem — by the way, still not balancing their books — and putting us back in the position where, instead of saying, boy we can see some capacity here to do a lot of enhancements in these areas, we have to struggle to find new provincial dollars — about a quarter of a billion over four years, 242 million over four years — to back-fill what the federal government is taking out of the system.

And the other thing they're doing is they're leaving the door open for governments like the government in Ontario to do what it likes with respect to poor people because there are no standards. The funds have been cut. The government has its own rationale to say, therefore the first place we're going to look, when we look for ways to save money, is to look to the backs of the poor people.

**Ms. Julé:** — Thank you, Madam Minister. I would just suggest that in the future, when you're referring to what has transpired in this province up to April 1, 1996, that you give the federal government the commendation that they have coming to them. After all, they were providing sufficient amounts for social services in this province. There had been no change up to that point.

And if you're going to then in fact blame someone, I wish then you would put the blame on the Tories, as you have just mentioned, for their contribution to this.

However the federal government has been generous up to that point and continues to be generous, as far as that goes. I think that the people of the province need to know that the funding from the federal government up to April 1, 1996 had not changed, and so there's no excuse for your government not to in fact put forth social programs that are adequate and for the province.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I sometimes wonder whether we're in the House of Commons or in the legislature of Saskatchewan.

I'm sorry; no, I'm not prepared to give the federal government that credit because what it was doing before April 1, 1996, across the piece, was moving people onto our welfare rolls. It was, for example, taking status Indians in the province who are clearly a federal responsibility, renegeing on its commitments to status Indians the minute the status Indian moves off the reserve, and saying sorry, the province is going to have to pay for that — about 30 million new dollars in costs in welfare and more people on welfare, on our welfare rolls, because they were renegeing on their commitments to first nations people, to the concern of first nations people as well, I might add.

At the same time, they were changing their unemployment

insurance, saying look at all these wonderful numbers here. People are moving off unemployment. We're saving money on our costs for unemployment. What was happening to the people? A significant percentage in every province in Canada were simply being moved from the unemployment rolls over to the provincial welfare rolls.

So I'm not sure why we're here deciding what we think of the federal government. I'm not sure how this affects this particular budget or this particular process. But if you keep on asking questions about what they've done, I have to keep saying that when the history books are written about the '90s, they're going to say all the federal government did substantially — made a few cuts of their own — but substantially they moved the problem over to the provinces.

(1445)

**Ms. Julé:** — Madam Minister, I have one more question to ask you. If in fact a first nations person is placed in hospital in this province, is it not true that the bills for that person are forwarded to the federal government for payment?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what has changed? Ten years ago, if you were a first nations person in Saskatchewan, you were clearly the responsibility of the federal government, whether you lived . . . whether you were at this particular moment on your reserve or whether you were in another part of the province.

What has now occurred is if a person is on reserve, they're living up to that obligation. What they are not living up to is the obligation for the person when they set one foot off reserve. Then the costs are shifting over to the province. And as I say, this is a matter of concern not just to us, but it's a concern to first nations people.

So there has been a significant change in their own interpretation — and again it's unilateral — I mean we could fight them on it and say we won't pay the costs. But we're not prepared to let people suffer so we end up having to pick up the cost for social assistance. But there has been that dramatic change over the last 10 years.

**Mr. Krawetz:** — Thank you, Mr. Chairman. Madam Minister, I'd just like to make a couple of points as some of the comments that you've made this afternoon . . . You've indicated that federal transfers and grant have changed significantly for this year, whether or not the numbers that you've put forward and the numbers that we have are obviously different. And we believe of course, that number to be in the neighbourhood of \$60 million this year.

What we do know, though, is that since 1991 there have been significant offloading to school boards, in particular, as a third party receiving a grant from government, that being in the area of approximately \$26 million over the course of those four years.

Madam Minister, you stated that there have been no reductions to school boards as far as third-party funding. Over the last four years your government has decided that the educational

development fund was going to be ended, and this past year, 1995, was its last year. I recall that in, I believe, in 1991 the allocation for the EDF fund (education development fund) to boards of education, I think, was \$7 million in that one year alone.

Now when you take into account the fact that the EDF fund has ended, the fact that there is a new contract which the Minister of Education through, I imagine, consultation with yourself has decided that an additional \$2 million will be spent to offset the cost of the salary increase for 1996, when you add those numbers up, they don't balance, Madam Minister. And I go back to your comment a number of minutes ago when you said that third-party funding has not decreased when in fact, I believe for school boards, it has. Could you comment on that?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what we have to look at . . . in fact funding to third parties as a percentage of the pie of government has increased. If you go back to 1991-92 and you look at, okay, the whole pie, here's all the money that government spends, how was it divided? Forty per cent went to third parties, and I'll clarify who I'm talking about here — health, education, post-secondary education, municipal. Forty per cent of the money went to third parties, 60 per cent of the money went to government to run the rest of our operations.

If you look at '96-97, that number has changed — third parties have increased their share by 3 per cent. So now of the pie, 43 per cent of the pie is going to third parties, 57 per cent is going to government. So we have decreased our share of the pie, and we have increased the third-party share of the pie.

I would invite the member opposite to compare that to the federal situation, which they always seem to want to get into, where in fact the opposite is the case. There has been a dramatic decline in funding to third parties, and not the same kind of decline at all, relative to . . . in fact some parts of their government are increasing their spending, federally, while they're cutting money for health, education, social programs.

But I mean, coming back to Saskatchewan, unfortunately it's the opposite of what you say. Third-party funding as a percentage of the pie has increased, government spending has decreased.

**Mr. Krawetz:** — Madam Minister, clarify these numbers for me. In 1991 I understand that the grants to school boards, the foundation grant plus the EDF, was \$381 million. In 1996, your budget '96-97, you've indicated that the budget is going to be 355 million. Now that is a significant decrease when you talk about the fact that the costs of operating the school boards in this province is in excess of \$900 million. This is downloading, Madam Minister. And I'm not sure who you're referring to as far as third party, but if third party is receiving more money, who's getting it?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, again I would remind him that detailed questions come in estimates. I don't have the Department of Education's total budget here, and the member opposite knows that. And so I mean, if you want to talk about general things, fine. But if you

want to get into the nitty-gritty, pass interim supply and we'll bring Education forward.

But I will say to the member opposite, going back to the money the government spent on all of its operations — 1991-92, 10 per cent of all of that funding was for education, and what I mean by education is K to 12. By 1996-97, of the total government pie, 12 per cent of all of the funding was for K to 12 education. So in fact, of the money that the government has available to it to spend, there has been an increase in the percentage going to education relative to what we're spending our money on across the province.

**Mr. Krawetz:** — Thank you, Madam Minister. We'll get into those discussions, I imagine, with the Minister of Education.

My question around the decision that you would make or that you and the Education minister would make together in terms of the changes to how monies are paid out by this government to school boards, are you involved with those discussions as far as the changes to the rules that grant the third-party grants to, specifically school boards, I'm referring to.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I certainly don't mind clarifying to him the process that occurs.

There is a Treasury Board constituted which includes six cabinet ministers. The Minister of Finance chairs the Treasury Board. They establish the budget for the whole government, and they set different target levels for various departments.

Then the departments come before the Treasury Board, proposing ways in which they would meet the targets. And so then the decisions are made by the Treasury Board as to how the targets in education would be met and the process . . . you know, how the funding would be allocated in education. Then it goes forward to cabinet and to caucus and to the House as part of the budget. So we would make decisions in terms of how the allocation would occur, but they'd be decisions on the basis of recommendations from the department.

**Mr. Krawetz:** — Clarify for me this procedure then. What I'm hearing you say is that if there is a decision made that the allocation of money to the Department of Education, K to 12, is \$355 million, which is what you have, and you've indicated then that it's the department that comes up with the plan to actually spend that kind of money.

Now on the other side of the coin, I'm hearing the Minister of Education tell me that there have been moves made by the government, the Treasury Board, yourself as Finance minister, to say that there will be additional spending in the area of core curriculum implementation, rural technological development — all those other things that the Minister of Education, I'm sure, has communicated to you.

Those items of expenditure are significant. The decision that was made to change the equalization factor — in other words, the amount of money now that you're asking the local taxpayer to contribute to your plan — is that your decision, or is that the Minister of Education's?

**Hon. Ms. MacKinnon:** — Well as I said before, what would occur would be the Treasury Board . . . It's all the same decision. It's a government decision. I mean we're a group. We're a team. And so when the government makes a decision, all I'm outlining is the process as to how the decision occurs. But once it's a decision, it's a decision of the whole government.

The Treasury Board focuses on the spending of the particular department and some general allocation of the spending. They do not delve into the details of what it looks like in one particular community. That is, we wouldn't look at what does it look like in Saskatoon or what is it going to look like in Humboldt. We only deal in the general policy overview, not into the details.

**Ms. Draude:** — Thank you, Mr. Chairman. First of all, I do want to assure the minister that we, as the official opposition, do care about the health, education, and welfare programs. That is the most important priority for us and we're very disappointed when we see what is happening in rural Saskatchewan and right across the province.

I want to address the whole picture of federal transfer payments just for a second. I think it's very important after hearing the comments from the member from Regina South in the Assembly last week, and I was appalled when I heard him say, and I quote:

Tax points were a concept introduced in 1977, almost 20 years ago. It was a one-time shift from a federal tax base to a provincial tax base to cover a program called established programs financing, EPF. That happened in 1977. There's been no tax point transfers since then.

Mr. Chairman, with comments like that, it's no wonder why the NDP back-benchers can't speak in this House. I can understand why the Premier and his cabinets have put a muzzle on them.

Mr. Chairman, this NDP government ignores the tax transfer component because it allows them to understate the size of the federal transfers and exaggerate the size of the cuts. The member from Regina South says tax transfers don't exist, so why are the provinces asking for more of them?

Mr. Chairman, I ask the Minister of Finance if she agrees with the comments from the member of Regina South, and if so, will she provide us with a complete breakdown in terms of CHST (Canada Health and Social Transfer), equalization, and tax transfers for 1996-97, and of Saskatchewan's total federal transfers so we can clearly see that they are receiving a \$1.211 billion that we believe they are receiving, and how this \$1.211 billion is being allocated from the federal government?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. I really do wish that she would . . . that the members opposite would play down the rhetoric. It doesn't . . . it sounds so old-fashioned.

These back-benchers are not muzzled; we have amongst the best back-benchers of anywhere, any place in Canada. They are

active participants in our decision making. We wouldn't have the good decisions if we didn't have these good back-benchers.

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

**Hon. Ms. MacKinnon:** — So do I endorse the member's comments? I heartily endorse the member's comments. Absolutely, heartily. Couldn't have said it better myself.

And what I would say to the member opposite is there isn't a government in Canada — a provincial government in Canada — that buys into this notion of tax points.

Recently six governments came out publicly in a document — four western governments, the two territorial governments — and said, the federal government is making misleading statements. Misleading statements — that's strong language for governments to officially sign on to. The federal government is making misleading statements about the transfers in order to minimize the extent of the cuts

But misleading statements — and they were referring to tax points. I mean tax points are just tax room. Let's go back to 1977, okay. So yes, the federal government decreased its taxes in 1977, allowing the provinces to increase its taxes. And they say, well this has all grown, you know, these things have grown.

But they don't mention what's happened since 1977. Since 1977, the federal government has again increased its income taxes to move right back into that tax room. Or as a member in one of the Atlantic provinces said, in 1977 sales tax was the sole jurisdiction of the provincial governments. There was no federal sales tax — didn't exist.

You talk about moving into somebody's tax room. In the 1990s when the federal government put in the GST (goods and services tax) — and the Liberals now hardly love the GST as much as the Tories did — they moved into that tax room. That was the biggest grab of tax room in Canadian history.

So ask the Treasurer of Alberta. Why does he say publicly to the federal government? If we are getting benefits from tax room, show us where we're getting the money from the tax room in our budget and show us where it's costing you federally.

So I say, you won't find a self-respecting provincial government in this country that does anything but say the federal government is making misleading statements to try to mask the fact that they are dramatically cutting health, education, and social programs.

Again, to the members opposite, I don't know why you want to have across your forehead: call us the federal Liberals. People of Saskatchewan want people here who are defending their interests and worried about their concerns, not worried about defending somebody off in Ottawa.

(1500)

**Ms. Draude:** — Thank you, Madam Minister. Does that mean that you don't want the tax points?

**Hon. Ms. MacKinnon:** — No, I propose a deal to the federal government. We will give them back their income tax points if they give us back our sales tax room. That is, they didn't have a sales tax in 1977; they do now. If they'll get out of the GST, give us all that room, we'll give back our income tax points.

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

**Ms. Draude:** — Thank you, Madam Minister. I'd like to talk about the NDP government portraying these cuts as sudden and unexpected. The Minister of Finance stated in the *Leader-Post* on February 17, and I quote:

Let me say something positive about the federal government for a change. At least we've had a number of months (warning about federal cuts so) we can respond.

Last fall she stated in the same newspaper, and I quote:

In Saskatchewan we have a growing economy and a stable fiscal position. This means we are in a better position to make the difficult and necessary choices required to take Saskatchewan into the next century.

Mr. Chairman, the minister is saying they knew well in advance about the cuts and were in a position to deal with them. And why did they continue to blame every single problem on the federal government? Do they not realize how ridiculous they sound each day in question period when every answer they give blames the federal government?

Mr. Chairman, I ask the Minister of Finance to explain why, if these reductions in federal transfers are causing such a burden, what are they doing with the excess revenue they've received from such things as taxes, non-renewable resources, transfer from Saskatchewan Liquor and Gaming, etc.?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I don't know what to say to the member opposite. What excess revenue? We didn't just go out and find some money sitting by the side of the road from the resources. We laid before the people our financial plan which takes into account anticipated growth in the resource sector and in other areas.

But I would say to the member opposite this as well. When we say we have some advance notice of reductions, we mean months. And how could we possibly know what the cuts were going to be to health, education, social programs, over a four-year period when the federal government didn't know until its budget recently.

And if you want to find something that's actually humorous, our cut to equalization, which we became . . . Let's go back, February 1995, the federal government said how much are we going to give Saskatchewan in equalization this year. I think it's about \$650 million. We agreed. Good estimate. They come back in April. They say, yes, 650 looks good. By October, they've said whoops, all of the estimates for other provinces were off, you're doing a lot better than we thought, that's

dropped by over 200 million.

In December the same federal government, when they have us at Finance ministers' meeting in Ottawa, comes back with our equalization estimate at \$650 million. And we have to put up our hand and say whoa, wait a minute, you're actually cutting that by over \$200 million, you just haven't revised your own numbers. And they have to say, whoops, I guess you're right, we still haven't revised our numbers. Then when we get into March and we actually find out what the reduction was, the reduction and equalization in one year is over \$400 million. How can anybody possibly plan for that?

Now we're not blaming the federal government for that because the estimates change as they find out more information about how Ontario is doing, relative to Saskatchewan. Saskatchewan did a lot better; Ontario did a lot worse. But please don't tell us that we should have known something back in February or April or June or July of '95, when the federal government didn't even know it and as late as December is still using its own old estimates going back to February, 1995.

**Ms. Draude:** — Thank you, Madam Minister. Mr. Chairman, this NDP government inherited a large part of the problems of the previous Tory government. I can sympathize with them on how difficult it must have been to make some kind of semblance out of that mess. But that problem was five years ago.

The time has come for this government to start making the right choices and start taking responsibility and doing the job they were elected to do. Quit playing games with the people of Saskatchewan.

Mr. Chairman, this NDP government blames everyone else at the same time they increase taxes. I ask the Minister of Finance how she can claim that taxes are not increasing when estimated tax revenue for '96-97 is expected to increase by \$95 million over the forecast for '95-96, and the forecast for '95-96 is \$135 million higher than the original estimate.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the members opposite, I really don't know what to do with the Liberal Party. Last year they were in the House — it wasn't the member opposite, it was the member from Greystone, but same group — and she was saying, you can tell your economy isn't growing because your tax estimates are all wrong. She went on — our members will remember, the back-benchers here will remember — she went on for a couple of days saying, you can tell your economy isn't growing because you're getting less in income tax this year than you did last year. So you say, well wait, our economy is growing. No, you're getting less in income tax so your economy isn't growing and I just showed you.

Now we come back this year and we say, hey, we're getting more in income taxes because our economy is growing. No, we won't buy that; you're getting more in income tax because you've increased taxes. And I say, here's the budget; show me where in the budget we increased taxes. We have to come through this process. We haven't increased taxes for two years.

So you can't have it both ways. We're getting more in revenue

from taxes because our economy is doing so well. And when last year it looked like we weren't going to get more in taxes, you can't be in here saying, you're not getting more in taxes because your economic plan isn't working and your economy isn't moving. And then when our economy starts to move and all of our tax revenue is up all across the piece — and we're proud of that — there's more people paying taxes because they're making more money and they're doing better. And corporations are paying more taxes because they're making more money and they're doing better. This is good news, not bad news.

And if you want to talk about tax increases, the last tax increases have been at the federal level. Their last budget, '95 budget, increased gas tax. They don't like to talk about it, but they did. We haven't increased taxes, not for two years.

**Mr. Aldridge:** — Thank you, Mr. Chairman. And I would just like to say hello to the minister's officials here this afternoon, and we appreciate their attendance here and have a few more questions here for them.

Madam Minister, the first question here today would centre around how some of these monies are being used. There's a rather exhaustive list of expenditures which are to be voted for here. And my question would simply be this. Do some of the agencies — for example, like SPMC (Saskatchewan Property Management Corporation) or let's say the Women's Secretariat — do they receive the money immediately and then place it in an account or a fund of their own? Or do they only access the money after they've paid their bills or met their obligations? So basically, which of these departments here would receive the money immediately?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, this actually works the same way as the budget. It just authorizes the department to spend the money. But if they don't require the money, if for some reason or another they're not going to have the expenditures that they thought, they won't spend the money. It won't go to them until they've actually been . . . there's some reason for the money to be spent.

It's the same as the budget. You give the Department of Health \$1.5 billion because that's what you believe, from all of the estimates that you've received, they should spend, that they're going to need. And you outline, you know, the different areas they're going to spend it on. But it doesn't mean they have to spend that amount of money. If in fact they find that they don't require the money, it won't be spent. So the same here, this is just giving them the authority to spend up to that amount. But if they don't require it, it won't be spent until they require it.

**Mr. Aldridge:** — Thank you, Mr. Minister. If we look over this summary for the interim supply itself, I have a few more questions about it. But one thing though that we had a concern about last week — and if I might just have the minister provide us with an explanation — but we didn't receive a copy of the department's summary for interim supply until well into our debate on Friday. And as you know, we had entered into the debate on Thursday, and would you just make a comment about that. Was it just merely an oversight, or were there some particular reasons for that?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, there's no particular reason. There's nothing particularly magical about it. I mean it's just two-twelfths of every government department's spending. So there's no particular explanation except we were into a general discussion.

**Mr. Aldridge:** — Thank you, Madam Minister. With respect to the interim supply summary provided, could the minister please explain. There are a few discrepancies in the numbers on the documents themselves . . . or itself.

Would the minister tell the House whether the fact that the amounts for the freedom of information and conflict of interest . . . why they're not equal to two-twelfths? Is it simply because of a rounding, or is there some other reason? And if the numbers are rounded off, would the minister please provide us the exact figure?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, except for the ones which are statutory, which we've talked about, they're all two-twelfths. And if there's any variation, it's probably just rounding, rounding them out to some even number.

**Mr. Aldridge:** — Thank you, Madam Minister. But would you be able to provide us with the exact figures though, as I had requested?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. I'm not sure exactly which ones you're talking about; if you're talking about freedom of information or you're talking about Ombudsman. So maybe if you'd like to clarify that.

**Mr. Aldridge:** — Yes, Madam Minister, I had referred earlier to the figures under freedom of information and conflict of interest. But also with respect to this, I've noticed the figures for the Sask Property Management Corp. not exactly equal to two-twelfths.

So if you wouldn't mind . . . We're assuming that it's also due to rounding, but could you provide as well the exact figures for Sask Property Management Corporation in addition to those other two?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. We just put these through the calculator again and they're rounding.

First of all, to go back to SPMC, it's not even rounding; 1.759 is two-twelfths. To go back to freedom of information, it's 10.5 rounded up to 11. Go back to conflict of interest, it's 13.5 rounded up to 14.

**Mr. Aldridge:** — Thank you, Madam Minister, and I would apologize for my mistake with the calculator in that one. But it is a pleasure to have your officials feel wanted here this afternoon and engage them in some of the questioning here.

But also on the summary, Madam Minister, I see that you've been kind enough to include a list of non-budgetary expenditures that will occur in the quarter. And I see the list



here includes expenditures for Agriculture and Food, Economic Development, as well as Post-Secondary Education and Skills Training. And I'm curious as to what these expenditures are for and why they are in fact non-budgetary and therefore not subject to the interim supply process and not voted on here today.

(1515)

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I would refer him in the *Estimates* to page 128. And what you'll find there is Agriculture and Food, investment in Crown agricultural land held for resale; Economic Development, loans and advances pursuant to The Department of Economic Development Act; Post-Secondary Education and Skills Training, loans pursuant to the student assistance and student aid fund; Agricultural Credit Corporation of Saskatchewan, advances to the Agricultural Credit Corporation of Saskatchewan; and Crop Insurance.

So it's basically loans that are outlined at page 128 of the *Estimates*.

**Mr. Aldridge:** — Thank you, Madam Minister. Also I see elsewhere in the interim supply document there, there's other non-budgetary expenses. And one of them is servicing the public debt. And I know you had provided an explanation to the House at an earlier date, in an earlier debate in fact. And I'm curious about the section under the Department of Finance on this document. The amount of money, which is \$104 million, is that amount actually for pension plans which are under the province's areas of jurisdiction, such as public employees' superannuation fund or the teachers' superannuation fund?

Secondly, could you tell me if I'm correct in suggesting that the Acts which lay out the pensions are in fact the pieces of legislation which would authorize, or require, those expenditures, and then that being why they're not part of the interim supply process here today and not being voted on?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I would say is, first of all, there is the two entries for the Department of Finance: one is servicing the debt, which is clearly statutory; the other is the Department of Finance's general expenditures, \$104 million of which are statutory. They would include things like pensions and benefits that there's no discretion about paying, and so they're part of statutes.

**Mr. Aldridge:** — Thank you, Madam Minister. It appears self-evident, you know, why there are amounts under legislation and electoral expenses that aren't included as part of the interim supply. But I do have a few questions about why some others aren't.

Now for example it says there that the Executive Council has expenditures authorized by law which amount to some \$681,000 for the year. And as a consequence, these are authorized by law; I see that they're not part of the two-twelfths calculation. And I wonder if the minister could tell the House what those might be for and what piece of legislation would have authorized them, so we can have an idea of why they're not actually included here today as part of this interim supply.

**Hon. Ms. MacKinnon:** — That's for the electoral office, and the legislation authorizing that is The Elections Act.

**Mr. Aldridge:** — Thank you, Madam Minister. I would also like to know why we have another . . . there's 5.649 million in Municipal Government not included in the interim supply. And it might be appropriate here if you could just briefly describe what those expenditures are generally for and what piece of legislation might authorize that. And I'd ask this so that we here in the opposition, that we can get a clearer understanding of the certain things that are included and aren't included in the interim supply.

**Hon. Ms. MacKinnon:** — The Municipal Government ones that you're asking about include funding for agencies like SAMA (Saskatchewan Assessment Management Agency), the Meewasin Valley Authority, the Wakamow Valley Authority, the Wascana Centre Authority — those sorts of agencies that have to be funded.

**Mr. Aldridge:** — Thank you, Madam Minister. Also I notice there are more numbers here under the amounts authorized by law, and some of these other numbers here include Education, \$29,000; \$275,000 for Environment and Resource Management. And there's also another 8,000 for Justice.

And it's just the fact that all of these are in brackets, and usually that's . . . in accounting, it's a negative sum or something to be subtracted from a previous figure. And I was just wondering if the minister might clarify this for us, why these figures are in fact documented in brackets. And as such, like, do they represent revenues if they're in brackets, or do they represent some shortfall of a previous expenditure? Would you just provide us with some brief explanation as to what that means?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I would say is the numbers are bracketed because there are surpluses in them for some reason and the money will be coming back the other way, instead of being paid out.

**Mr. Aldridge:** — Thank you, Madam Minister. Also on the bottom of the document you've passed to us, summarizing the amounts asked for under the interim supply, there's this small note here, and the note reads: resolutions for legislation pertaining to Legislative Assembly only and Provincial Auditor, and these have been forwarded to the Standing Committee on Estimates.

And I just wonder if the Minister could provide a bit more explanation concerning that note, and tell the House why these are, in fact, not sent to the Standing Committee on Estimates rather than handled here in interim supply?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. That's a process issue. These are situations in which the budgets go directly to another agency — the Board of Internal Economy — and then to the House. But they don't go through the estimates process to get to the House. They go

through another process to make their way to the House.

**Mr. Aldridge:** — Thank you, Madam Minister. Last week in the House, we were given a copy of the STC (Saskatchewan Transportation Company) annual report. And I know, granted this is a Crown corporation whose revenues are not provided by the Legislative Assembly; instead they're provided by, in this case, cross-subsidization within the Crown Investment Corporation. Now STC lost money and I see there is some sort of plan being proposed to try and stop this bleeding, if you would have it. And this is nothing new.

Essentially however, most of STC's losses are on public policy sorts of initiatives, not unlike the items that we're talking of here in interim supply today. And I'd just like the minister, if she could, to maybe tell us what the reasoning is behind not having such a public policy initiative included under the normal budgetary process like this one here today rather than having it in the Crowns.

**Hon. Mr. Shillington:** — We have allowed a wider range of discussions, but losses within Crown corporations and the way those are handled are not a — unless I've misunderstood the member's question — are not an appropriate topic for interim supply even under a broader definition of interim supply. What goes on within the Crown corporations is surely a matter for discussion in the Crown Corporations Committee, not in the Chamber.

**Mr. Aldridge:** — Yes, thank you, Mr. Minister. But if I could just again elaborate and perhaps you might make one further comment.

What I was saying was that a lot of the losses attributed to STC are in fact because of a public policy initiative undertaken by that particular Crown, so my argument here, therefore, is why not include something which is a public policy initiative within these interim supply votes today. Because it is that — it's a public policy initiative that we're talking of here.

**Hon. Mr. Shillington:** — It's a completely separate process and dealt with in a completely separate fashion. Those questions are . . . the proper domain for those questions is Crown Corporations Committee not the Chamber. Even within the estimates of the departments, there would be, I think, no opportunity for the member to ask questions about STC's . . . the origin of STC's losses. It could be done in question period because the ministers have a much broader responsibility in question period than they do in estimates.

The proper place for those questions, I repeat, is Crown Corporations Committee when the annual report for STC comes up.

**Mr. Aldridge:** — Thank you, Mr. Minister. In the summary document here, there's no expenditure for any money in the interim supply for the electoral expenses, and those are covered separately, I suppose, but I see that there's none quoted in '96-97 in any event. And I'd like to know whether that means that the minister is certain there are no potential revisions to any election returns which may create the need for an electoral office to pay the business managers or suppliers or any returning office. But I know perhaps it's covered under the

electoral Act, but if you would just make one more comment.

**Hon. Mr. Shillington:** — Before members opposite begin to rejoice over the fact that we've abolished democratic elections — I know that would be a considerable relief to members opposite — I have to inform you that those expenditures are statutory and therefore don't appear. I explained this the other day with respect to statutory expenditures.

(1530)

**Mr. Aldridge:** — Yes, thank you, Mr. Minister. But on a number of occasions, Mr. Minister, we've been told that the primary concern is to get the cheques out to people who need them, on time. And I know that you want to make sure people in need are treated fairly. And the opposition does agree with this, Mr. Minister, in that we want the government to make good on its commitments to help those people.

And one group of people that will be in need quite quickly here now . . . and there's a significant number of students who have applied and will be receiving summer employment from this government. Many have just, well basically they've just eked out their way through the year and they're now incurring, like, moving expenses, while they're cleaning out their apartments, you know, whether they be by universities or by one of the SIAST (Saskatchewan Institute of Applied Science and Technology) campuses.

And I wonder if the minister could tell us when the first set of cheques for the student summer employees working for the government would be sent out. And then aside from telling us how urgently these cheques will be sent out, I wonder if the minister could tell us how many people would be receiving those, and do you have a global figure for what part of this interim supply would go to what is a very important project.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the budget provides funding for 2,500 summer jobs, and it will vary from department to department. So the departments, as summer jobs come on stream, will be paying the students for the summer jobs. But it will vary from department to department.

**Mr. Aldridge:** — Thank you, Madam Minister. Another important set of cheques to many people in Saskatchewan are those which would be involved in the Partnerships program. And under this program, as I'm sure the minister would know, the government subsidizes employment for students with the private employers. And I believe it's probably fair to say that the government considers this is a significant portion of its student employment strategy.

And given the workings of this program, I wonder if the minister could tell us whether these cheques will be sent out immediately or are they not dependent upon the speedy passage of this interim supply Bill? And what I'm wondering is, do the employers receive this subsidy on an ongoing basis or is it paid out at the end of the work year? And if it's the former case, speedy passage of the interim supply is important. In the latter, it isn't so important. So if you could just answer and make some comment of that, please.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, again, these are the kinds of detailed questions that you need the Department of Education here. And they will gladly come and answer your questions because they will have all of the detailed information as to when the cheques go out and how they go out.

What we're doing here is . . . all we're trying to address is the fact that the budget is before the legislature. The budget hasn't been passed yet but there are agencies that require ongoing funding. And the budget is . . . the interim supply is just seeking approval to spend two-twelfths of the budget for the next two months so that these agencies and government departments can continue with their regular operations.

**Mr. Aldridge:** — Thank you, Madam Minister, but I would still entertain that these are important issues too. I just ask . . . just one more along this same line. Would you be able to tell us about the cheques related to the JobStart and Future Skills trainees because these are also obviously employment programs which are important to your government.

And I'm wondering if these cheques are sent out at the beginning of May. And then I'd also like to know when the Future Skills cheques are sent out. Is this at the beginning of the month; and do both trainees and employers receive the money? And lastly, would you provide us in this instance a global figure? I know you haven't in my previous questions, but could you in this case, of how many cheques are sent out, and for what amount, and how many people might be affected?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, again he's talking about training programs that are in a particular department. JobStart, Future Skills, are in the Department of Post-Secondary Education and Skills Training. What he's asking is very, very detailed questions. As the members opposite would appreciate, if I had to come and tell you how many cheques were going out to how many people and answer these sorts of detailed questions, this whole side of the House would be full of paper and books.

There is a process in place, which is the estimates. The departments will be here; they will have the specific, detailed information to answer those sorts of questions.

But as the member opposite would know, that in interim supply we're talking about just providing money to the departments so they can continue their ongoing funding and operations. But the more detailed questions have to be directed through the other process.

**Ms. Draude:** — Thank you, Mr. Chairman. Madam Minister, last year the government spent approximately \$64 million more than it had estimated. Do the various departments come to cabinet and ask for increases when they realize funding are not sufficient on a monthly basis or on a quarterly basis, and when does cabinet decide how and if they're going to get the extra money that they're asking for?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, it's not regarded as customary for departments to have

spending beyond what they've been allocated, so usually something has occurred that was unanticipated — a flood, a forest fire, that sort of situation.

So it will vary. If there's a forest fire, the department will come forward when they realize they have a problem and they're going to have to spend more money than they anticipated. They will come before the Treasury Board, make their case, and we will look at whether or not there is extra funding required. And we'll also start looking at where that money might come from, what other parts of the budget.

**Ms. Draude:** — Thank you, Madam Minister. This year I would imagine that there has been a request for compensation for wildlife damages, and I'm just wondering if that kind of request has come already this year for this year's budget?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. That probably would not be regarded as an emergency. That would be covered by ongoing programing.

So it's what . . . Something that is an emergency is something that is of significant size — forest fires, over \$60 million of spending that was not anticipated — and that is quite unexpected. So those sorts of things would not be considered emergencies and of a magnitude that they would require special attention.

**Ms. Draude:** — Madam Minister, I think that there's going to be quite a number of farmers disappointed to hear that you don't consider their problems emergencies because it is for them.

When the government has requested support for the two-twelfths of the budget for each department, is that the amount that would be given to them this month, or will they be sent . . . I understand some of it is for this month and some of it is for next month. Is a one-twelfth cheque sent now and another one again next month?

**Hon. Ms. MacKinnon:** — Again, Mr. Chairman, to the member opposite, as I was explaining a moment ago to the other member, we don't send a cheque to the departments, that is, what we do is we authorize them to spend up to this amount over the next two-month period.

But they have to have a reason to do the spending. So that if in fact we've authorized spending and this funding isn't required, the cheque won't be released. It's only released when there is a demonstrated need that the funding is going to be required.

**Ms. Draude:** — Thank you again, Madam Minister. Is there any of the departments that will receive their full budget allocation once the budget has been approved and passed by the legislature? Will they receive the total amount that they've been allocated?

**Hon. Ms. MacKinnon:** — Again, to the member opposite, to repeat what I said. Once the budget is passed, the government doesn't just go to a department and say, here's all your money. And we don't just write a cheque. That allows them . . . it means the Government of Saskatchewan, through the

legislature, has authorized them to spend up to that amount of money.

And they only spend it though as it's required. If in fact there is an estimate that there is going to be a certain number of people requiring health care through the medical care insurance system, we only pay the amount that's used. If in fact the estimate is high and not as many people use the health care system, we won't spend the whole amount of money.

So it's only allowing them to spend up to that, but they have to actually come and show that the money is required before the money is released.

**Ms. Draude:** — Thank you again. How do you deal with a department like the Saskatchewan Research Council that does receive their funding in a one lump sum after the budget has been approved?

**Hon. Ms. MacKinnon:** — Well again, Mr. Chairman, to the member opposite, third-party agencies have different formats by which they get their money. Third parties are in a different situation. We're talking about government departments. They have commitments to third parties, which we honour. And they vary from third party to third party, depending on what the arrangements are, what the agreements are that we have with the third parties.

**Ms. Draude:** — If you have a priority list for . . . Do you have a priority list for different departments if they do come and consider and ask for additional funding? For example, if the Department of Economic Development comes to you at the same time that Department of Education comes to you, do you have to decide, do you have to prioritize?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what you're really talking about is the budget process. When you start in the fall and you start looking at the kinds of resources the province is going to have available to it, you start looking at the priorities of what the government are. You look at the priorities of what the people of Saskatchewan are through the consultations around the province.

You put all of this together over a period of about six months — our MLAs take a very active role in this — and then we decide. Here's how the government's going to spend its money. And we allocate the money right then and there on the basis of what priorities are.

And so the priorities of this government were health, education, social programing. Those were areas that received enhanced provincial funding; that is, more provincial dollars went into them. And then that's the budget for the rest of the year. And you go through that process starting again in the fall.

So once the budget is set, the assumption is that you don't authorize new spending. The only time that occurs is if there is something extraordinary, something that was not anticipated — the best example being a forest fire that last summer swept through the northern part of the province and added, I think, 60-some million dollars on to the costs of the province.

But once the budget is set, you don't anticipate — at least we don't. I know some other governments that get themselves into difficulty. Well I must admit some concerns about what's happening nationally because I see their budget some days unravelling; where they'll say the next day, sorry, we didn't really mean that on unemployment insurance; we're going to change it.

But our view is, once you've set your budget, that's the budget; those are the priorities of the people. And you meet the targets. And if something comes before Treasury Board it's because it was unexpected.

**Ms. Draude:** — I see from looking at the *Estimates* that Education actually received less funding last year than was estimated. And with the cut-backs to education and the concerns in rural Saskatchewan for the depletion of money, is that 7 or \$8 million that is less than is shown in the budget, are they going to be given that money this year? As a sort of a bonus, are they going to be able to use it? Because I'm sure they could spend every penny that was in the budget.

(1545)

**Hon. Ms. MacKinnon:** — Well, Mr. Chairman, to the member opposite, if you were to run a government like that, you'd run a government like the Tories. Every time somebody didn't spend the money that they required you'd say, keep it, you can keep it. But then of course when you have the forest fires and somebody has extra expenses that they didn't anticipate, the only way that you could deal with it is by running a deficit.

So I mean, it's a wonderful idea. You didn't spend all your money. By the way, it wasn't school boards, this wasn't money that went to third parties that they didn't get. It was pensions, who didn't have the same requirement to spend money on pensions as anticipated.

But just think this through. If you said to the Department of Education, okay, you didn't have to spend as much on pensions, hand it out to the school boards; go ahead, it sounds great. That was Santa Claus in the 1980s. Then you come along with this other department that has a problem, like a forest fire problem that you have to deal with — you have to fight the forest fire — and they have an \$8 million problem on the other side. Where do you find the money? Well you run deficits.

One of the assumptions in budgeting is that some areas yes, you'll have to spend more than you thought because there was something that you didn't anticipate. There's going to be other areas where you spend less than you thought. And they balance each other out. But if you want to play Santa Claus, then you end up like the Tories, with deficits.

**Ms. Draude:** — So what do we do when we have the opposite, when there was extra money coming in than had been anticipated? Is that extra . . . do you decide that it can stay in a certain budget if you receive more revenue from some area than was originally anticipated? For instance, Liquor and Gaming.

**Hon. Ms. MacKinnon:** — What I would say to the member opposite is two things. If in fact you're getting in more money than you anticipated, you can do one of two things. You can go

— and it sounds like you're lining yourselves up for the Tory route — we've got a little bit of extra money, let's go out and spend it. Boy, can we make people happy today. They will be very happy today. Now the next day, when you're getting less money than you thought, and something's happening and you've got more expenses than you thought, you'll be there like this, saying, oh my gosh, we don't have enough money to cover our expenses and we're running deficits.

Or the other answer I would give to the member opposite. The members opposite, at least some of you, talk about debt all the time. If the member from Wood River would listen, he might learn some things . . . (inaudible interjection) . . . I'm sure I will never teach you anything; it's impossible.

**An Hon. Member:** — I think you both agree.

**Hon. Ms. MacKinnon:** — I think we both agree.

**The Chair:** — Order. Let's keep to order.

**Hon. Ms. MacKinnon:** — If in fact you say you have some extra money, the thing to do with it is to spend it, well then why not use it to pay down the debt? I mean our view is, if at the end of the year you have a surplus that you didn't anticipate, you don't go out and spend it; you put it on the debt to lower the debt of the province because that lowers your interest payments in the long term.

**Ms. Draude:** — Has all the money from the sale of the Cameco shares been realized?

**Hon. Ms. MacKinnon:** — Well again, when you have the minister for CIC (Crown Investments Corporation of Saskatchewan) here, you may want to get into the details. The money is being paid over a period of time; it's not being paid all up front. But certainly the commitment — that is, the key commitment of the government — is that the money is being used to reduce debt.

**Ms. Draude:** — So with the reduction in the debt, there's going to be an obvious large saving in interest. Has that saving already been allocated? Has it been determined already — the amount of the saving, sorry — and that's the figure that's been used in the budget for your number, your estimate?

**Hon. Ms. MacKinnon:** — Mr. Chairman, and to the member opposite, yes. What we faced was \$215 million less from the federal government over four years, about a quarter of a billion dollars less that was coming to us. We had a choice. We could have passed those cuts right through to health, education, social programs, and they could have experienced that kind of decline. Instead, what we did was we said we'll put new provincial dollars into health, education, social programs.

We found the money by cutting government, by cutting administrative and other expenses in government, by reducing duplication, by delivering services better. We also found the money by selling Cameco and reducing our interest payment.

So one of the reasons we're able to put new provincial dollars

into health, education, social programs, is because we're paying less in interest. And that money — the interest savings from paying down debt — is going right into social programing.

**Ms. Draude:** — Are you anticipating an interest rate cut when our bond rating is analysed by . . . after your visit to New York? Are you anticipating a cut in the interest rate?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. What I would say is that the market has already taken into account the turnaround in Saskatchewan. That is, if you look back to 1993 when I first became the Finance minister, the Government of Saskatchewan could not borrow money in Canada. Our credit rating was so low we couldn't borrow money here. Now not only can we borrow money in Canada, we can borrow money almost as cheaply as Ontario.

So they've already looked at our budget, said that this is a province that is creditworthy, and they've already given us the benefit of what they call narrowing of the spreads — borrowing money at a rate very similar to what a large province and a very creditworthy province like Ontario would be able to borrow money at.

**Mr. Bjornerud:** — Thank you, Mr. Chairman. Madam Minister, I'd like to touch on something you had said earlier, and I'd like your opinion on this. From '91 on, your government has cut health care, education, municipal governments, drastically. You've closed numerous hospitals — 52 to be exact. You've downsized, closed wings and wards in regional hospitals in rural Saskatchewan. You've cut funding in municipalities in some cases up to 40 per cent, and there's no other name for this but downloading.

And, Madam Minister, earlier you said of the federal government, and I quote: "Here, you take our problem." Well, Madam Minister, I suggest you're a pro at passing problems to someone else, especially in health, education, and municipalities. And the federal government is only following your lead.

Why is it okay to balance the budget in Saskatchewan by closing hospitals, cutting funding in schools, stop maintaining and building highways and rural roads, and yet it's not okay for the federal government to do the same?

Madam Minister, I'd like your opinion on this: should we be addressing our large debt in Saskatchewan, but the federal government shouldn't be addressing theirs? Keeping in mind the same taxpayers are responsible for both debts.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I really think he would be serving Saskatchewan taxpayers better if he had less rhetoric and a few more facts, because one of the things I've realized about the Liberals who tend to take their advice from the member from Wood River is you've got to start by correcting the facts.

What I would say is, in fact if you look at the money the province spends, the pie of provincial spending from 1991 to 1996-97, in fact the share of that spending given to third parties has increased. In 1991, 40 per cent of the province's spending

went to third parties. By 1996, 43 per cent of what the province is spending is going to go to third parties.

What in fact we have cut most dramatically is not funding to third parties but funding to ourselves, our own government operations.

I would say that the question is quite backwards. Do we believe the federal government needs to deal with its deficit? Of course it does. We wish they had a plan to deal with its deficit. They cut and cut and cut. The books aren't balanced in Ottawa, and there's no plan. There's no day at which they're going to say the books are going to be balanced.

What I've said to you is, if you look at the basic numbers, in 1996-97 in Saskatchewan third parties maintain their funding. That is, none of the cuts in '96-97 affect third parties at all.

If you compare that to what happened in Ottawa, 75 per cent of all the cuts they made weren't cuts to their own operation, their own government, their own civil service, their own programing. Seventy-five per cent of all those cuts were cuts to provinces. In '97-98 that number goes up to 79 per cent of the cuts are to third parties, particularly provinces. I'm not including other third parties; I'm just talking about provinces.

But the main point that I want to drive home to the members opposite, because I cannot get them to speak out on this, is three-quarters of the cuts in the most recent federal government were to health, education, social programs. The members opposite have yet to express their view of that. I'm assuming silence and the questions supporting the federal government imply consent. So I would ask the members opposite why they support budgets in which three-quarters of the cuts are to health, education, and social programs, when Canadians value health, education, and social programs more highly than any other area of spending.

**Mr. Aldridge:** — Thank you, Mr. Chairman, and Madam Minister. I'm sure you're aware that a review involving the Canada Pension Plan began public hearings in Prince Edward Island last week. This is a significant undertaking that will have a major impact upon the provinces, and especially on the Canadian public.

In respect to the provinces, as governments like ours here have been the main borrowers of capital generated by the pensions, any changes will have an impact on you. For example, if they set up a fund that must earn higher rates of returns than the cheap lending done to the provinces that has cost pensioners lots of lost income, this will have to be replaced somehow.

And given the seriousness of this issue, I wonder if the minister could tell us whether enough money here has been allocated to the Department of Intergovernmental Affairs or to your own department to participate in these important discussions. And will Saskatchewan be able to fulfil its role within these two-twelfths allocated to these two departments?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, there will be adequate funding available to ensure that the province can fulfil all of its roles in the intergovernmental

area. And I'm sure that area, the House Leader would agree, is very well funded.

Our position on the Canada Pension Plan is that it's the obligation of the federal government to, first of all, make Canadians aware of the problem. And the process that they're undergoing now is designed to do that, which is fine — here's the problem — and to get feedback about the different types of solutions that exist.

**Mr. Aldridge:** — Thank you, Madam Minister. Earlier in the year, the government opened the casino here in Regina, and other ones are opening up around the province. Many people around the province have noticed billboards for Casino Regina, and others have noticed boards talking about gambling problems. If I recall, they have a slogan that says something like, gambling — know your limit.

In one of this Executive Council's recent polls, there were even questions which asked whether people noticed these advertisements. Obviously the government has some concern about potential gambling problems, and I wonder if the minister could tell us whether, in the two-twelfths interim supply, whether Health and possibly Social Services will have enough money to deal with the problem. Will it not be at its worst for the first few months that the casinos are open?

**Hon. Ms. MacKinnon:** — Well again, Mr. Chairman, to the member opposite, the funding will ensure that the Department of Social Services and the Department of Health have adequate money available to them to ensure that there are ongoing programs available.

I would say that the province of Saskatchewan has a very positive record in terms of the amount of money that it's prepared to spend on the sorts of programs that it is putting in place to deal with this problem. So the money will be there, available to both the departments of Health and Social Services.

**Mr. Aldridge:** — Thank you, Madam Minister. I'd mentioned the other day that over the last seven years, revenues going to this government from taxes have risen by 46 per cent. They will rise a full hundred million over the coming year, and that represents 3.3 per cent increase over last year. And that's, to our notion, a pretty startling statistic. When we look at the petty tax breaks that have been given by the government in recent years, they're very small in comparison.

And secondly, if one looks over the expenditures here in the interim supply, they are all smaller. And most of that is a reduction of program spending and front-line staff. If one looks at Agriculture spending, it's probably about a quarter or a third of what it was seven years ago in a similar interim supply like this. And given these things, I wonder if the minister might like to offer some thoughts on the vast difference between the sky-rocketing revenue and the declining program expenditures?

**Hon. Ms. MacKinnon:** — Yes, Mr. Chairman, I would and I would like to offer some information that is somewhat more accurate. First of all, I would say to the member opposite, I think they have their good news and their bad news mixed up. Is it or is it not good news to you when you're getting more

money from taxation? It's because people . . . isn't it a good idea that people in Saskatchewan are doing better so they're actually paying more taxes?

Would you have them be paying less taxes because they're more poorly off or would you have the corporations in the province paying less dollars in taxes because they're worse off than they were a year or two before? To me, it's good news if our corporation capital tax is up. It means that the assets of the companies operating the province are higher, of higher value than they were the year before. To me, it's good news if our corporation income tax is up because it means the corporations operating in this province are making more money; they're doing well. So to me this is good news.

I'm not sure why the member opposite thinks it's bad news to be spending less on agriculture. Lots of money was spent on agriculture in the 1980s because there were very, very serious problems in agriculture — problems with prices, problems with crops. One of the reasons why less money is being spent on agriculture is because agriculture is doing better. Farmers are becoming more self-sufficient.

(1600)

And when I was on my tour around the province before the budget, I've never seen farmers more self-confident, more proud of themselves. They're standing on their own two feet and they like it that way. So to say you're spending less on a program doesn't necessarily mean that this is a bad thing. It means that that part of the economy is doing better and requires less money.

Where did all the money go? The money went to the loss in federal revenue with respect to health, education, and social programs. Again, over the four-year period, we're losing a quarter of a billion dollars in funding from the federal government for health, education, social programs. That money had to come out of the provincial coffers. We had to go out and find new money for health, education, social programs, just to ensure that they kept level, because the federal government is taking out a big chunk of its share of funding for those areas. We had to top them up using provincial tax dollars.

So I would say to the member opposite, I think you and I may fundamentally disagree about good news and bad news. For me, the economy growing is good news. For me, farmers doing well is good news.

The division bells rang from 4:02 p.m. until 4:08 p.m.

Motion agreed to on the following recorded division.

**Yeas — 32**

Romanow	Mitchell	Wiens
MacKinnon	Shillington	Atkinson
Tchorzewski	Johnson	Whitmore
Goulet	Kowalsky	Calvert
Koenker	Scott	Teichrob
Nilson	Serby	Stanger
Murray	Langford	Wall

Sonntag	Murrell	Aldridge
McLane	Draude	McPherson
Belanger	Bjornerud	Julé
Krawetz	Gantefoer	

**Nays — nil**

**Hon. Ms. MacKinnon:** — Thank you, Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1997 the sum of \$678,091,000 be granted out of the General Revenue Fund.

Motion agreed to.

The committee reported progress.  
(1615)

**FIRST AND SECOND READING OF RESOLUTIONS**

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

**APPROPRIATION BILL**

**Hon. Ms. MacKinnon:** — Mr. Speaker, I move:

That Bill No. 81, An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1997, be now introduced and read the first time.

Motion agreed to and the Bill read a first time.

**Hon. Ms. MacKinnon:** — By leave of the Assembly, and under rule 55(2), I move that Bill 81 be now read a second and third time.

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

**ADJOURNED DEBATES**

**SECOND READINGS**

**Bill No. 55**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. MacKinnon that **Bill No. 55 — An Act to amend The Municipal Employees' Pension Act** be now read a second time.

**Ms. Draude:** — Thank you, Mr. Speaker. I welcome the chance to speak again to the Assembly about this Bill. In some ways this Bill is very timely. As you know, Mr. Speaker, the auditor released a report this morning and a large portion of the report dealt with unfunded pension liabilities in Saskatchewan.

Although the changes to this piece of legislation are mainly housekeeping, I think we should discuss some of the underlying issues behind any pension laws.

Certainly the auditor was concerned, and that means the people of Saskatchewan should be concerned as well. The money we are talking about is belonging to the Saskatchewan taxpayers. They have a right to know what is going on with their money.

Mr. Speaker, we have continued to insist that this government needs to be open and accountable to all people in Saskatchewan. We believe that people have a right to know what the government is planning to do to address this problem, and they must address it soon.

According to the auditor, we are looking at \$3 billion of taxpayers' money in 14 pension plans administered by the government. That's \$3,000 for every man, woman, and child living in this province. And the auditor says that unless the issue is solved now, this figure will grow. And we can't afford to have it grow.

On March 29 of last year the Dominion Bond Rating Service issued a similar warning. They said unfunded past-service pension liabilities are large and growing and must be paid. A plan to erase this liability is needed. A plan is needed. And at that time and since then, the members opposite insist they are listening. They assured the public that there is a plan.

Well, Mr. Speaker, forgive me for being cynical, but I don't see the government dealing with this issue.

In the budget released in March, the government was careful to steer clear of discussions on unfunded pensions. They brushed away our questions about the fund with an air of indignance. Well, Mr. Speaker, the only people who deserve to be indignant are the people of this province.

The government seems to forget this, but like us, the only reason they are in this Assembly is because people elected them. Did the people elect them to play cover-up? Did the people elect them knowing that they would treat taxpayers' money with contempt? Did the people elect them to scoff at any questions about their accountability?

Well, Mr. Speaker, I think we all know the answer to that is no. No, the people elected us to act in their best interests. And I think it's time the government stopped playing hide and seek with taxpayers' money and started to run an open and accountable system.

Mr. Speaker, the auditor has continued to recommend that an external review task force be struck to deal with this problem. The government apparently agreed. Well surprise, surprise, Mr. Speaker; the government members didn't keep their word. Nothing has been done. How many more examples do we need to see that this government has no intention of following through with its promises? Every day it's the same thing. We stand up in this Assembly and point out the government's broken promises. But the saddest part is that every day it's a different promise.

Mr. Speaker, we have said it before and we'll continue to say it over and over and over again: the people of Saskatchewan deserve more than broken promises from the government. Mr. Speaker, before we can support any legislation regarding pensions, we need to know, firstly, what is the government's plan? Secondly, how will it affect the people involved in these pension plans? And thirdly, how will it affect the taxpayers of Saskatchewan?

The first step to answering our questions, Mr. Speaker, would be to let the public see the cash flow requirements — lay it on the line. How much do we have? How much do we need? How do we balance it out? We are talking about taxpayers' money, Mr. Speaker. We support an external review, Mr. Speaker, and I'm quite certain that most people in this province would support it as well. Since the members opposite are unable to speak out for their constituents in fear of criticizing their government, we must speak for them as well.

Mr. Speaker, in the Provincial Auditor's report, a very valid question is raised. The question asks: are 12 boards needed to manage the government's pension activities? Are 12 boards needed? Maybe the government's simple answer of amalgamation is actually the right one in this case. They think forced amalgamation is the answer with school boards, with rural municipalities, and we disagree. However, this may be one case when it would be a valid answer.

Unlike the government though, before we propose this in any legislation related to pensions, we would like to consult with the people. Consult first and act later; unlike the government, this is the order we prefer.

Mr. Speaker, the auditor said today that unfunded liabilities will be the issue of the future. Those are powerful words coming from a wise man. The government should listen. I know the taxpayers will.

Mr. Speaker, Saskatchewan is not unique in the challenges of unfunded liabilities. It's a nation-wide problem. Let me read an article from the April 9, 1996 edition of the *Fraser Forum*:

As the federal government downsizes, fewer employees will be contributing to the account and more will be drawing pensions. This will result in more rapid growth in the contingent liability in the future, and an acceleration in the rate of growth in the cash requirements which results from the government's self-imposed commitment to pay superannuation to retired employees.

Mr. Speaker, I know that's a mouthful but what it basically outlines is the exact same problem we're having here in Saskatchewan. We will have less people contributing to the funds and more people who want to collect them. What happens then? Well further down in the same article, it explains:

Therefore, because the government was in a deficit position in 1994/95, it had to borrow \$3.3 billion in capital markets just to finance the net cash outflow resulting from the commitment to pay federal pensions. This amount can be expected to grow very rapidly in the near future because



of the downsizing in the federal public service.

This is why the people here in Saskatchewan should be concerned, Mr. Speaker. This is the problem the government must address. We must think about it. The NDP government says it is downsizing. And according to Saskatchewan *Public Accounts*, the average age of persons paying in rose from 45.6 to 46.3 from 1993-94 to 1994-95.

So, Mr. Speaker, as I hope I have just made clear, any legislation relating to pensions must be carefully considered. And that includes the government's proposed amendments to The Municipal Employees' Pension Amendment Act.

Mr. Speaker, I'll just reiterate some of the concerns brought forward by my colleagues. They say that our party agrees with the extension when there is a break in service. The current law puts a six-month limit on non-permanent members who are looking for a job with another employer in the plan. That change extends to a two-year period. We think this is absolutely fair. There are thousands of people in this province who could tell the members opposite how difficult it can be to find a job in our weak job market. Because the NDP government has been unable or unwilling to foster positive economic opportunities in Saskatchewan, significant jobs are hard to come by. Sadly, there are a lot of people who want to work but can't find jobs, particularly within six months. By lengthening the period, the government can at least make one small step in helping Saskatchewan people.

But we can't forget to look at the long-term consequences of these changes. I have already expressed our concerns about the longevity of the pension plans. We are already concerned that the plans will not be sustainable, particularly as the population ages and the government continues to downsize. If we make these changes, we will likely be adding an even greater strain to the fund. If a worker does not pay for two years, but steps back in the same status as he or she had before leaving, it could seriously affect the funds available to pay out other employees. This means that taxpayers' money will have to be stretched further and that the debt will continue to grow.

Mr. Speaker, I look forward to discussing the details of this Bill when we examine it more closely as the Committee of the Whole. But before I end, I must again emphasize how important the issue of pensions are to Saskatchewan people. We agree with the auditor. We think that unfunded liabilities may indeed end up being the issue of the future, and, Mr. Speaker, I want to be part of this solution, not part of the problem. When I talk to people 20 years down the road, I want to be able to say we recognized the need to do something to ensure taxpayers were not caught in a web of debts spun by the NDP government.

Mr. Speaker, if we take the right steps now, we can start to curb this problem before it grows even more.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to have the opportunity to speak on the resolution regarding this Bill. Municipal employees' pension plans are something near and dear to me after my seven years of services

as reeve of the RM (rural municipality) of Saltcoats. I know very well the value of good rural administrators and other municipal government employees. And so the need for stable pension plans with fair rules is something I am very familiar with.

The first substantive section in this Bill is section 3. This section would replace the old section 6 of the Act with new wording. Section 6, subsection 3 of the Act deals with a situation where a municipal employer such as a town, RM, or other municipality begins to participate in the pension plan operated by the municipal employees' pension commission, but does not immediately begin making contributions. In these circumstances, clearly, some kind . . . some form of lump sum contribution needs to be paid from the municipality to the commission.

The old section 6 set out in a formula for how this lump sum was to be calculated. The old lump sum was calculated as being the greater of either of the following:

- (a) the amount determined in accordance with generally accepted actuarial principles, that the commission requires for the purpose of funding any allowances that have accrued to the employees of the employer during the period (in which the municipalities were participating, but no contributions were being made, on the one hand) . . .

Or:

- (b) twice the amount of the contributions that the employees would have been required to make with respect to the allowances that have accrued to the employees of the employer during the period (when the municipality was participating but no contributions were being made) . . .

In other words, the old formula provided for either an actuarially determined amount or twice that would have been the employees contributions during the relevant period, whichever was greater.

Now the minister wants to replace the old formula by the new set out in section 3 of Bill 55. The new formula is shorter, but not necessarily sweeter. The new formula for determining the amount of the lump sum is:

- “ . . . an amount, determined by the commission in accordance with generally accepted actuarial principles, that the commission requires for the purpose of funding any allowances that have accrued to the employees of the employer during the period of participation . . . ”

Mr. Speaker, the new formula is certainly more vague than the earlier one. I have some real concerns as to whether there is enough certainty.

As we have seen in the last few years, some very large and respectable financial institutions in this country have become insolvent due to inadequate reserves being set aside. We don't want the same thing to happen to our municipal employees' pension commission.

Mr. Speaker, I note in the explanatory notes provided by the government that the stated reason for the change is in order to bring the legislation into line with the requirements of section 147.2(2) of the Income Tax Act of Canada. The explanation is that the Income Tax Act does not allow employers to match contributions based on the salary of members.

That may be the case, Mr. Speaker, but if the federal legislation will not allow for a strict dollar-for-dollar contribution from the employer based on the salary of the member, then we have to ask ourselves a very serious question: is it adequate to simplify the process of the commission and its actuaries, or should there be some other formula to fall back on in the event that their calculations prove to be wrong? At least the old formula had a fall-back position. It was twice the amount of the employees' contribution for the period during which there was participation but no contributions, if that was larger than the actuarially determined amount.

Mr. Speaker, if the old formula ran afoul of an income tax rule, then I think we should put our minds to thinking up a new and better fall-back formula. Fall-back formulas were determined for a reason, and that reason is that sometimes actuaries and other professionals make mistakes. It's better to have a reserve over and above what the professionals tells us rather than no reserve at all.

We have to ask ourselves what are the financial consequences of having no fall-back formula and becoming totally dependent on actuarial calculations?

(1630)

Mr. Speaker, the next substantial change proposed by Bill 55 is the increase in permitted breaks in service from six months to two years. This is found in section 4 of the Bill, and again, has potentially dramatic financial consequences for the municipal employees' pension plan.

Under the old rule, an employee of a municipality who left the service of one municipality but then joined another one within six months could rejoin the pension plan on the first day of his new job at the second municipality. Under Bill 55 that break in employment is extended up to two years. As with the old six-month rule, the length of the break in service may be extended by a written application to the municipal employees' pension commission. The commission may grant for the extension if there is reasonable grounds for asking for it.

Mr. Speaker, our party stands in favour of this broadening of the six-month rule up to two years, because we all know that breaks in employment are often longer than they were in the past. For example, a mother who decides to take time off from her work with a municipality at the time of the birth of her baby may in today's workplace quite reasonably decide to take a year or two off from full-time employment before returning to the office. Six months is often simply not long enough.

Similarly, if there are lay-offs or downsizing, the gap between losing that first job and finding the second job may be well longer than six months. This change, as proposed in section 4 of Bill 55, is compassionate and we support it.

The trouble, Mr. Speaker, is that the financial obligations of the fund keep piling up. It's fair to ask the minister what will be the financial effect of the allowing a person to rejoin the pension plan on the first day back to work after being away from the plan and not making any contributions for two years? We will want to know the answer to that question. It is a perfectly fair question and one that the employees themselves would surely want to have asked on their behalf.

If we're going to permit and encourage people to take up to two years off, and even longer, that if an extension is granted . . . and then come back and step in exactly the same status as before departure, what financial guarantees are there going to be in the plan to make sure that it does not run out of money as a result of such breaks in service? Are some special contributions in order perhaps? Should there be some graduated scale for some small, reasonable contribution to be made by the employee who takes more than two years off?

I believe there are reasonable concerns, indeed concerns that will lead to better understanding and acceptance of the plan by employees — both those who make use of the extended break in service rules and those who don't. The latter group needs to be reassured that their contributions are being fairly treated as well.

Mr. Speaker, the next substantial change in the law proposed in this Bill is found in section 5, and the change provided in the Bill means that employees who over-contribute to the pension plan in any particular year will get back their over contribution, but they will no longer get back the interest on the over-contribution. Mr. Speaker, the government has provided us with explanatory notes which say this change is necessary in order to comply with section eight five zero six, subsection 4(a) of the Income Tax Act regulations.

While this may be true, Mr. Speaker, surely there is something that we can do with the interest that is more creative than merely pretending it doesn't exist. Could not the interest on contributions in excess of the limits be credited to the individual employee's own entitlement account with the plan? Where does the minister plan to put the interest on contributions in excess of the permit limits? In simple terms, Mr. Speaker, I ask, where is the interest going?

The next major change proposed in Bill 55 is found in section 6. This provision has the effect of moving the plan away from a strict dollar-for-dollar formula to a much vaguer method of calculating employee contributions to the plan. The old rule said that a municipal employer was required to contribute the same amount as the employee contributed. We hear the provincial government telling us that section 147.2(2) of the Income Tax Act has . . . no longer allows employers to match contributions based on the salary of members and so this change is necessary.

Mr. Speaker, I don't propose at this time to challenge the legal opinions which the government has solicited in the course of reaching the rather extraordinary conclusion. But I will say this: if we are going to move away from the old tried and true dollar-for-dollar rule based on salary, then we owe it to our

municipal employees to enact a formula that is at least as sound financially as the old formula. And I have real questions whether the formula proposed in Bill 55 is adequate.

The new formula says the employers are required to contribute, and here I quote:

an amount . . . determined by the commission in accordance with generally accepted actuarial principles, that the commission requires for the purpose of funding any allowance that may accrue to the employee pursuant to this Act.

This formula again leaves the entire business of determining the employer contributions in the hands of actuaries who are very skilled professionals to be sure, Mr. Speaker, but who can nonetheless be overly optimistic from time to time and sometimes, as in the case of some of the largest life insurance companies in this country, absolutely wrong.

Mr. Speaker, I am thinking of Confederation Life Insurance Company which went insolvent a couple of years ago after decades and decades — indeed, the better part of the last century — of excellent management by skilled professional actuaries and others just because of some bad planning in the '80s.

The next major change proposed in this Bill is found in section 7. This changes the section of the Act which deals with payment to employees who die after the pension is vested but before becoming entitled to receive an allowance who have not left a named beneficiary. Here the change is significant and must be examined carefully.

Under the existing rule, the pension plan would pay to the estate an amount that would be (a) twice the employee's contribution to the plan plus the amount in the employee additional contribution account plus the employee's annuity account plus the employee's annuity surplus account, the employer's additional contribution account, and finally, the amount in the employer annuity account.

That entitlement of the estate is altered. The new entitlement rules are somewhat different. The new entitlement of this is the total of the commuted value of the employee's allowance calculated as if the employee's date of death were the employee's date of termination and the amount by which the employee's contribution plus interest exceed 50 per cent of the amount mentioned in subclause 1, plus the last five items in the old formula.

Mr. Speaker, I have two concerns with the new formula. The first is this: how is the commuted value calculated? That may be a question which the actuary or an accountant would scoff at, but I can assure you, Mr. Speaker, that it is a question that a widow or a widower or the children of the deceased municipal employee would not regard as foolish or simplistic.

We used to have a formula that everybody could understand. It was the amount of the employee's contribution multiplied by two. I could understand that, and so could the municipal employees and their dependants.

That formula has been replaced by something called commuted value based on the assumption that the employee was terminated at the time of his death. And added to that is another value. The other value is the amount by which the employee's own contribution to the pension plus the interest earned on those contributions are greater than the commuted value of the pension. So in other words, if the employee's contribution plus interest is greater than 50 per cent of the total commuted value, then the excess margin is added on to the entitlement.

My second question is this: is the family of the deceased municipal employee going to get more or less than before? Does it promote good investment practices by those who are in charge of administering the plan? What mechanisms are going to be put into place in order to make sure that the commuted value is going to be fair?

Closely related to this question is the issue of how the commuted value is going to be calculated. Mr. Speaker, here is my worry in a nutshell. The death benefit calls for a payment of a vague, nebulous amount called a commuted value. Then it goes on to add a specific small additional amount to that entitlement. I'm referring to the portion of the employee's contribution plus interest that is in excess of over 50 per cent of the commuted value.

That sounds great at first glance, but my worry is that the size of the employee's contribution plus interest, especially if it's a large amount, will be used by those in charge to alter the commuted value in such a way to keep the payment to a minimum. I would like to know what mechanisms will be put in place to calculate the commuted value of the death benefit and how those rules will be applied.

Mr. Speaker, the next significant change that would be brought about by the passage of Bill 55 is found in section 8 of this Bill. This is the section which deals with reductions to the benefits to pensioners who take early retirement. This change seems to be a sensible one although I will probably have some questions for the minister if the Bill reaches Committee of the Whole.

Section 9 is the portion of the Bill which deals with pensioners who, due to serious medical conditions likely to shorten their lives, elect to receive the commuted value of the allowance, annuity, or other benefit to which they would normally have been entitled. Mr. Speaker, the present wording of the Act says that in such a circumstance the members of the plan can receive a payment or series of payments for a fixed term calculated in accordance with generally accepted actuarial principles, equal to the value of the benefit to which he would normally have been entitled.

The new word says that the pensioner gets the commuted value. We seem to have replaced the generally accepted actuarial principles with the commuted value once again. There will certainly be some questions to be answered in Committee of the Whole on that point.

Mr. Speaker, I agree with section 10 of the Bill, and it offers a much more detailed and complete definition of the totally and permanently disabled. It adopts the definition of totally disabled

found on the income tax regulations. Our party supports this change.

My last comment about the Bill is that the two-year waiting period in section 11 is too long. This is a section which provides that if an employee leaves the service of a municipality, he must now wait up to two years before receiving his refund on his pension contributions. Mr. Speaker, I understand that the reasoning behind this change is to make consistent with the new rule that if an employee gets a new position with another municipality within two years, he may rejoin the pension plan right away. None the less, two years is simply too long to wait, and I think we as legislators simply have to find a better formula for refunding pension contributions.

Mr. Speaker, this concludes my remarks on the second reading of debate in Bill 55. Thank you.

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

(1645)

## COMMITTEE OF FINANCE

### General Revenue Fund Finance Vote 18

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

**Hon. Ms. MacKinnon:** — Mr. Chairman, I have with me today, Bill Jones, who is the deputy minister of Finance.

#### Item 1

**Mr. Aldridge:** — Thank you, Mr. Chair. My first question to the minister is going to be a repeat. But in the interests of the tax-paying public, most of who can't afford flights to the Big Apple, I have to ask the question of the minister because she refused to answer it before. I'd like the minister to tell me, tell the people, what the cost of her trip to New York was to promote the recent budget.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I guess in a budget of \$5 billion we understand what they think the most important issues are. And that will be recorded as well . . . the first question that they wanted to know about a \$5 billion budget was how much it costs to go to New York. The answer is we don't have the bills in yet.

**Mr. Aldridge:** — Thank you, Mr. Chair, and Madam Minister. I know the minister doesn't like the question, but I can tell her, you know, that because I'm asking this because most people in the province don't get a chance to take these sorts of opportunities to take trips to far-away places. So I just ask the minister to keep that in mind.

But given the fact that you don't have the bills in yet for your recent trip, would you just provide a brief overview otherwise on the travel policy of your department as it relates to both

yourself and to out-of-scope personnel.

**Hon. Ms. MacKinnon:** — I think the basic travel policy is that we travel by the least expensive air travel. That is, nobody in government is ever allowed to travel whatever is called first class, business class, so all of our tickets are always commercial tickets or the least expensive air tickets.

If there's an opportunity to take advantage of discounts, we do that, but we have to be careful because our plans can change quite quickly. You can end up costing taxpayers more if you have to pay a penalty because you got a discounted ticket, and then the agency couldn't see you on exactly that day. You have to change your day. You end up losing money.

I think the main thing that is different about our government and other agencies is all of the travel points, accrued by government people when we travel, accrue back to the government. That is, what will often . . . it happens all the time in the private sector and happens in other public agencies. I travel; the Government of Saskatchewan pays my travel expense. You get air points when you travel. In other places, the individuals are allowed to keep those air points. In our government, any air points that accrue have to go back into government travel so that they're assigned to future government travel. So we save money in that way.

And those are the basic guidelines. Other than that, we have basic public service rates of allocations for meals, etc. No money of course allowed for entertainment or any such expenses.

**Mr. Aldridge:** — Thank you, Madam Minister. And I do think that that is a rather positive initiative, that the travel points here in this province would be kicked back in the kitty, so to speak, for use by government.

Mr. Chair, I noticed after the budget a number of fairly large advertisements in the papers around the province, regarding the recently announced provincial budget. And I'm sure the minister is well aware of the ads which I'm talking about here. I'd like the minister to tell us who contracted these advertisements. And was this done through the communications coordination unit at the Executive Council, or was it some other organization?

**Hon. Ms. MacKinnon:** — Mr. Chairman, first of all I'd like to introduce two new officials who've joined us. Behind me is Kirk McGregor, executive director, taxation and intergovernmental affairs. And behind Bill Jones is Bill Van Sickle, executive director of administration.

The ads were tendered in the usual way; that is, we went through the process of getting an agency of record and then that agency did the advertising according to our government policy. So it was a standard, open approach to assigning advertising.

**Mr. Aldridge:** — Thank you, Madam Minister. And I was lax earlier in not welcoming your officials here. And now that there's more that have joined you, I just take the opportunity to do so now.

I thank the minister for her answer, but I would like to know

how much was paid for these ads and what input, if any, the minister's department had on the selection of that company. I know you said it was tendered in the normal process, but I would think there must be some consideration given here for the minister's own department. And if you would just perhaps elaborate on that.

**Hon. Ms. MacKinnon:** — The total cost was \$31,231 for the placement of the ad; \$4,139 for the design of the ad, which is on a par what occurs when a budget is produced and the public is informed of what's in the budget.

**Mr. Aldridge:** — I thank the minister. And I would ask, would it be possible if you table those figures because they went by me just a little bit quickly?

But also I'm aware that many departments create a committee to advise on the tenders or these bid submissions for ads, and often they're formed by top officials. Did your department have such a committee involved, and did you appoint the people on it, and who were these people, and what would be their qualifications?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the content comes from the Department of Finance. We would ask people in the communications unit for some advice on presentation. And then the ads would be put together in place, but certainly the Department of Finance is the one that decides the content.

**Mr. Aldridge:** — Thank you, Madam Minister. I was looking at one of these ads, and the presentation of the ad raised some concerns with me. The government should be spending taxpayers' dollars in an impartial manner, and I would hope it would present the facts over and above anything else.

To begin with, I was quite concerned when looking at the graph in the ad regarding employment in the province. Here in the graph, the bottom of the graph started at zero, and the next number is 450,000. And the net effect of setting a graph up that way is to give a reader a false impression of job growth in the province. The graph makes job growth look far more dramatic.

And I wonder if the minister could tell us whether this would be a good use of our money. The minister would be, in this case, wasting taxpayers' money on ads with skewed graphs just to make the sorry job-creation record of the government look better. If I could have a comment.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I guess what I would say, first of all, is the material presented to the public reflects what it's in the budget speech. So what they would have put in that material would reflect the budget speech.

But I would say to the member opposite, we've now been at this for — I don't know — five or ten minutes. We're talking about \$5 billion in taxpayers' spending, and we're concerned about .0000, whatever per cent of it, in terms of the ads. The information in the ads is produced by the Department of Finance. It reflects the budget, and it portrays, we believe, very accurately to the public what the main messages of the budget are. And there's different ways one could use to convey to the

electorate what is in the budget.

Our view is that the most effective way and the way that it benefits local people the most is using local newspapers.

**Mr. Aldridge:** — Thank you, Madam Minister. But I do have to ask a few more questions concerning the advertisements.

I know that you feel that this isn't of any significance, these sorts of dollars, but I do think that people of this province think otherwise. So in that same ad, which says the Department of Finance, it has another graph, and it shows the department's impression of the figures involved in the federal transfer cuts.

And we all agree there were some cuts here. But I'm concerned that the minister allowed yet another ad to go through which skews the facts to the public. The chart here shows cuts to funding for health, social services, and education from the federal government, and I'd like the minister to tell us why equalization wasn't included. Because these things are worth money, in terms of millions, to the province, and when you show how big transfer cuts are to the province and you're excluding them here.

And I'd remind the minister that on at least one other occasion we've heard the minister say that finances are complicated, and what the minister must do for the public is explain them in a clear and concise manner. And given those remarks, I would like the minister to explain why she would . . . again, why would our money be wasted on an ad that has a graph that clouds the federal transfer cut issue by excluding the equalization transfer component.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, first of all, these are not impressions; these are all facts. I don't do the charts; my office doesn't do the charts; the Department of Finance does the charts. They are real numbers. We could very well, Mr. Member, have included a graph on equalization. What it would have shown though, is exactly the same trend — a dramatic reduction in federal money for equalization.

So if we had done that, it would have just underlined the point even more — not only are we getting less money for health, education, and social programs, we're getting dramatically less money for equalization relative to what we've gotten in the past.

So we could have made that point, but it would not strengthen your argument that we're getting more from the federal government; it would have strengthened the argument that you're getting hit twice — less money for health, education, social programs; less money for equalization.

**Mr. Aldridge:** — Mr. Chairman, and, Madam Minister, earlier in the session I had asked a good number of written questions. The one that I believe this supposedly open and accountable government answered was one about payment made to Phoenix Advertising in 1994-95. That answer had stated that Phoenix was paid significant sums of money for advertising for some jobs, strategic advice, as well as work in preparing the *Public Accounts* documents for the Department of Finance.

The response I was given raised a number of concerns. Firstly, I wonder if the minister could tell us why it says here under Provincial Comptroller that his branch prepares the *Public Accounts*. And if the Provincial Comptroller prepares them, is there any sort of contracting out planned in the coming year?

And what I would like to know specifically is, if the department plans to contract the *Public Accounts* documents out, does that simply involve printing, or does that involve presentation, design, strategic communications advice as well. If you could reply.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the Department of Finance doesn't physically print the *Public Accounts*. They get all the information compiled and they're printed elsewhere by a private agency.

**Mr. Aldridge:** — Madam Minister, the Provincial Auditor has expressed concern about your department being the only department which doesn't file an annual report. An annual report, as you're aware and fully understand, keeps people accountable. And to use one of your own phrases, it prevents powerful officials like yourself from squaring circles, if you will.

And given this, would the minister explain whether or not she intends to comply with the request of the Provincial Auditor. And if not, could she offer an explanation of why she feels that she's above being accountable in such a manner.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I would say that the Department of Finance probably tables more public documents than any other part of government. We table the *Public Accounts* in two volumes in the fall, mid-year financial reports, *Estimates*, the budget speech, and all the background papers for the budget.

So I think the issue is, is there adequate information available? And we believe there is. It's what do you actually call the information. Whether you call it an annual report or you call it some of these other things may not be as important as what the information is that exists. So I would say, in terms of openness and accountability, Canada West recently looked at the budgeting of different governments across Canada, and Saskatchewan was accorded the highest mark — 85 per cent — for its budgeting practices and its openness and accountability.

The Assembly recessed until 7 p.m.