

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Bjornerud: — Thank you, Mr. Speaker. I would once again like to present petitions of citizens to creation a regional telephone exchange. The prayer reads:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to cause the government to support the creation of regional telephone exchanges in order to enhance economic and social development in rural Saskatchewan.

The communities involved in this petition, Mr. Speaker, are from Choiceland, Garrick, and White Fox.

Mr. Belanger: — Thank you, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan, in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence, including the charge of attempted murder of a police officer; such a task force to be comprised of representatives of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

As in duty bound, your petitioners will ever pray.

And the people that have signed the petition, Mr. Speaker, are primarily from Gerald, Saskatchewan, as well as Spy Hill. And I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petition has been reviewed, and pursuant to rule 12(7) it is hereby read and received.

Of citizens of the province petitioning the Assembly to support the creation of regional telephone exchanges.

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Estimates

Ms. Hamilton: — Moved by myself, Mr. Speaker, and seconded by the member from Kelvington-Wadena:

That the second report of the Standing Committee on Estimates by now concurred in.

Some Hon. Members: Hear, hear!

Motion agreed to.

NOTICES OF MOTIONS AND QUESTIONS

Mr. McLane: — Thank you, Mr. Speaker.

I give notice that I shall on day no. 48 ask the government the following questions:

To the minister responsible for the Saskatchewan Power Corporation: what lands have been expropriated or are presently subject to notices of intended expropriation by Saskatchewan Power Corporation for the construction of the Condie-Queen Elizabeth line; and who are the registered owners of such lands?

Mr. Speaker, if I might while I'm on my feet, I have other questions as well. I give notice that I shall on day no. 48 ask the government the following questions:

To the minister responsible for Saskatchewan Telecommunications Holding Corporation: what lands were expropriated by Saskatchewan Telecommunications Holding Corporation and its subsidiaries during the year 1991; and who were the registered owners of such lands?

I if I might, Mr. Speaker, I also have questions for the years '92, '93, '94. To save time, I'll do them at once.

I also give notice that I shall on day 48 ask:

The minister responsible for the Saskatchewan Power Corporation: what lands were expropriated by SaskPower Corporation during the year 1991; and who were the registered owners of such lands?

Similar questions for the years up to and including 1996.

I also give notice that on day 48 I shall ask:

The minister responsible for Sask Water Corporation: what lands were expropriated by Sask Water Corporation during the year 1991, and who were the registered owners of such lands?

Similar questions for the years up to and including 1996.

Also, Mr. Speaker, I give notice that I shall on day no. 48 ask the government:

Through the minister responsible for SaskEnergy Incorporated: what lands were expropriated by SaskEnergy Incorporated and its subsidiaries during the year 1991, and who were the registered owners of such lands?

I also have questions for the years up to and including 1996, Mr. Speaker.

INTRODUCTION OF GUESTS

Hon Mr. Hagel: — If the members have no guests that they wish to introduce, I would like to introduce to the members some students who are guests of the Assembly, who are visiting from my own constituency. Seated in the Speaker's gallery this afternoon are 66 grade 4 and 5 students from Sunningdale School in Moose Jaw as well as one of the students and chaperon who is seated on the floor, inside the door.

These students today are accompanied by teachers, Mrs. Templeton, Mrs. Kerr, and Mrs. Sudom-Young, as well as chaperons, Mr. Johnson, Mr. Cleave, Mrs. Rininsland, and Mrs. Horner.

They'll be seated in the gallery until 2 o'clock, at which time they'll be taking a tour of the Legislative Building. And with the assistance of the Deputy Speaker, I look forward to meeting with them for a visit and drinks and photos at 2:30.

And I would point out Sunningdale School is a regular visitor over the years to the Legislative Assembly, and I'm happy to see them back again this year and I know that the hon. members of the Assembly are as well. I'll ask that you will join in extending a welcome to these students from Sunningdale School.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Multiple Sclerosis Month

Mr. Ward: — Thank you, Mr. Speaker. May is MS (multiple sclerosis) Month and to recognize the importance and the significance of this declaration, people are encouraged to wear a carnation today.

Multiple sclerosis is the most common disease of the central nervous system affecting young adults in Canada. There are an estimated 2,400 persons with MS living in Saskatchewan, one of whom is my wife, Mr. Speaker.

The MS Society has a number of fund-raising activities planned for this month. From today to May 10, the MS Carnation Campaign will be held throughout the province, which officially kicks off May as MS Month.

On May 12 and 13 there will be many volunteers out knocking on doors for the residential campaign for the MS Society. As well, 12 communities will be holding Super City Walks. Since 1992 the walks for MS have raised over \$562,000 with over 6,700 people participating. This year the goal is to raise \$175,000 province-wide with 1,800 registered walkers.

All funds raised support ongoing research and sustain service programs that help people with multiple sclerosis. The MS Society also provides supportive counselling, educational materials, recreational activities, and referrals for individuals and their families who are coping with this disease.

I ask everyone to support the MS Society in its effort to "Connect with a Cure" for MS. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. I'd like to join in our colleagues opposite in acknowledging that May, of course, is Multiple Sclerosis Month. The MS Society has asked the members in this Assembly to join in the fight against MS by not only wearing a carnation today, but by also making a donation.

I'd like to begin my statement by applauding the MS Society for the real contribution they have made towards a search for a cure. I think it is fair today that we all anticipate the day where a cure will be found for MS.

Until a cure is found, it is comforting to know that modern medicine has developed a medication, Betaseron, which will ease the pain for many. However, Betaseron is a very expensive drug and it is not covered under the Saskatchewan drug plan.

Mr. Speaker, we have asked the Minister of Health on a number of occasions to add this drug to the list of medications covered by their government. We have received many phone calls from individuals with MS telling us that this government has promised them for two years that something will be done.

Mr. Speaker, it is not fair to make these people suffer any longer than they have to. These people are hoping that the government will use today as an opportunity to announce that Betaseron will be included in the drug plan.

Mr. Speaker, I would like to remind all the members that the MS Society has asked us to wear a carnation and make a donation. I applaud all those who have already made a donation and challenge those who have not.

But most of all, I would like to implore the government, Mr. Speaker, on behalf of all people who would benefit from Betaseron but cannot afford it, to make a meaningful donation and add Betaseron to the Saskatchewan drug plan. Thank you.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. I'd like to take a moment as well to join with all members in recognizing May as Multiple Sclerosis Month, a time in which we just sit back and reflect on some of the things that we take for granted and we can be so thankful for.

Mr. Speaker, you may or may not be aware, the secretary — or my constituency assistant — has a brother who suffers with MS and fortunately he's been able to get around quite well, as long as he judges how much he exerts himself. I also unfortunately have a brother-in-law who suffers with MS.

So this disease is something that's a real concern to us, and we certainly want to take the time to acknowledge the work and dedication of any volunteers who bring this to our attention, and we want to encourage people to certainly put forward their funds and time and effort to support research into how we can get rid of this disease.

I'd also like to take a moment as well to extend a hearty thank you to the Canadian National Institute for the Blind and the

work that they do on behalf of blind individuals not only in this province, but across our country. Mr. Speaker, many good people, hard workers and volunteers give valuable time to stand up for those less fortunate than us and we should say thank you.

Some Hon. Members: Hear, hear!

Saskatchewan Population Growing

Ms. Stanger: — Thank you, Mr. Speaker. Our Saskatchewan economy is back on track. There are signs throughout the province that jobs and economic development is occurring. Many times my colleagues on this side of the House have made announcements regarding this economic activity. And there has been the rare occasion when even the opposition members have done the same. I guess it's hard to be pessimistic in Saskatchewan these days. The signs that our province is revitalized is everywhere, Mr. Speaker, but there is one indicator that I would like to focus on now, our steady population growth.

Mr. Speaker, since this government assumed office in 1991, there has been five consecutive years of population growth in Saskatchewan. Last year there was a positive migration of people into this province. This may seem insignificant to many opposition members, but it demonstrates that people are coming back to this province for the job opportunities that are a result of a strong and growing economy.

Lloydminster, for instance, Mr. Speaker, has a population growth of 9.6 per cent, and when compared to the last Tory government, this number is astounding. At the height of their government in 1989, Mr. Speaker, over 17,000 more people were leaving this province than were coming in. Our government is working better in this province, Mr. Speaker, and it shows increased economic growth — and have a good trip, Mr. Speaker.

Some Hon. Members: Hear, hear!

Battered Women's Week

Ms. Julé: — Thank you, Mr. Speaker. Mr. Minister, this week is Battered Women's Week. We have all heard the statistics about how many women are beaten by their partners every day. We have heard about women who flee in the dead of the night with their children. Sometimes they leave with little more than the clothes on their backs. And chances are we all know of someone or have heard personal stories about a woman still caught up in a desperate situation.

And we have probably all asked the question or just thought to ourselves, why don't you leave if it's so bad?

But these women have many obstacles to overcome. They are usually financially dependent on their husbands; they worry about how they will support and care for their children if they leave; they often lack the education and skills that they would need to find a job and make a new start.

These are the two common elements of battered women's stories. These are the stories told to the staff and volunteers at

women's shelters across the province.

I would like to salute those people who work with battered women and their children. Without their caring and commitment, our province would be so much poorer — morally and socially.

And to those women right now in abusive homes, and to those who do have the courage to leave, I commend you.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Provincial 4-H Public Speaking Competition

Mr. Flavel: — Thank you, Mr. Speaker. Mr. Speaker, the ability to communicate in a clear and concise manner is a skill that is hard to come by. Many of us here at one time or another must have experienced some anxious moments during a public forum.

A good speech must be informative, well-thought-out, organized, and be given with personal emotion. Well, Mr. Speaker, these types of speeches were at the centre of the annual provincial 4-H public speaking competition that took place a few weeks ago in Moose Jaw.

There were 18 participants ranging from 9 to 21 years of age competing for top honours in their respective divisions. Each delivered a speech to an audience of over 100 people on a topic of their choice. Most of the topics were based on personal experience and insights.

Mr. Speaker, all the participants gave tremendous speeches, but there's one in particular that I would like to congratulate here today.

Ms. Heidi Nordal of Bulyea won first place in the senior category. A member of the Longlaketon 4-H Club for a number of years, Heidi focused her speech on her experiences and memories of her involvement in the 4-H.

I want to congratulate all the participants of this year's forum, but especially to Heidi Nordal for her achievement, and wish her all the best in her future endeavours.

Some Hon. Members: Hear, hear!

Mental Health Awareness Week

Mr. Koenker: — Thank you, Mr. Speaker. The key ingredient of healthy living is good mental health. Many Canadians however, have not acknowledged the importance of good mental health. We need greater public awareness. That's the purpose of Mental Health Week here in Saskatchewan which began on Monday, May 5.

The emphasis this year is on mental health, not mental illness. And the theme, "Making Mental Health Matter," is appropriate because mental health should and does matter.

Poor mental health results in poor work performance, breakdown in family relations, bad decision making, and a sick society. Good mental health results in more positive workplaces, happier and more supportive families, and more healthy communities.

As decision makers, members of this Assembly should take particularly seriously the need to promote good mental health. And that is why I'm very pleased to announce that earlier today the member for Saskatoon Eastview was presented the Canadian Mental Health Association's Workplace Excellence Award in the category of individual excellence, at the mayor's luncheon marking Mental Health Week in Saskatoon.

It honours this Assembly and helps to restore public trust in government when a member of this House receives such well-deserved recognition. It is particularly an honour when the award is bestowed by an organization like the Canadian Mental Health Association.

Today I ask all members to congratulate the mental health association and our member from Saskatoon Eastview. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Multiple Sclerosis Drug

Mr. McLane: — Mr. Speaker, members of this Assembly are all wearing carnations today to recognize Multiple Sclerosis Month. However, MS sufferers are looking for more than recognition. They want to hear that this government will ensure that Betaseron, which would greatly improve their lives, come under the Saskatchewan drug plan.

Mr. Speaker, I've questioned the Minister of Health about this matter many times this session and he has indicated that a decision will be made quite shortly.

Mr. Minister, what better time than now to announce this announcement that Betaseron will be insured under the drug plan. Will you make that commitment, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, if my memory serves me correctly, the member asked me this very important question just two or three days ago. I advised the member that various steps were being taken to look into the matter, that the matter was under review right now.

I do not have an announcement to be made today but I can assure the member that the matter is being given the utmost consideration. The appropriate people are being consulted and we'll be making a decision in the very near future.

Highway Maintenance

Mr. McLane: — Mr. Speaker, if this government decides to put a catch phase on licence plates in this province we have a

suggestion — pothole proud. Because that's the image we are representing to tourists.

Randy Williams, the president of the Tourism Authority, says visitors are reluctant to travel in Saskatchewan because of the terrible road conditions, and we all can relate to that. He said, and I quote, "Some travellers with new vehicles and RVs won't travel on our roads." Mr. Williams also said it was in the best interest of this province to start spending more money on road repairs.

Mr. Speaker, this government is sending mixed messages. It wants tourists to come to Saskatchewan, spend their money here, and pay our high fuel taxes. But at the same time, it is showing visitors that it doesn't think enough of them to fix the roads. Will the interim Minister of Highways agree, if we are to ever have a strong tourism industry in this province, you have to take an interest in the roads?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to share with the member opposite that certainly we have a strong interest and investment in tourism in Saskatchewan.

And when you look at what's happened over the last couple of years through the partnership that we have formed and the transfer of responsibility to the Tourism Authority of Saskatchewan, we see tremendous growth in the tourism industry here in the province. When you take a look at the years in question from '92 to 1996, you see significant growth in the tourism industry.

So when I look at, and hear the comment that Mr. Williams makes, I'm not sure from where that information is garnered. Because when you look at 1992, the visitors to Saskatchewan just from the U.S. (United States) alone were in the neighbourhood of 81,461. That continues to grow in the years '93, '94, and '95 and '96 to where the number now is 99,436. That's the information that we have from our Tourism Authority. And when I talk to tourism branches across the province, that's the information that they provide to us.

So I'm not sure, Mr. Member, where you get the information as to where the tourism numbers in this province are deteriorating.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. Well, Mr. Minister, let's talk about the commitment to highways, is the subject for today. Ever since you came to power in 1991, Mr. Speaker, everyone in this province has realized that we have a problem in transportation. Transportation's changing, Mr. Speaker, our roads are deteriorating. Everybody recognizes that except the members opposite. The government didn't seem to understand.

And what did the government do to address this problem, Mr. Speaker? Well they cut \$187 million out of our transportation system since they came into power, Mr. Speaker — \$187 million. And what kind of a commitment is that to transportation and to tourism?

In my own area, Mr. Speaker, Lake Diefenbaker, we know there's a problem because nobody is going to come into that area to fish, to camp, to do what have you, because they can't get there with their expensive motor homes and trailers.

Mr. Minister, when are you going to wake up, your members and yourself, and realize that you've got a real problem with the highways in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I want to share with the member opposite that he obviously hasn't taken the time to look at the new transportation strategy for Saskatchewan. And I think what he should do is he should take a look at the transportation strategy. Because clearly the transportation strategy indicates to you that over the next . . . over this coming year we're going to spend somewhere in the neighbourhood of \$30 million into new infrastructure across the province. Over the next 10 years we're going to spend \$2.5 billion into the transportation strategy.

And I ask you, when we talk about a national transportation policy for Canada, we don't have a national transportation policy in Canada. And where do you stand on that. When we go to the federal government and say we need to have a national transportation strategy in Canada, and we hear nothing from you. Decimation of the gas tax under the previous administration. And today, of course, we have some roadways that require some additional support; and we're putting that in through the \$30 million.

Some Hon. Members: Hear, hear!

Saltcoats Reassessment

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, the people in the town of Saltcoats feel they have been hung out to dry with SAMA's (Saskatchewan Assessment Management Agency) reassessment program. Because Saltcoats has been assessed as a bedroom community of Yorkton or the ridiculous comparison as a resort community, many properties are assessed at the highest residential factor possible.

SAMA officials have already admitted there has been mistakes, yet are not making any effort to correct the whole town's assessment. I know this issue has been brought to the minister's attention already.

Can the Minister of Municipal Government tell us if any . . . what if any steps she has taken to correct the huge assessment error in that town of Saltcoats?

Hon. Mrs. Teichrob: — Mr. Speaker, in cases such as this, there is due process available for ratepayers. There are methods by which apparent errors can be referred to SAMA and be corrected prior to tax notices going out. If that doesn't take place, and tax notices actually go out based on information that may turn out to be flawed, then the appeal process is open to those ratepayers.

So they should be encouraged to use those due processes, and the objective of that appeal process is fairness and equity, and

this is the way it should be achieved.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Madam Minister, the appeal process is in the procedure of going on right now, and in one case, SAMA has even stopped for two weeks, said they'll defer it for two weeks until they contact their lawyer. So they know there's mistakes. We need your help.

Mr. Speaker, some of the property owners now have lots assessed as high as \$30,000 on average. Saltcoats residents are facing assessment values of 5,500 for lots only on average. But just down the road in Bredenbury, similar lots are assessed at an average of 300.

People in Saltcoats are outraged and feel that the fair market value for their property is unfairly high compared to the surrounding area. At least 50 assessment appeals have already been filed in that town.

Will the minister take a leadership role and intervene on the people's behalf and insist a total reassessment be done for the community, this time using common sense when valuing the properties?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Chairman, I'd like to remind the member opposite that ownership of SAMA, the assessment management agency, rests with local government where they have representatives from SUMA (Saskatchewan Urban Municipalities Association), from SARM (Saskatchewan Association of Rural Municipalities), and from the SSTA (Saskatchewan School Trustees Association), and from the assessors' association. The government's representation on the SAMA board of directors, which directs those activities, is three out of a membership of nine, Mr. Speaker.

So people who are aggrieved by the process should speak to the representative of those municipal organizations who sits on that board, and through their municipal administrator, if it's an administrative level. We are not in a position to direct SAMA on how it should manage its affairs, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Madam Minister, that's not good enough. I realize there's three members from each on that board. Somebody has got to take a leadership role with SAMA. They are not doing their job properly. Mr. Speaker, SAMA needs to be reminded that it should be serving all people in Saskatchewan fairly. People in Saltcoats are tired of SAMA's arrogance, and similar complaints are arising from other communities. Many Saltcoats residents are considering refusing to even pay their taxes. Across Saskatchewan some town administrators, mayors and councillors are quitting over reassessment problems. Saltcoats officials tell me that with the extra education costs and cost of policing, they will pay \$1 million more than the town of Bredenbury over the next 10 years — a similar-sized town.

Madam Minister, the process is flawed. Will you assume your responsibilities and intervene and give SAMA the direction it seems to need to address these unfair assessments?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, the members opposite one day want less intervention by government. The next day they want more intervention by government. Which is it? This is a free-standing, independent agency, Mr. Speaker. In the main it is funded . . . the field services they provide are paid for by municipalities.

The representation on the board of directors is, in the majority, from local governments, and that is where the responsibility lies, Mr. Speaker. They wanted to own the system. Municipalities told the Local Government and Finance Review Commission they wanted to own the system. They own the system. It's up to them to run the system.

Be careful what you ask for; you might get it.

Some Hon. Members: Hear, hear!

Four-day School Week

Mr. Heppner: — Thank you, Mr. Speaker. My question is for the Education minister.

Madam Minister, last year the Scenic Valley School Division made some very innovative changes to their school hours — the length of the school day from Monday to Thursday, dedicated Fridays to extracurricular activities for students, professional activities for teachers.

A recent survey shows that 90 per cent of parents like the new school hours. There's only one problem. Your new amendments to The Education Act say that in the future different schools who want hours like those followed by Scenic Valley will require ministerial approval.

Madam Minister, why can't you just leave well enough alone? If the school division, the parents, and the students are happy with this arrangement, why do you need to get involved?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well thank you very much, Mr. Speaker. All I can say is that the Department of Education and the Saskatchewan Teachers' Federation, as well as other educational organizations, have always felt that under The Education Act, "alter" was interpreted to mean, not to lengthen the school day.

Scenic Valley obviously took a different approach last spring when they moved to lengthen their school day. What we're doing is simply clarifying the legislation to ensure that while everyone understands the existing meaning of the legislation, that there will be no misinterpretation of the legislation.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Madam Minister, you cut their funding. You asked for innovative ideas; they came up with one. It's been singularly successful — probably more successful than anything the Department of Education has done in its lifetime. I guess before the minister entered politics she must have wanted to be a school principal; now she wants to be the principal of the whole province.

Madam Minister, numerous schools throughout the province may need to alter their school hours to accommodate special circumstances. Until now they had the right to do that on their own. Now they need your approval. Why?

Two nights ago you gave a quite different defence of the principle of school board autonomy. You said it was great. But your new legislation shows you really don't believe in school board autonomy. Why can't you simply leave well enough alone, and let school boards set their own hours without your approval? They're doing it very successfully.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well, Mr. Speaker, I could report to the member that the Scenic Valley pilot project was for one year. They asked for an extension of the pilot project. We've extended the pilot project. There will be an external evaluation process and we will determine, based on the evaluation, whether or not this is something that other school divisions might want to consider.

All I can say to the member is that in this session of the legislature we're introducing an amendment to The Education Act, so that there can be no misunderstanding as to the ability of who can decide whether or not we can lengthen the school day. Everyone understands that it's up to ministerial discretion and we just want to make sure that the legislation is very clear.

Quebec Separation

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier. Mr. Premier, we now see how close we came to losing our country in October of 1995. We hear today that the former premier of Quebec and his separatist government were prepared for a yes vote. They were prepared to move swiftly and decisively to destroy our country.

But clearly we also see that Jean Chrétien was not prepared. His bungling of the federalist campaign brought us to the brink of losing our country. And he had no plan of action to respond to Quebec, had the separatists won.

Mr. Premier, you spoke to Jean Chrétien during the referendum campaign. Was there a deal if there was a yes vote? And more importantly, is there a plan for the next time to deal with the separatist traitors who would promote separation by lying to their people?

Hon. Mr. Romanow: — Mr. Speaker, the question the member raises is important, but I think, if I may, what is really more important is the dealing with fact. And the fact that we're dealing with is that the separatists did not win the referendum. There's no use speculating about what if or what might have

... That's important I guess at some points, but the most important fact remains is that those in Quebec who believe in Canada, who I believe still have the majority, voted in favour of Canada.

In the subsequent days and weeks that followed, we know the facts also. The federal parliament has enacted several measures dealing with the devolution of power, eliminating overlap and duplication, and the like. One can have one's views as to the adequacy of that, but there has been a response in this regard.

The last point that I want to make is that I find the revelations, the confessions of M. Parizeau, to be absolutely shocking, because in effect the public statements repeatedly were that if there had been a yes, there'd be a year's negotiations. Now we are told that that's not the case.

This indeed, I think, puts in doubt — well I could even be more harsh in my words but I'll say in doubt — any assurance given by any separatist anywhere in Quebec on this issue. It simply cannot be trusted and we as Canadians have an obligation to do all that we can to give aid and comfort and support and to understand, more importantly, the role of the federalists in Quebec about keeping a united Canada.

Some Hon. Members: Hear, hear!

Automobile Highway Damage Compensation

Mr. D'Autremont: — Thank you, Mr. Speaker. My question is to the new Minister of Highways. And as this is my first opportunity to ask him a Highways question, I guess I should start with congratulating him on his new job; though I'm not sure I like the idea of having a minister of drinking and driving.

Mr. Speaker, we have a new minister but we have the same old potholes. People at the chamber of commerce annual meeting say our transportation system is in a mess and the people continue to wreck their cars simply by driving down Saskatchewan roads.

Last year the Highway department initiated a policy of compensating people whose cars were damaged by unmarked potholes or heaves in the roads — those without the NDP (New Democratic Party) campaign signs, Mr. Speaker. Is that still the policy of your department?

Hon. Mr. Serby: — Thank you very much, Mr. Chairman. And I want to say to the member opposite that in spite of the fact that he suggests I'm now the new minister of potholes for Saskatchewan, I want to tell you, when I assumed the new responsibilities I left the potholes with the old member. So I don't have them any longer.

But I want to say to the member opposite that the policy that was previously in place that he alludes to continues to be the policy of the day.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Well thank you, Mr. Speaker. I'm pleased to hear that because, Mr. Minister, on March 10, Irene

Peyton of Hoosier was driving on Highway 51. She hit a huge, unmarked pothole which snapped every stud on the right front wheel and sent it flying out into the field. Not only was that very dangerous but it cost her \$171.21 to get it repaired.

Jerry O'Connor of Leader hit a huge, unmarked heave on the Mendham access on Highway 21. It ripped the plug out of his oil-pan, which cost him \$125 to fix. The Swift Current Highways office told him he would not be compensated.

Mr. Minister, both these people have written to the former minister of Highways asking for compensation. Will you take responsibility for the damages caused by your terrible highways and compensate these people for their losses?

Hon. Mr. Serby: — Thank you very much. I want to share with the member opposite that this year ... In particular I want to share, particularly with ... (inaudible) ... the roadways across the province, we've seen a significant number of, if I might call them, frost boils. And what's happened with many of these of course is that ... what's happened with these of course, Mr. Member, is that we have a greater number of these conditions across the province this year than we have in the past year.

And so what we've done, Mr. Speaker, is we've ... Not only have we identified those on some of those roadways but, as I've said earlier, in this year's budget we've already included 30 million more dollars that we're going to be putting into the highway system.

Now in respect to the flagging and the appropriate notification of those roadways where there are some of these difficulties, that I might suggest we're marking them as best we can. And if there are individual situations, Mr. Speaker, where in fact there has been damage caused, created, to a vehicle, I want to see that particular issue come to my attention and certainly would be prepared to look at it.

Some Hon. Members: Hear, hear!

Workers' Compensation Board

Ms. Draude: — Thank you, Mr. Speaker. In the House this week the Minister of Labour explained that the Workers' Compensation Board is arm's length from government, and that the board itself was independent of government. His remarks followed a decision by government members who sit on the Public Accounts Committee of the legislature to seek a legal opinion about whether WCB (Workers' Compensation Board) should be autonomous, or even open to public review by the Public Accounts Committee.

Mr. Speaker, the minister's comments fly in the face of those made by your predecessor, the member from Regina Northeast, who told this House on June 7, 1993, and I quote:

With respect to the administration of the board and the fund, we believe they should be accountable to the government, and I in turn, the minister, should be accountable to the legislature.

Mr. Minister, what's the story? Why are you contradicting your

colleague from Regina Northeast?

Hon. Mr. Mitchell: — Well, Mr. Speaker, I don't think I am. The Workers' Compensation Board has been part of the Labour delegation during the consideration of the Department of Labour estimates for as long as I can remember, and I think the member would accept that that is a long time.

And just recently, and I believe since the member from Regina Northeast made his statement, the Workers' Compensation Board has agreed to appear in front of the Crown Corporations Committee where it appeared this year. I think the member was present at that meeting and had an opportunity to ask the Chair and the chief executive officer of the Workers' Compensation Board, any question she wanted to. Now that's a level of accountability that is without precedence for that board in this province during the 60 years of its existence.

How many committees is the board going to have to appear in front of before the member is satisfied? I would suggest that one is quite enough.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, in the brief period of time since this issue was raised in the House, I have received numerous phone calls and faxes from people who are irate that this government refuses to be accountable to the Workers' Compensation Board.

To quote one letter:

The Workers' Compensation Board needs greater scrutiny and direction, not less.

And another letter reads:

If the Workers' Compensation Board removed itself from accountability, this would give them all that much more power and control, leaving people like myself to no one's mercy.

Mr. Speaker, we suspect that this government's decision to not allow questioning of the Provincial Auditor's concerns in the Public Accounts Committee is another attempt to silence him. The Provincial Auditor has raised legitimate concerns about the Workers' Compensation which deserves answers. However, this government is once again attempting to undermine his authority, just as they did a few weeks ago.

Will the minister tell the House why your government is so afraid to answer questions that have been raised by the Provincial Auditor; and why you are determined to undermine his work?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Now, Mr. Speaker, that is not fair. That crosses the line and the member knows it. The senior officers of the Workers' Compensation Board appeared before the Crown Corporations Committee, an appearance it had not made during its 60 years of existence. No committee of this House has

previously asked the board to appear before it, considering that it was an independent tribunal, that it is set it up at arm's length from this Assembly, and that it does not spend any public money at all.

Now those officers appeared before the Crown Corporations Committee and the member herself was present that day, Mr. Speaker. And she had a full opportunity to ask the senior officers of the board any questions she wanted to, and I don't think she did. I can't recall what questions she asked. But the fact is that the Provincial Auditor was there at that meeting; private auditors were also there. The question of the auditor's report was fully discussed, Mr. Speaker — fully discussed.

And it is not fair for that member to come into this House and suggest that this government is trying to hide anything in those circumstances. Indeed we are accounting in a very full, complete way, unprecedented in the history of the Workers' Compensation Board.

Some Hon. Members: Hear, hear!

School Division Restructuring

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, last session the Minister of Education proudly pronounced that after attending meetings across the province, school division restructuring and amalgamations would take place voluntarily. The minister claimed that she was leaving those decisions to the local people and that she would not be interfering.

Well, Mr. Speaker, how times have changed. An article in *The Saskatchewan Educator* quotes the minister as saying, "All divisions should submit restructuring plans to the Education department by June 30."

How can the minister say that the decisions are voluntary when she is forcing all boards to submit restructuring plans?

Hon. Ms. Atkinson: — Well, Mr. Speaker, I haven't seen the report in the *Educator*. All I can say is this. That all school divisions in the province have been asked to develop an action plan, which is a consultative kind of action plan, where they will indicate to the department what measures that they are going to take to take the idea of restructuring to their respective publics.

I have said on numerous occasions — and I think that the member does a real disservice to this House when he indicates that this government is forcing people to amalgamate — we indicated in December that restructuring in this province would be voluntary, it would be determined by the local people, and that there would be government leadership.

We have many examples of school divisions across this province that are in the process of having the discussions in their communities. They're in the process of restructuring. And I don't think we can find a solitary person in those restructuring endeavours that will indicate that this government is forcing them to restructure.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member on her feet?

Hon. Mrs. Teichrob: — Mr. Speaker, to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mrs. Teichrob: — Thank you. Seated in the west gallery, just joined us a few minutes ago, I'd like to introduce to the members Murray Westby, the mayor of Watrous and the president of Saskatchewan Urban Municipalities Association. Join me in welcoming him here today.

Hon. Members: Hear, hear!

The Speaker: — And why is the member from North Battleford on his feet?

Mr. Hillson: — By leave, to join in the greetings of the guest.

Leave granted.

Mr. Hillson: — Yes, as critic for urban municipalities and as a former city councillor, I have enjoyed my dealings with the president of SUMA, and I also wish to join with the minister and other members of this House in welcoming him to the Assembly this afternoon.

Hon. Members: Hear, hear!

The Speaker: — And why is the hon. member on his feet?

Mr. Toth: — With leave as well to introduce guests.

Leave granted.

Mr. Toth: — Thank you, Mr. Speaker. I'd like to join the minister and the Liberal critic in introducing as well and joining with them in introducing Mr. Westby. I'm sure he enjoys coming to this Assembly and hearing the debate. I'm not sure if it beats selling tractors, but he's certainly had a real positive influence in his community. We welcome him here.

As well, on behalf of the member from Cypress who has a previous appointment, Mr. Speaker, would like to introduce a group of 37, 7 to 9 students from the community and school in Frontier. They're with us and they've joined us; they're in the east gallery. They're accompanied by their teacher, Mr. Brad Gasper, and Dave Hesje — and I hope I've got that right; we'll maybe get it later.

Due to the fact that the member from Cypress is unable to be here, one of my colleagues and I will look forward to meeting with the group. But we'd like to invite everyone to welcome this group here this afternoon.

Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Child Prostitution Strategy

Hon. Mr. Calvert: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the House today to inform the House about an important five-part strategy that the Minister of Justice and I announced earlier today in our efforts to join with communities across Saskatchewan in the campaign against child prostitution.

Mr. Speaker, we are working on essentially two fronts. Firstly, through this strategy we will clearly send a message that children involved in the sex trade are victims of child abuse, and the people who purchase their services are child abusers. This is an extremely serious issue that we as a society must not tolerate.

Secondly, Mr. Speaker, we're substantially enhancing our commitment to working with communities in developing programs and services for vulnerable children and their families. In this year's budget, Mr. Speaker, we have provided nearly \$25 million for initiatives under Saskatchewan's action plan for children. The strategy we are talking about today is but one of the many initiatives under the action plan which partners government with communities, agencies, organizations, and individuals across Saskatchewan.

Mr. Speaker, we need to join together with other governments, with communities, with agencies, because if we are to effectively address the issue of child prostitution, we need to begin working in all areas and across all sectors of society.

I am pleased to be able to tell you today, Mr. Speaker, that under the strategy earlier announced, \$250,000 has been targeted to outreach services for children involved in prostitution and street youth. Today the Minister of Justice has announced a strict law enforcement policy will be developed to target pimps, people who have sex with children, and others who exploit children involved in prostitution.

Thirdly, government and community representatives will work in partnership on a public information campaign which identifies the act of procuring a child for the purpose of prostitution as child abuse.

Fourthly, a tracking and monitoring system will be created to enhance the detection and prosecution of perpetrators and to enhance services available to their victims.

And fifthly, Mr. Speaker, we will review existing provincial and federal law to ensure that they do not create barriers to the successful prosecution of pimps and people who have sex with children or to the delivery of services to children.

Mr. Speaker, my colleague, the Minister of Justice, will be directing public prosecutions to develop a policy that ensures these cases are consistently treated as serious crimes against children. And we will continue to call upon our federal counterparts to proclaim and put into law, amendments to the Criminal Code which will reduce the existing barriers to successful prosecution of the people who sexually exploit our children.

Mr. Speaker, today we have taken some incremental steps forward in our campaign against prostitution. But if I may say, Mr. Speaker, the journey is not over and we have much, much left to do.

How I wish, Mr. Speaker, how I wish we could find mechanisms, mechanisms to insist and ensure that those who are convicted of abusing our children, how I wish we could find a mechanism to make them pay some restitution, some damages, to the child they have injured.

And how I wish, Mr. Speaker, we could find a way to rid our streets and rid our communities of the drug traffickers that are pushing the poison on our children and on our families.

And how I wish and how I pray, Mr. Speaker, that we could find a way to so move the hearts and the lives and the lifestyles of parents that no child should be left insecure or unloved on our streets.

Mr. Speaker, we take some incremental steps today — we take incremental steps. We have a long ways to go.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I am heartened and happy that it is becoming apparent to the government that the problem of child prostitution must be addressed. But I am somewhat disappointed because the government's announcement demonstrates that there is not a well-thought-out, concrete, decisive and definitive plan to help the children who so desperately need help now.

These children need a safe place to go. They need a comprehensive treatment program for drug and alcohol addictions and a safe place to escape the street. What the government has offered is \$250,000 for outreach services. And even a small amount of money is welcome.

But, Mr. Speaker, this is quite simply not enough to address the need for comprehensive treatment centres and safe houses. This government has not provided a great number of detail about how the proposed initiatives will effectively and permanently help children stay off the streets.

They need more than temporary help. And we as the representatives of the people have the obligation to provide more.

This government has said it will strictly enforce penalties against pimps and pedophiles. This is not really a new initiative. This should have been done all along, and this is something the province should naturally have been doing and been known to do.

Often the NDP call on the federal government to fight child prostitution. Well recent amendments to the Criminal Code lay out very clearly the jail terms for those convicted of child sexual exploitation.

This government has said it will initiate a public education campaign making it clear that using a child sexually is child

abuse. Most people already know that. Although I agree with this initiative because I think more awareness is needed.

The community groups that have been fighting this problem for so long know this fact already. But what is needed in addition is public awareness about the penalties that pedophiles face under the Criminal Code.

The minister has also proposed to create a system to track and monitor perpetrators. I question how this will be done. Such a system would have to cross provincial borders. Again, what we see is a lack of detail. And so there is no well-thought-out plan here.

My Bill would expand the definition of child abuse and make it possible for Social Services to help these children. It would help those children under the age of 18, whether they live at home or not, and are engaged in prostitution. It would help them to seek an escape forum from the life on the streets.

The existing provisions of The Child and Family Services Act are, in my interpretation and the advice I have been given, much too narrow. It is evident that changes must be made to our legislation. Manitoba has done it. The federal government has acted. And Alberta is doing their work. So we now need the leadership of this province.

Those children in our province who are forced by necessity to sell their bodies likely do not even know who the Premier is or who the Minister of Social Services is or who I am — or who anyone in this House is. But they would certainly know that someone cares about them if they had a safe place to go. Thank you.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I would like to respond on behalf of the third party.

Mr. Speaker, I would like to take a moment and certainly acknowledge the steps that the government has taken today and congratulate the government for the steps that they have taken. There's no doubt in my mind that anyone in this room certainly as a parent would feel a sense of betrayal and would feel some anger should one of our children end up being taken advantage of.

And the steps that the government has come forward with today are what I would consider a step in the right direction. Certainly I think it's important that we take a look at the laws of our land. It's important that we take a look and we address the concerns about individuals who would take advantage of children on the streets.

But there's one area, Mr. Speaker, that I think is still missed. And the minister talked about, he prayed that there would be a day when this wouldn't happen. He prayed that there would be a day when families would create a better environment.

Mr. Speaker, I'm afraid that as we've devalued the values of families, as we've risen to a point of more and more break-ups in homes, we create situations that really put children in

turmoil.

The announcements today, while they are on a positive note, the unfortunate part, Mr. Speaker, I think we have to go a little further. We need to design programs and ask ourselves, why are young children on the streets. Are they wards of the province? Are they wards of broken homes? What's the reason?

There was a recent documentary talking about this on TV. There were a number of serious questions that were raised. In fact some shocking observations were brought forward.

Mr. Speaker, while it's imperative that we certainly address the fact that people would take advantage of and abuse our young people and our children, it's also important that we look at how we can restore the value and the dignity of these young children and not force them into this situation, but find ways in which they are not on the streets in the first place. Help them before they end up in that position. I think that's important. It's imperative that we look at ways of addressing that concern as well.

So I want to add, Mr. Speaker, that I am pleased to see what the government has done, but I trust that we go beyond that and address the other concerns as well. Thank you.

Some Hon. Members: Hear, hear!

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

Mr. Kowalsky: — Before orders of the day, Mr. Speaker, I would request leave to make a motion which would change the names of members on standing committees.

Leave granted.

MOTION

Standing Committee on Crown Corporations

Mr. Kowalsky: — I move, seconded by the member from Regina Centre:

That the name of Mr. Andy Renaud be substituted for that of Mr. Jack Langford on a list of members composing the Standing Committee on Crown Corporations.

Motion agreed to.

(1430)

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 62 — The Psychologists Amendment Act, 1997

Hon. Mr. Cline: — Thank you, Mr. Speaker. I rise today to move second reading of The Psychologists Amendment Act, 1997. The purpose of this Act is to amend The Psychologists Act, 1997, which was passed this session. The amendment reflects an important compromise that has been reached

between the Saskatchewan Psychological Association, the Psychological Society of Saskatchewan, and the Saskatchewan Educational Psychologists Association on the issue of title protection.

As we are all familiar from our discussions on the new Psychologists Act, it was important to the Saskatchewan Psychological Association that the public be able to distinguish between Ph.D. psychologists and master's level psychologists. While the new Act accomplished this by requiring psychologists to list their academic credentials after the title, "psychologist," the Saskatchewan Psychological Association has proposed that such a distinction be made at the beginning of the title.

The proposal is that all psychologists be permitted to use the title, "psychologist." However, Ph.D. level psychologists would also be permitted to use the title, "doctoral psychologist." This proposal is supported by the Psychological Society of Saskatchewan and the Saskatchewan Educational Psychologists Association as a clear title protection clause.

Mr. Speaker, this proposal is important to all three psychologist organizations as it signifies a willingness to work together to resolve issues. It is unfortunate that there was not time to fully explore this proposal with the three associations prior to the passage of the Act.

However, I believe this Act will address one of the key issues remaining relative to the Act and assist the new Saskatchewan college of psychologists in moving forward and regulating all psychologists in the province.

Mr. Speaker, I move second reading of The Psychologists Amendment Act, 1997.

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

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

Mr. Van Mulligen: — Mr. Speaker, I want to indicate to the House that with respect to the immediately preceding item, I wish to declare a conflict pursuant to rule 41 and indicate to the House that I will not be not be voting on any stages of the Bill.

The Speaker: — The member's declaration pursuant to rule 41 is acknowledged. I thank him for that.

Bill No. 65 — The Income Tax Amendment Act, 1997

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. I'm pleased to rise and move second reading of a Bill to amend The Income Tax Act.

This Bill introduces a major new plank in the government's job strategy as I announced in the budget. This involves the extension of the manufacturing and processing investment tax credit to used machinery and equipment. The Bill also introduces several technical amendments to The Income Tax Act.

Since 1992 our government has followed a strategy of using

targeted tax incentives for key sectors of the Saskatchewan economy to stimulate growth and job creation. For example, we strengthened our small businesses by reducing their income taxes by 20 per cent, attracted call centres by removing the sales tax on 1 800 numbers, and improved the tax treatment of Saskatchewan-based truckers.

We also introduced a number of tax incentives for manufacturing and processing including the elimination of the sales tax on direct agents, the reduction of the income tax rate by up to 40 per cent, and the introduction of an investment tax credit to encourage capital investment.

The response to these measures from the manufacturing and processing sector has been favourable and this sector continues to create thousands of new jobs. We wish to build on this momentum by giving manufacturers and processors one more reason to expand and create jobs today and into the future.

The investment tax credit was introduced in 1995 to encourage M&P (manufacturing and processing) companies to invest in capital assets. The credit offsets the amount of education and health tax the corporation would be required to pay on an investment in Saskatchewan.

In our budget deliberations over the course of this past year, business expressed the importance of the investment tax credit in establishing their business investment plans. They also pointed out that the acquisition of used equipment is often an important investment alternative. However, since the credit only applies to new assets, companies moving existing assets into Saskatchewan have had to pay the sales tax but have been . . . have not been eligible to benefit from the credit.

To remedy this situation I am pleased to introduce legislation that extends the credit to qualifying used M&P machinery and equipment upon which the E&H (education and health) tax is payable. I'm confident that this extension of the credit, together with the reduction in the provincial sales tax rate, will strengthen Saskatchewan's investment climate and will promote the creation of good, long-term jobs for Saskatchewan people in our value added industries.

The lowering of the sales tax rate to 7 per cent will provide a tax reduction of about \$180 million per year to Saskatchewan residents. Of that total, about one-half, or \$90 million, will go directly to improve the competitiveness of our business community. As a consequence of this tax reduction, we are reducing the rate of the credit for new and used acquisitions from 9 per cent to 7 per cent.

This Bill also implements several technical amendments which will assist Revenue Canada in its administration of the Saskatchewan income tax system. I would be pleased to answer questions concerning the amendments when discussing this Bill at Committee of the Whole.

I beg to inform the Assembly that his Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly, and I move that Bill No. 65, An Act to amend The Income Tax Act, be now read a second time.

Some Hon. Members: Hear, hear!

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

ADJOURNED DEBATES

SECOND READINGS

Bill No. 50

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Nilson that **Bill No. 50 — The Private Investigators and Security Guards Act, 1997** be now read a second time.

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

Bill No. 59

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Atkinson that **Bill No. 59 — The Education Amendment Act, 1997/Loi de 1997 modifiant la Loi sur l'éducation** be now read a second time.

Mr. Krawetz: — Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, it's a pleasure to continue with some comments and explanations about Bill No. 59 as we did just a couple short days ago.

Having had the opportunity to review explanatory notes that have been provided on this Bill and having had the opportunity to talk with various people, I want to make some comments around a number of the sections that I see that are extremely necessary and are positive changes for education.

And I want to begin by talking about elections of school boards, Mr. Deputy Speaker. We have a process that has been under way for a number of years in Saskatchewan where we are looking at restructuring of educational school divisions. Whether that involves amalgamations, whether that involves joining together of different school divisions, whether it involves two school divisions, three, those processes have been under way for a number of years. And I think we are going to start to see a very significant movement in that direction.

The amendments to this Bill will not put in place roadblocks as far as school divisions being able to amalgamate. What it will do is, I think, eliminate the red tape, the obstacles that are now before boards of education in terms of electing that new board of that new configuration.

And as the minister has indicated, there are urban and urban discussions going on, and rural and rural, but there are also urban and rural school divisions that are talking, that are looking towards restructuring and amalgamations. And currently the process of electing those new board members is not in place. So we have some changes here that I think will ensure that representation from that new entity takes place in a very controlled and approved fashion.

One of the other clauses, Mr. Deputy Speaker, involves the school year, and the balance in the school year. And we know that there are many examples in the province where initially one school experimented with what is called the balanced school year, that is finishing the first semester prior to Christmas and starting immediately, of course, after Christmas with a new semester and finishing at a different time other than the traditional end of June.

That required a change because, by The Education Act, the summer holidays begin after July 1. These changes that are put forth will clarify, and will allow school divisions across the province to experiment and indeed incorporate new school years.

What it also does, in the same section when it talks about school day, it brings forth the clause that currently contains the rules regarding how long the school day is, when the school day can occur — that is the hours of the school day — and I know there is some confusion out there. We have had discussions and letters that have been sent by a school division in this province that feel that the provision that is now in the Act, in the changed Act, has altered what was in place before, and I guess it's around confusion about what the word "alter" means.

The current Act uses the terms, alter or shorten. And I know the Minister of Education, and I know other people in education, have interpreted that not to mean lengthen. And that is how the school divisions have used this Act; that is how the Minister of Education has interpreted it. And that indeed if school divisions wanted to lengthen the school year, there was a need to consult with the Minister of Education and get approval. This change clarifies that indeed it was lengthen.

Now there's still confusion because some of the school divisions, as I've indicated, felt that alters or shorten meant lengthen or shorten. The opposite of shorten of course, is lengthen. So there is some confusion around that, and I know the minister has been in consultation with school divisions, and trying to assure them that indeed this is not a change, but indeed this is just clarification.

When we look at the section around amalgamations and restructuring, and I know that there's a tremendous amount of examples that the minister has shared with this House. Just a few days ago, in estimates, the minister has indicated that there are a number of projects where school divisions are considering restructuring, considering amalgamations, and that indeed those local contracts, those discussions, will have to take place in a new setting.

So the changes to The Education Act involves everyone, as I indicated last day. We have changes that will involve the students, we have changes that will involve the teachers, and of course we have changes that will have significant ramifications on school boards. And these are not to be taken lightly, Mr. Deputy Speaker.

We have some concerns, and there are concerns that have been raised to us by all players in the education field, regarding section 17, the proposed changed section 17, where we are talking about a very specific group, and that group is our

students with disabilities — those students who have been designated.

(1445)

Now the Act as it is changed, is claiming and putting in place a system that will allow for appeals under three very specific conditions. The first condition of course, is that the ability to have designation take place or not take place. There is an appeals procedure put in place to deal with that concern as a parent may have.

The second one is around program. The parent will have the right to appeal a program that is put in place for that particular student.

The third point that is also being put in place, is that there will be an appeals procedure for the placement. I'm hearing from boards of education that placement of course, deals with actual placement within a school. That has caused some concern for boards of education. I don't think they're insurmountable concerns. I think that these kinds of concerns are legitimate, and I know that the Minister of Education has also heard those concerns.

And I think that there can be a very, very amicable solution to this in terms of ensuring that parents have the right to appeal, the right to appeal for designation or non-designation, the right to appeal a program that is either put in place or not put in place for their student who requires that special program. But there is some concern around placement. And I know that the minister is taking that under advisement.

The final two sections that have caused, I think, some concern for, especially, boards of education are the sections 19 and 20 that deal with successor rights of teachers. And the first reaction by boards of education of course around sections 19 and 20 was less than positive, I guess maybe would be the best way to describe them.

But when I look at the need for change, Mr. Deputy Speaker, and the need for school divisions to address restructuring and address amalgamations and move forward, it is crucial that all the players are involved in this process. And the key, the key, I think, is of course the student. That is number one. If amalgamations are being done in the best interests of students, that is the first role.

Secondly, I think what we're looking at is the teachers have to be . . . their concerns have to be addressed. And when I take a look at the successor rights of teachers in terms of the ability to take forward a current contract that is in place, as a former teacher, as a former board member, I have a bit of confusion in terms of what is in the best interests of everyone involved.

And when you take a look at the fact that teachers are crucial to amalgamations taking place, they have to be supportive and they have to be assured that their rights are also protected. And we as a Liberal Party have always stood for the fact that if a contract is signed, the contract is in place until something else is negotiated and replaces that.

So when we take a look at teacher contracts . . . And there will be a number of situations, Mr. Deputy Speaker. You can imagine two current school divisions that are going to amalgamate — and we know that there are examples across the province right now — the Act, as it suggests, will allow the teachers in each school division to keep their current contract until a new one is negotiated.

It also talks about areas where there isn't a full division that is added of course to a new configuration. It's part of a school division. It's a school maybe that is now moved to a new entity, a new school division. This Act is suggesting that the teachers in that school will also carry their current local agreement until a new one is restructured.

I know it will cause confusion. I believe it will cause some headaches for the administrators. But I think that is in the best interests of the teachers and that will be in the best interest of working towards a new negotiated contract for that new school division.

And I guess I would encourage the minister to ensure that a process is in place whereby when there is restructuring and amalgamation and we have — who knows? — the possibility of three, four, five local agreements all being in place in the same school division, that there will have to be a process of assistance from the Minister of Education's department whereby this new school division, the board of education elected in that new school division, can move towards negotiating a new contract that meets the needs of the area.

And I know that those concerns have been raised to the minister by boards of education, by individual trustees, and by teachers, because of course they have a very significant role in this. And there are teachers of course who do not want to lose certain items of their contract.

But in the new process, in the new negotiations that must take place, I encourage the Minister of Education to provide leadership in that area so that indeed we do not end up in mediation processes where we end up in costly ventures for boards of education to arrive at a new contract for that new group of teachers.

Thank you very much, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Deputy Speaker. I just want to take a moment to also speak to Bill No. 59 and just acknowledge the fact that this Bill has been fairly recently introduced. And I know my colleague, the member from Rosthern, has had the privilege of meeting with representatives from the STF (Saskatchewan Teachers' Federation).

We've also had some discussion from school boards and school groups. We've sought some more input, and I think all those involved in education certainly want us to take proper and due consideration before we just move through these series of Bills. And I think it's imperative that discussion be allowed to take place. And therefore I would move adjournment of debate.

Debate adjourned.

Bill No. 60

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Atkinson that **Bill No 60 — The Teachers' Federation Amendment Act, 1997** be now read a second time.

Mr. Krawetz: — Thank you again, Mr. Deputy Speaker. Once again I'm pleased to address Bill No. 60 as a very, very important Act in the field of education. This is An Act to amend The Teachers' Federation Act. Since this Bill was introduced six short days ago, a swirl of controversy has erupted concerning some particular sections.

Part of the problem on this Bill and indeed Bill No. 59, The Education Act that we've just talked about, can be directly related to the extreme pressure that the minister and this government are focusing on a speedy passage of these Bills. I have received some criticism for adjourning this Bill earlier on this week, but I refuse to apologize for taking more time to gather input on legislation that will impact over 10,000 teachers, and indirectly, thousands of students.

I think it was extremely unreasonable to introduce legislation that will apply to thousands of people, on a Friday, and then expect to have significant input from stakeholders by Monday when it appeared for second reading.

As a representative of the people and as Education critic, it is my duty to gather valuable feedback on Bills and hopefully anticipate some of the problems and impact they will have before allowing them to pass.

I am pleased to say that I have now had the time to meet with the Saskatchewan Teachers' Federation's general secretary, Fred Herron, their president Carol Moen, and the assistant general secretary, Derwyn Crozier-Smith. I also met with the Saskatchewan school trustees executive: executive director, Craig Melvin, and the SSTA's vice-president, Debbie Ward. And I was in communication on the telephone with President Al Klassen.

Most of the problems and opposition to Bill 60 surrounds section 45. This section defines the powers and situations the STF may reprimand members for acting in opposition to collective membership.

The issue is: what is the intent of, quote: "collective interests of teachers." The STF has indicated that this section refers only to the collective bargaining interests of teachers. Others, including some teachers, feel that it has the potential to be applied in broader parameters. This issue needs to be crystal clear in regards to where it applies and when it applies.

Another issue that has been raised is in regards to policies within section 45. Policies are passed by a simple majority of those in attendance at a council meeting. Too often in this world — and I'm not in any way insinuating the STF does this — but too often organizations pass policies in response to an isolated incident. Over time, you end up with a large number of

policies that may or may not be relevant. It is a challenge for organizations to continually keep their membership informed and up to date on all of its policies.

Also, Mr. Deputy Speaker, policies are often open to interpretation as to their intent. It is very easy for people to be in contravention of policies because of the reasons that I have just mentioned.

We will need to look at the relevance of policies versus bylaws in this regard. When I review the penalties as applied in section 45, I do have to question the validity of the STF having the power to force a member to pay for all or any part of the cost of a hearing.

Does this mean a teacher would have to risk paying everyone's pay loss, mileage, meals, and rooms just to defend him or herself? This is a very onerous responsibility, and indeed I see it as a potentially large impediment to a fair process.

In addition to this, the STF wants the ability to then go after its members in court to collect those penalties. This goes far beyond what is allowed in other organizations that are involved in collective bargaining. I think we all need to determine if this is a precedent worthy of note.

At this time I must also express my disappointment with the minister's lack of leadership on this legislation. Introducing these Bills on such a pressured time line and without collective input from both the SSTA and the STF when drafting the legislation has created some harsh feelings and animosity between these two key groups.

Mr. Deputy Speaker, we have received numerous letters, numerous phone calls from boards of education, from teachers, that I feel would not have been necessary. There needed to be clarification between the stakeholders.

As I mentioned a couple of days ago, this has been a practice in education, where stakeholders are brought together and there is consultation, there is a degree of bickering back and forth in terms of trying to establish policy that is in the best interests of everyone. This obviously did not occur to its fullest extent. And I know there were some things, some meetings that occurred and sharing of some information, but there needs to be more.

We do not need to have the two most important groups in education in the province of Saskatchewan, the Saskatchewan Teachers Federation and the Saskatchewan School Trustees Association, at loggerheads over an issue. We need to work together and build a better education system, Mr. Deputy Speaker.

I'm gravely concerned that an atmosphere of ill will could adversely affect ongoing negotiations for the new collective bargaining agreement on the teachers' contract. If the proper consultation had taken place before these Bills were introduced, the minister could have avoided some of the current controversy.

At this time, I will conclude my remarks by saying that I look forward to further meetings and further input from the STF,

from the SSTA, from the minister, to discuss possible amendments that may be introduced in Committee of the Whole. Thank you.

(1500)

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, as the member from Canora has stated and my colleague, the member from Rosthern, has also mentioned, there are a number of concerns in regards to the present legislation before this Assembly — legislation that has actually just arrived before the Assembly.

And it would seem to me, Mr. Deputy Speaker, that it's imperative that we don't just, in a matter of a day or two, move through a piece of legislation that has a lot of people up and quite concerned. In fact it's not just the SSTA or the STF; it's individual teachers. But even the Catholic school board has reservations regarding this piece of legislation as well.

And I think the minister, in her comments, made some . . . suggested that we need time to and we should take time to discuss the issues with all of the stakeholders. And I think that's certainly important. I would suggest to you, Mr. Deputy Speaker, that if it were the minister today sitting on this side of the Assembly, that minister would not even allow this legislation to get close to adjournment . . . or movement through second reading; that they would be standing up and raising the concerns as well.

I think it's important, Mr. Deputy Speaker, that the issues be heard; that you take the time. And it's not just representatives of the SSTA or the STF; there are individuals out there who may have differing opinions. There's all the boards, the boards of education, who have found out recently that their shortfall is substantial.

And as a result of the shortfall in their allocation of funding, they're going to be looking at cutting teachers — cutting members of the STF from their teaching groups, from the teaching bodies. I think there's a lot of concerns that are out there. And it's certainly imperative that we do give due course and diligence to review some of these matters.

And rather than just rushing through a piece of legislation that has a number of people calling us and calling the Liberal caucus and raising these matters, it's imperative that we do take the time to review this appropriately. And if the minister thinks that this is supposed to be through in a matter of one, two, three, or five days, well then I don't think the government members should be all that concerned if it's adjourned for a day or two so that proper review can take place.

And so therefore, Mr. Deputy Speaker, if it isn't a problem, I move to adjourn debate.

Debate adjourned.

COMMITTEE OF THE WHOLE

**Bill No. 5 — The Saskatchewan Pension Plan
Amendment Act, 1997**

The Deputy Chair: — I'll begin by inviting the minister to introduce her officials.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. Sitting next to me is Bill Jones, the deputy minister of Finance. Behind me is Brian Smith, the executive director of PEBA (Public Employees Benefits Agency). To my right is Kathy Strutt, the general manager of the Saskatchewan Pension Plan who has come in from Kindersley today.

Clauses 1 to 8 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 6 — The Superannuation (Supplementary
Provisions) Amendment Act, 1997**

The Deputy Chair: — The minister has the same officials, minus one.

Clause 1

Mr. Gantefer: — Thank you, Mr. Chairman. And, Minister, welcome to your officials this afternoon. I recognize that many of these pension Bills are similar in nature and are housekeeping. However, I have a few questions in regard to Bill No. 6.

As I understand the Bill, it allows for negotiation of contributions, in terms of the pension contributions. Is that correct, Minister?

Hon. Ms. MacKinnon: — Yes, that's correct.

Mr. Gantefer: — Then in these negotiations, Minister, in whose interest is it, or whose responsibility is it to negotiate lower contribution rates, the employer or the union?

Hon. Ms. MacKinnon: — Mr. Chairman, it's done through the collective bargaining process. So it has to be both sides that agree to this.

Mr. Gantefer: — Minister, as I understand it as well, it allows . . . it provides for the negotiation of the contribution rates. Is there any provision for the negotiation in this process of the benefits that accrue out of the pension system as well?

Hon. Ms. MacKinnon: — Mr. Chairman, no, there's no provision for that.

Mr. Gantefer: — Are the parameters of the negotiations broad enough? While I understand that they can be negotiated and are flexible by agreement, are they flexible in so far as an employer could actually take a contribution holiday, or an employee could take a contribution holiday in that for some period of time there would actually be no contributions?

Hon. Ms. MacKinnon: — Mr. Chairman, I think what needs to

be clarified is this affects only the employee contributions. So again, I think the key part of the Bill is that it has to be agreed to by both sides. So the employer would have to be willing to agree to that through the collective bargaining process.

Mr. Gantefer: — I agree, Minister, in terms that I said employer, but I meant employee.

Back to my question. Is it possible then to negotiate a period of time where there would be in effect a zero contribution or a contribution holiday?

Hon. Ms. MacKinnon: — Mr. Chairman, it would be possible, but again what I would stress is that it has to be something that both sides agree is reasonable to be done.

Mr. Gantefer: — Is there in this legislation, Minister, any impact on pension surpluses or deficits, again, if they would occur; or does again this negotiated approach allow it to be flexible enough to deal with either of those issues?

Hon. Ms. MacKinnon: — Mr. Chairman, all this really does is allow some flexibility. But it's in the interests of both parties to ensure that the pension plan is in good financial shape.

So I think it doesn't have any dramatic effect one way or the other on the fiscal position of the pension plan. And I think both parties have a common interest in ensuring the pension plan remains in good shape.

Mr. Gantefer: — A final question, Minister. I recognize that it applies to a number of Acts, if you like, or people under certain bargaining units — for example, SaskPower, SaskTel, things of that nature. Is the fact that this is becoming an item for bargaining going to be a further problem for the negotiating processes? As one employee group perhaps bargains for a little better position, does that put further pressure on the Crowns in order to, sort of, always one-upmanship, of ending up with the best deal?

Hon. Ms. MacKinnon: — I think there already is flexibility in bargaining because a situation of one group of employees who, say, work for one Crown is going to be quite different often than the situation of another group of employees who work for another Crown, or another part of government.

So I think in the system there already is flexibility and this may be something that most Crowns are not interested in even utilizing.

Mr. Gantefer: — Thank you, Minister, officials. I have no further questions.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Bill No. 38 — The Municipal Employees' Pension
Amendment Act, 1997**

Clause 1

Mr. Toth: — Thank you, Mr. Chairman, or Deputy Chairman. Madam Minister, welcome, and to your officials.

Just one question on this Municipal Employees' Pension Amendment Act. What area is that pension . . . or this specific Bill addressing? I know we had some discussion over the last couple of years about pensions that went back a number of years ago, where there was change in bringing in some of the municipal employees about 20 years ago and making sure that they were included in new provisions of the Act. I'm wondering where . . . what this specific Bill is addressing and the changes from the previous Bills.

Hon. Ms. MacKinnon: — Mr. Chairman, there are a number of technical changes that are being requested by the municipal employees' union . . . pension group. This is not a plan that is a government plan; it's actually we administer the plan on behalf of municipal employees. So they come to us and have to request us to make the changes, but it's really up to them to decide what the changes are.

(1515)

Clause 1 agreed to.

Clauses 2 to 12 inclusive agreed to.

The Deputy Chair: — I invite the minister to move the committee report the Bill without amendment.

Hon. Ms. MacKinnon: — Yes, Mr. Chairman, just before I do that I'd like to thank Brian Smith because he'll be leaving. And I would like to report the Bill without amendment.

The committee agreed to report the Bill.

**Bill No. 61 — The Corporation Capital Tax
Amendment Act, 1997**

The Deputy Chair: — I invite the minister to introduce her officials.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. Next to me is Bill Jones, the deputy minister of Finance; behind Bill is Len Rog, the assistant deputy minister of revenue; and behind me is Kelly Laurans, manager of corporate taxes and incentives.

Clause 1

Mr. Gantefer: — Thank you, Mr. Chairman. And again, Minister, and new officials, welcome.

Minister, a question. As I understand, in the Bill, one of the things that is in section 3, it talks about a new definition of financial institutions. And my question is related to this clause which states: a "financial institution means a corporation . . ." which carries on ". . . the business of offering its services as a trustee to the public;"

And I wonder if . . . that definition would certainly be the

standard definition of banks and trust companies and things of that nature. But some accounting firms offer their services as trustees in the case of bankruptcies or things of that nature. Is the legislation intended to actually include under the definition those kinds of instances?

Hon. Ms. MacKinnon: — Mr. Chairman, no, it would not include accounting firms as described by the member.

Mr. Gantefer: — Thank you, Minister. There's no reference to insurance companies in the new definition of financial institutions. Are insurance companies covered somewhere else in the Act or are they deliberately not included?

Hon. Ms. MacKinnon: — Mr. Chairman, no, the insurance companies are not included in this either.

Mr. Gantefer: — With the new tax rate implemented in the section, clause 7 subsection 13, and the new deduction rates in the following section of 14(2), is the amount of taxes collected from financial institutions revenue neutral or will it increase or decrease?

Hon. Ms. MacKinnon: — The result will be in 1997-98, \$2.5 million more than the existing regime.

Mr. Gantefer: — Thank you, Minister. That concludes my questions, and thank your officials for their attendance.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. Before I do that, I'd like to thank the officials. I would also like to move the Act without amendment.

The committee agreed to report the Bill.

**Bill No. 8 — The Tourism Authority
Amendment Act, 1997**

The Deputy Chair: — I will invite the minister to introduce her officials.

Hon. Ms. MacKinnon: — Thank you very much, Mr. Chairman. Sitting next to me is Randy Williams, the CEO (chief executive officer) of Tourism Saskatchewan, and behind him is Bonnie Baird, who's also from Tourism Saskatchewan.

Clause 1

Ms. Draude: — Thank you and welcome to the minister and the officials. And I would like to say first off, that we definitely do salute the work of the Tourism Authority, and since the changes are something that has been actually recommended by the Authority, then it's something that we of course would like to work with.

We have a few questions, and I guess we'd like to make sure that the membership fee that's charged to the tourist operators

reflect the reality of tourism in Saskatchewan. Can you give us an idea of what factors or criteria will govern the level of fees paid by the members?

Hon. Ms. MacKinnon: — The fee will be \$25, to recognize the fact that this is a small fee . . . to recognize the fact that it is small businesses that we're dealing with.

Ms. Draude: — Is there going to be . . . or is the Authority trying to do some sort of cost/benefit assessment to see how the Tourism Authority is benefiting the members?

Hon. Ms. MacKinnon: — The Authority just concluded a survey, and of course each and every year they monitor to ensure that the benefits are realized in terms of the costs that are associated with the Authority.

Ms. Draude: — Has there been any negative feedback from the members or from the tourism industry as a whole with the changes to the Act last year?

Hon. Ms. MacKinnon: — The response has been very positive and a lot of support for the changes and what the effects have been.

Ms. Draude: — Are there any assurances to the members of the Authority that the cost level will remain something that's going to be usable or bearable for all of them?

Hon. Ms. MacKinnon: — I think the important thing here is that the Authority relies on support from the industry; so they have to ensure that the accountability is there, the fees are appropriate for what is being delivered, and that the Authority is operating effectively. The support is there and they will continue to ensure that it remains.

Ms. Draude: — Madam Minister, this Bill, along with many others, has regulations involved with it and lots of times the regulations have more teeth to them than the Bill itself. We are wondering if the work has been done on the regulations.

Hon. Ms. MacKinnon: — The regulations have been put together; they have gone through the board and the membership, and been approved by the board and the membership.

Ms. Draude: — So they've all been approved now even before the Bill is finalized and is gazetted?

Hon. Ms. MacKinnon: — Well in the sense that the Bill was approved by the membership too. So they said here's the changes that we would propose to make in the Bill; here's the changes that we would propose to make in the regulations. Of course both the Bill and the regulations depend on them being passed by the government.

(1530)

Ms. Draude: — Will we be able to see the regulations fairly soon now?

Hon. Ms. MacKinnon: — The Authority is quite prepared to share the regulations with whoever would like to see them.

Ms. Draude: — The one other aspect of this Bill revolves around capital funding and it's going to be handled in a partnership between government and private sectors. I'm wondering what kind of cost controls the ministers envision or you have in mind about this partnership.

Hon. Ms. MacKinnon: — The Authority has no capital funds at its disposal right now. All of the expenses of course, are reviewed by the board and there will be an auditing process in place; so that there will be an audit at the end to confirm the results.

Ms. Draude: — Thank you, Madam Minister, and thank you to your officials.

Mr. Toth: — Thank you, Mr. Deputy Chairman, and to the minister and her officials. In this tourism Bill, clause 3 amends a process for selecting members of the board of the Authority. And you stated that this clause is necessary because the Authority members do not want to be involved with setting the standards for inclusion in this board.

It seems to be unusual for a professional body not to want to be involved and I'm wondering, Madam Minister, what was really being . . . what the concerns were and why it was suggested that this clause be placed into this specific Bill.

Hon. Ms. MacKinnon: — I think I need to clarify to the member opposite what is being done here. TISASK (Tourism Industry Association of Saskatchewan) was one of the agencies that merged to form the Tourism Authority. TISASK is designated in the Act as having a board seat. Well that has to be changed because TISASK no longer exists. So it's just removing that seat because there's no longer any rationale for it; and making the seat instead a seat that is open to election.

Mr. Toth: — Now so what you're saying is that seat, when you're saying it's open to election now, who gets to vote on that particular seat, Madam Minister?

Hon. Ms. MacKinnon: — All the members get to vote on that election.

Mr. Toth: — Now when you set up the membership through regulation, do we have a set number of board members that will be on the . . . be recognized through regulation? When that set number is there, is that number a number that's considered a permanent number or is that, as a result of regulation, in a position where it can be changed on an annual basis or it just makes it easier to change it down the road if there's changes in the Authority? What's the reasons for that?

Hon. Ms. MacKinnon: — The Act specifies that there will be 15 members, and the regulation just clarifies the positions of the members. But it's in the legislation.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. First of all I'd like to thank the officials, and I would like to move that the Bill be reported without amendment.

The committee agreed to report the Bill.

**Bill No. 52 — The Community Bonds
Amendment Act, 1997**

The Deputy Chair: — I invite the minister to introduce her official.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. I'd like to introduce Denise Haas, who's from Saskatchewan Economic Development in the investment programs branch.

Clause 1

Mr. Gantefer: — Thank you, Mr. Chair. Again, Minister, welcome to your official.

As I understand this Bill, it really is the wind-up of the community bonds program which I understand will terminate in the fiscal '96 and '97. Is that correct?

Hon. Ms. MacKinnon: — That's correct.

Mr. Gantefer: — Minister, because there would be ongoing bond programs that would have some ongoing term to them, I understand that what it is also going to do is put the responsibility for this program over to the Crown Investment Corporation?

Hon. Ms. MacKinnon: — That's correct.

Mr. Gantefer: — Minister, with these bond programs there's also a guarantee for the individual bond investors who have invested the money into the bond program for the duration of the bond program. And I believe in some of these programs they were for five-year term and then there was a further five-year that they could be renewed. Are all the conditions that were in place when the investors invested in the community bonds going to be honoured by CIC (Crown Investments Corporation of Saskatchewan) then? And why CIC instead of the Minister of Finance, for example?

Hon. Ms. MacKinnon: — Mr. Chairman, the answer is that yes, all the terms and conditions will be the same as they were previously. It's been transferred to CIC because they have the expertise at managing this sort of portfolio. So it's a more appropriate place for the community bonds to continue.

Mr. Gantefer: — So then the guarantees will be exercised by CIC if need be, rather than by the government through Department of Finance?

Hon. Ms. MacKinnon: — That's correct.

Mr. Gantefer: — Thank you very much, Minister. That's all the questions I have.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. I'd like to thank Ms. Haas first, and I'd like to move that the committee report the Bill without amendment.

The committee agreed to report the Bill.

THIRD READINGS

**Bill No. 5 — The Saskatchewan Pension Plan
Amendment Act, 1997**

Hon. Ms. MacKinnon: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 6 — The Superannuation (Supplementary
Provisions) Amendment Act, 1997**

Hon. Ms. MacKinnon: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 38 — The Municipal Employees' Pension
Amendment Act, 1997**

Hon. Ms. MacKinnon: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

(1545)

**Bill No. 61 — The Corporation Capital Tax
Amendment Act, 1997**

Hon. Ms. MacKinnon: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 8 — The Tourism Authority
Amendment Act, 1997**

Hon. Ms. MacKinnon: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 52 — The Community Bonds
Amendment Act, 1997**

Hon. Ms. MacKinnon: — I move that this Bill be now read the third time and passed under its title.

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

COMMITTEE OF FINANCE

General Revenue Fund Health Vote 32

The Deputy Chair: — We'll begin the day by inviting the minister to introduce his officials.

Hon. Mr. Cline: — Thank you, Mr. Chair. To my left is Glenda Yeates, who is the senior associate deputy minister of Health. Immediately behind me is Steve Petz, who is the associate deputy minister of Health. To the left of Ms. Yeates is Barry Lacey, who is the director of the integrated financial services unit of finance and management services. And behind Ms. Yeates is Wolfgang Langenbacher, who is the director of administration for finance and management services.

Item 1

Mr. McLane: — Thank you, Mr. Chairman. Mr. Minister, welcome to you and your officials again today. I'd like to start our questions out today, if we could maybe, around the area of water and how it relates to the Department of Health — in particular, groundwater.

A couple of nights ago I asked some questions of the Environment minister as it relates to groundwater and the safety of it in the province, and I'm wondering if you could maybe explain to us, and to the people of Saskatchewan, what role your department plays in ensuring the safety of, in particular, groundwater around Saskatchewan, and that would include dugouts — community dugouts, private dugouts — community wells, and those types of things?

Hon. Mr. Cline: — Mr. Chair, there are medical officers of health who administer functions under The Public Health Act with respect to the health implications of the water supply, and they work for district health boards.

Mr. McLane: — I don't think you answered my question entirely. But while we're on the medical officers and you say they are employed by district health boards, how many do we have in the province? How many health boards have their own? Who shares?

Hon. Mr. Cline: — Mr. Chair, there is a chief medical officer of health for the province who is Dr. David Butler-Jones, who is the head of the population health branch of the Department of Health. And then there are eight medical officers of health who are in the health districts, and eight of the districts act as host districts for all 30 of the districts. So that you might have one medical officer of health who's responsible for three, four, five, or perhaps six districts, and eight of them cover off the entire province.

Mr. McLane: — Mr. Chairman, Mr. Minister, maybe . . . I don't have to have those names now, but I'd like to know the districts that are the host districts.

On funding of those officers, is that a line item in district budgets, or is that a provincial . . . are they funded by the province over and above the district budget?

Hon. Mr. Cline: — The money that was previously provided by the province for public health services and mental health services has been given to the districts. And that funding has been kept separate as a source of funding for the districts which deliver the services as opposed to being incorporated into the needs-based, population-based funding.

So we've just continued with the funding but now we give those amounts to the districts. And then they in turn employ the public health people, as well as there would be a similar situation in the area of mental health as well.

Mr. McLane: — Who would make the decision, Mr. Minister, as to where these officers would be deployed in terms of timing of work? For example, if Midwest Health District had a number of water problems and it took up a considerable amount of time and someone else ran short, who makes that type of decision?

Hon. Mr. Cline: — That decision would be made by the host districts together. So that the eight districts that have the medical officers of health would get together and assess what the needs of the other districts were. And if one of them needed particularly more help, then they would try to assist one another and cover each other off as needs arose.

Mr. McLane: — So I guess the districts as a whole would have to decide if they needed . . . if eight of these people weren't enough, they would have to make that decision to spend more of their allotted monies on that area. Is that true?

Hon. Mr. Cline: — Yes, that's correct. And I'm advised that as between or amongst all the provinces, we probably have the best coverage in terms of the number of medical officers of health. And the addition of the chief medical officer of health in the person of Dr. David Butler-Jones is also a bit of an expansion in that area.

Mr. McLane: — Is the safety of the water supply in the province under the Department of Health?

(1600)

Hon. Mr. Cline: — I'm advised that the primary responsibility would be with the municipalities. The Department of the Environment would also have responsibility. But if there were health concerns arising out of the water supply that were not adequately dealt with, then that would also become of interest to and the responsibility of the medical health officers, who would be expected to ensure that other parties, including municipalities, exercised the responsibilities they should exercise to ensure that the people have a safe water supply.

Mr. McLane: — Mr. Minister, you're talking in terms of if

there's a problem. Who goes about the province these days ensuring on a regular basis that the water supply is indeed safe? And that would pertain to wells as well as dugouts.

Hon. Mr. Cline: — The Department of the Environment regularly tests various water supplies, and municipalities also routinely test their water supplies.

Mr. McLane: — I guess because there's a number of different departments involved . . . and I'll just quote something that, if I can read it, the statement that you made in this context. It says:

Upon receipt of an application, numerous agencies, including the respective health districts, can be asked to review and provide comments regarding an application.

I guess listening to your comments and listening to the comments of the Minister of Environment previous, I'm just wondering who is the focal point? I use an example I guess, Mr. Minister, a comment from the gentleman — and you replied to his point — was if a landowner's water supply is affected, whether it be by a chemical spill or whether it be from, we use an example of a new hog barn, and this maybe 20, 30 miles away from the site, his question was: who does he sue?

Hon. Mr. Cline: — Well municipalities have a primary responsibility to ensure that there's a safe water supply for the people.

In terms of the specific question of who one would sue, I can't answer that question because it would depend upon the circumstances; whether any particular party (a) had a responsibility and (b) failed to exercise that responsibility. And without knowing the circumstances of any particular case, I can't answer the question who somebody would go about suing.

My concern, in fact, is not who someone would sue if they got into trouble. My concern, from the point of view of the Department of Health, would be to ensure that if anything is brought to our attention, that we take all reasonable steps that we can take to make sure that nobody is put at risk; to rectify the situation; to provide services and testing if it is alleged that any particular water supply is not safe.

Mr. McLane: — Well just to close this off and be sure in my mind: if a municipality doesn't indicate that there's a problem, then your department wouldn't be involved?

Hon. Mr. Cline: — No, that is not what I mean to indicate. If through any source, whether a municipality, the Department of Environment, a citizen, otherwise, someone suggests that a water supply is not safe, then that is something that medical health officers under The Public Health Act will want to look into, provide testing, and take any steps and make any orders that they may have jurisdiction to make in order to try to rectify that situation — regardless of how the matter arises.

My point was to say that in the course of everyday life, we expect that the municipalities will be testing their water supply and ensuring it's safe, and indeed that is what happens on a day-to-day basis, and year to year. So one expects that the municipalities will carry out their responsibilities. The

Department of Environment will get involved if there's some danger to the environment.

And if there's some danger to the public health, regardless of how it arises, then the Department of Health will, through the medical health officers and in cooperation with the health districts, will take all such steps and make all such orders within their jurisdiction as are necessary to ensure the public safety.

Mr. McLane: — In the event there is a problem in a jurisdiction and municipality, for instance, and there is a problem, is there any cost associated back to the municipality in any work that's done by your department?

Hon. Mr. Cline: — When the department serves municipalities, as I've described, to test the water supply, they don't charge back any cost for that service. That does not mean to say that somebody just wanting to get a well tested or something like that can call up the Department of Health and have them test it. But when the Department of Health is brought in through the medical health officers . . . or medical officers of health to check out a situation, they don't charge the cost of that back to the municipality.

Mr. McLane: — Thank you, Mr. Minister. Moving on then, if we could talk a minute about the physician recruitment in the province and a couple of weeks ago, I believe . . . well shortly after the budget you announced a new organization that will be focusing on this and subsequently you've talked about some dollars being put back into rural communities or communities in general to recruit physicians in rural Saskatchewan. Would you elaborate on that a bit?

Hon. Mr. Cline: — Yes. Actually I think it would be fair to say that we would agree with what I assume the member's concern would be too, that we have to address the question of the areas of the province that have an inadequate physician supply as a very serious matter. So let's agree that that's a matter that we take seriously, you take it seriously, and we both want to do something about it.

Having said that, I want to point out, as the member will know, that this is a challenge in many parts of Canada. And I've spoken to many of my colleague ministers of Health in other provinces and unfortunately they have the same kinds of problems we do. But what I want to say is that I think it would be fair to say that, in the last number of months we've been doing more in terms of new ideas for trying to deal with the situation than has been done in the past.

And the member talks about the recruitment agency. I think that's very important. And I actually had dinner last Friday evening with the residents and interns in Saskatoon and we discussed ways to increase the number of medical graduates that will stay in the province. They pointed out to me that in the medical school — which the member will know is under the jurisdiction of the University of Saskatchewan as opposed to the Department of Health — they have had recruitment from the United States and other places that have come in to talk to our students about practising. And nobody from Saskatchewan — this is very hard to believe — has ever gone into the medical school from our own province, to talk to the students about the

opportunities of practice here.

And so one of the things we're trying to do in cooperation with the medical association and the college of physicians and surgeons, as well as the SAHO (Saskatchewan Association of Health Organizations) — which the member is very familiar with; is a former president — is to have a recruitment agency that will do for Saskatchewan what recruiters do for other parts of the world, with our own students, whose education we pay for. And so we're hopeful that that will make a difference.

And obviously it's something we should try. And what we're trying to do is get the students to sit down with people from rural Saskatchewan. And I was very pleased to see many representatives of some of the rural districts at the dinner we had last Friday, who were speaking to the residents and interns about opportunities. And some of the residents and interns were talking to me and indicated that they actually were going to practice in rural Saskatchewan. So that's one thing we're doing. Another thing I should mention which I think is very significant, is that the department of family medicine at the College of Medicine, which trains the general practitioners or family practitioners, wants to change the method by which family practitioners are educated, by involving them more in rural Saskatchewan and everyday, real-life practices in the rural areas. That too, I hope, will make a big difference.

A third thing that we've done at the medical school which I think is important, is a bursary program which has gone up to \$18,000 per year per student. And in return for that, the students must work for a year where needed within the province. And at the present time — that program isn't that old — but there are six graduates of the medical school that are out working in different parts of Saskatchewan and returning that service commitment.

A fourth recent development is, as the member will know, more support for on-call physicians in rural areas. Because one of the problems that we have in the rural areas is physician burn-out because of lack of support. And we want a rule whereby physicians in a rural area should have to be on call at the hospital once every three weeks on weekends, but not beyond that. And beyond that we want to provide them with support; so that physicians can be called in to support them.

And I'm pleased to report to the member that, by all accounts from what I hear from the medical community — and of course I speak to them quite regularly, and the health districts — that seems to be working rather well. Although I've certainly indicated to all concerned that if any changes are needed then we want to hear about those. We're certainly prepared to make changes.

A fifth thing that we're doing, and a fifth change in the relatively recent past, is the practice enhancement fund. And I apologize to the member for this lengthy answer because I think this is what he asked about, was the practice enhancement fund. But I thought it was worthwhile to indicate the many other things that are being done as well, because the member will be interested in them and perhaps has some questions about them.

The practice enhancement fund is a fund jointly announced by

myself, on behalf of the government, and the Saskatchewan Medical Association which will provide grants of \$25,000 to physicians who do not presently practice within the province and who are willing to set up practice in areas of the province where we need them, and to make a commitment that they will remain there for a least 18 months.

That's something that has been tried in other provinces; we want to try it here. We don't know how it will work in the sense that we haven't done it before. And we don't know how many physicians we'll bring in, although there have been some indications of support and we're encouraged by that.

If it doesn't work very well, then we'll change it. We'll try something else — and I've indicated that — but we think it may work, and we want to try it.

And another thing we're doing, a sixth thing that is new, is providing funding for specialist education on the part of rural practitioners. So that if rural practitioners want to specialize and become an anesthetist or some other specialty that is relevant to their rural practice, we will provide them with support. It's only two physicians a year, but we'll also pay for two replacement doctors for them to enhance their education, get the training they need, and practice in rural Saskatchewan.

So those are six things that we're doing. And I could actually go on and indicate some other things that are covered by the rural practitioners fund that we have — the rural and remote incentives fund, which has gone up, by the way, from 570,000 two years ago to 1.6 million this year. So it basically tripled in size.

And I want to say this to the member and to everybody: I have indicated to the medical association, the college of physicians and surgeons, SAHO, the College of Medicine, and anyone else that is prepared to listen to me, that this government and this minister will do anything reasonable to stabilize the supply of physicians in our province, and takes very seriously the need to have an adequate physician supply in each and every part of the province.

It's a big challenge. It's a big job. It's a big problem. But I want to assure you that I am extremely sincere in my commitment to try to address this problem. We're doing a lot of specific things. We hope they'll work. If they don't work, we'll work with the opposition, with the medical community, or anybody else to make it work better.

(1615)

Mr. McLane: — Thank you, Mr. Minister. Certainly I think you and I would agree on one thing today and that is that there has been very little done in this area in the past 15 years and so I would commend you for any efforts that you are making. And it does appear that you are sincere and are trying to resolve this problem and I certainly will be watching and helping wherever I can to ensure that this does happen.

One thing I did notice that you mentioned, or didn't mention, when you're talking about the \$25,000 enhancement fee, is that you talked about, for Saskatchewan. I didn't hear you say rural

Saskatchewan necessarily; you said that where doctors might be needed. Now that does concern me a little bit because I think — and for general practitioners, my understanding and from my involvement in health care — that it is mostly in rural Saskatchewan where we are short of these doctors. Maybe you can clarify that a bit, if you would.

Hon. Mr. Cline: — Yes, well the member is correct that I may not have been quite as clear as I could have been.

That fund would be available for physicians to go to communities with populations under \$10,000 ... or 10,000 people, not communities over 10,000 people. And that certainly is where we have most of the problem. Although as the member will know, there will be communities over 10,000, where in some areas, especially some of the specialties, will be short of particular physicians. But this is aimed at rural Saskatchewan.

Mr. McLane: — Is the \$25,000 fee, is that a one-time shot? Is that ... will happen once to a physician? Can it happen five times to a community? What parameters have you around that?

Hon. Mr. Cline: — That would be a one-time grant per physician. So that any particular physician would only be able to get that grant once. Now I wouldn't say that any particular community would only get the grant once, because they might get ... well they might get two at once, depending on the situation. And they might get one today, and if it's successful, one at some future time as well.

Mr. McLane: — One of the areas — I didn't hear you talk specifically about it, but I know you're receptive to any ideas — we've talked about, the idea of a doctor pool. And that alleviates a lot of the time the problems of burn-out in doctors and does give them some time off. Now I know in the past six months or so you've thrown some money at after hours ... remuneration for after hours for the doctors.

My question would be, what about a doctor pool? It seems to me that one of the advantages — and I'm almost reluctant to say this about the health district — one of the advantages I might see of a health district is that they would have the potential to have a doctor pool and move those doctors about and maybe even, if we can use the word, "rent" them out to other districts, which would ensure that a doctor can have his weekend off when he needs it, or his week to go on holidays, or his two weeks to go to take a course or something.

Where are you at with that sort of an idea or scenario?

Hon. Mr. Cline: — Well it's a very good idea and suggestion. And there is a new program which is the SMA (Saskatchewan Medical Association) locum pool — new in the sense that as a result of the money to the rural and remote incentives fund that I've mentioned that has tripled in the last few years, we have expanded funding to the SMA locum pool to increase financial incentives to physicians to participate in the program. In other words, we've made the funding available to the SMA to create the pool. That's not an entirely new idea but we haven't been as successful in the past as we should have been. So you put more resources there.

And we're hoping that that will enable the SMA to have an

attractive package for physicians that are willing to be part of the pool. We certainly want to attract them to the pool.

We also think that it is somewhat related to the question of the on-call coverage, in the sense that the two can go together. Doctors from the pool may access some of the on-call funding, and the two programs may complement one another.

Mr. McLane: — Thank you, Mr. Minister. I'll be watching in great interest with some of these initiatives, and seeing how they pan out.

Other members of the legislature here are wanting to ask a few questions in the short time that we have left today, but just in closing, one question regarding district health board elections this fall. Have you made any changes in that they're going to be concurrent or coincide with municipal elections? Or are we going to still have the added cost burden of having them separate?

Hon. Mr. Cline: — No decision has been finally made at this point. But I want to say to the member that the feedback that I have received from various sources, the health districts, SAHO, and so on — and I have been trying to talk to people about this over the last few months — is that they feel that in view of the fact that there are several municipal elections taking place this fall, that we should try to combine the health board elections with municipal elections to the extent that we can.

And while I don't have an announcement to be made today — and in fact it would probably be the Minister of Municipal Government as being primarily responsible for local elections who would make any such announcement — but we view the matter quite favourably in the sense that if logistically we could combine them this year, we think that we should do that and that's what the public would expect us to do.

So we're going to have ... well we're having a serious look at that right now. And I expect that within a few weeks, certainly a maximum of one month, we'll be making an announcement, and if it is feasible to combine them that we would want to go that way. But we do want to get the appropriate advice with respect to the issue of whether logistically you can do this. And the work is being done right now.

Mr. McLane: — Certainly I would hope you could make that announcement sooner than later, because I'd hate to have to keep the House in session for any longer than we had to and that'd be one announcement we'd like to have before us before we get out of here.

Could you give us an indication of what the costs might be for standalone district health board elections this year?

Hon. Mr. Cline: — The estimate for standalone district health board elections is \$570,000.

Mr. McLane: — One last question on this before I pass it on is, any plans or discussions to improve the dismal turnout voting record of the district board elections to date of, in case you're wondering, is between 15 and 20 per cent? How are you going to get people interested in electing district board

members?

Hon. Mr. Cline: — I'm advised by the officials that the turnout, while too low, was in the neighbourhood of the turnout for other local government elections. And I agree with the member that one of the things we should do is people that are democrats, all of us, and believe in the democratic system, is encourage people to participate in it. Because if they don't participate in it, then obviously that takes away from the health of the democratic system. And unfortunately, as the member will know, in municipal elections we quite often don't get a 50 per cent turnout and the same was certainly true of the first health board elections.

Perhaps one way to increase the turnout in the health board elections, not to mention school board elections I guess, is to the extent possible combine all of the local elections so that people only have to go out once. That may have some positive effect.

And so I guess I would just say I certainly agree with the sentiment behind the member's questions and I think we have to do our utmost to encourage people to vote. And I think if we consider as seriously as we can, combining the health board elections with the others, that may go a long way to increasing the voter turnout somewhat, although we seem to have a long-standing problem in all local government elections in terms of turnout.

So I guess we just have to agree to do everything we can to encourage people to participate in something we take too much for granted, which is our democratic system.

Mr. Toth: — Thank you, Mr. Chairman. Mr. Minister, first of all a follow-up regarding the question that the member put in regards to elections this fall. Based on some of the public meetings that I have attended, I would almost guess that in some cases you may find the turnout may be somewhat higher this fall. I guess time will tell if people are very concerned about health care in their area and what they perceive as being quality health care in the services provided.

So we'll have to wait and see whether or not people do take that time, or if they're going to continue to view health board elections as a waste of time because of the fact that there's very little a health board can do. They have so many dollars coming in, basically dictated as to where they're going, and it doesn't give them a lot to work with. And I think that's one of the major concerns out there.

Mr. Minister, you talked about local Saskatchewan youths staying in our province. I would find it interesting that you mention this and encouraging more young people staying here because of the fact they've been offered jobs.

I happened to run into an individual in Kelowna when we were visiting at my wife's folks back in February, and I had asked him why he was in Kelowna as he comes from Saskatchewan, wanted to practise here. His comment was, he left Saskatchewan because he applied to a number of hospitals, district areas, and wasn't given the opportunity to practise.

So that really surprised me. In fact he said no one even wanted him. So he moved to Kelowna and set up a practice in Kelowna. So I hope that isn't something that other residents are finding. This individual actually looked at rural Saskatchewan, looked at the area that he had grown up in, and made application out there.

Now I'm not exactly sure what were the circumstances and why he didn't have that . . . wasn't given consideration, but I think he was quite disturbed and quite annoyed that in a province that was crying for doctors and wanted to see local people stay around, that he ended up moving to Kelowna in order to put to practice his educational level of training.

Mr. Minister, when it comes to health care in the province of Saskatchewan, I think we're finding that a lot of people are becoming very discouraged with the health care and the level of health care and what's being offered. I think there is a feeling that there's been too much money, especially at the district board level, ending up in administrative positions and really not being put into service levels.

That perception is there because we see the cut-back in the level of acute care beds; we see the cut-back in heavy care beds. We see the loss of staffing and access to acute care services. Even in our own community one board member made the comment that based on the numbers of this review . . . and it slips my mind right now, going back to the late '80s where the talk of one bed per thousand population would say, well in this community, eight beds; that's all you need.

And I guess if you're providing just emergency services, that's about all you would need. Although I've been in some of our local centres at times when they have had all the beds full and they've had people on stretchers in the hallways because there were no active beds available to them as a result of the cut-backs implemented on them by the Department of Health.

Mr. Minister, what I would like to know is, what is your real perception of health care in the province of Saskatchewan? Are we working toward a system that basically provides acute care at a handful of communities like the large urban centres? Or is it possible, Mr. Minister, to start looking at the fact that there are physicians who would be willing to look at the Kiplings or the Moosomin of this world and, that with district boards working together, providing more than just a GP (general practitioner) service.

I know there's a couple doctors in our area took a fair bit of . . . and increased their level of training in — I forget the name, term for gastrectomies or whatever the word here — and they would like to provide that service but they've certainly been hampered. And I can understand. I think maybe there's some hindrances from the College of Medicine in regards to licensing and providing that service.

(1630)

Also some of these smaller centres may be looking at extra costs as far as equipment. But it would seem to me, Mr. Minister, that if districts can find a way of providing even some . . . if they have physicians willing to come to that district and

willing to provide almost in some specialist fields — they've got the training — and they could find a way to provide that service. If we could get other districts working together, it would alleviate some of the pressure that we do have in our large urban centres in regards to acute care beds.

And as you're probably hearing, and as I hear every once in awhile, of people on long waiting-lists. So while I . . . my view has always been, if you can find a way to provide a service and it can meet a budget guideline, does the wellness model allow for that to take place? Or are we specifically geared to sending people to large urban centres and forcing them onto waiting-lists because there just aren't enough beds in the large urban centres to accommodate the different surgeries that are required and the different acute care services that are required.

Hon. Mr. Cline: — Well that's a very good question. The answer to the question is the wellness model and health reform does contemplate being able to get various surgical procedures at the local level. And I'm going to return to that in a moment, but first the member raised several issues that I want to comment briefly on.

First of all, the member said that the health districts weren't provided with sufficient monies — or some such comment — to make decisions. I want to tell the member that the health districts in Saskatchewan receive more than \$1 billion to spend. That's actually quite a bit of money. And as the member knows, this government has been putting a lot of new money into the health system, especially as a result of cut-backs from the federal Liberals in terms of health care.

And I know that the member, having served in the previous government of Premier Devine, will know a bit about the importance of spending money carefully and how difficult it can be to back-fill for the federal government.

In terms of your comment about the young doctor in Kelowna who didn't find a receptive environment here, I share your concern and sentiment in that regard. And that's why, as I was saying to the member from Arm River, we need to do a better job creating a more welcoming environment. And that's why we've hired the recruiting agency and why I've taken the step of meeting directly with the residents and interns to try and discuss ways of improving the situation and making more of them want to stay in the province.

Unfortunately, historically going back to the 1950s when the medical school was started in Saskatoon, we've only ever kept about 35 per cent of our graduates. And we need to improve that.

In terms of the level of health care administration, I believe that as a result of going from 450 administrative boards to 30 district boards, the administration has been reduced by about 20 per cent across the province in terms of the number of administrators. And there are some, including the Leader of the Liberal Party, that say we should go back to the 450 administrations. I think we should stick with the 30 and stick with the reduced number of administrations that we have.

To answer the question specifically of the member about

surgical procedures, it is not my view that we should try to discourage surgery in rural Saskatchewan and centralize it in the cities. I've made it quite clear on a number of occasions over the last year or so that we should encourage some surgeries to be performed in rural Saskatchewan where the numbers warrant and where it's feasible. And in fact if you go to a place like Tisdale, there are at least 11 specialist services that are offered on an itinerant basis. So specialists go out there, perform surgery, and the local physician does the follow-up.

I think that's good for the specialist, for the system in Saskatoon and Regina, which would otherwise have to find a bed for that person, for the local hospital which is used, and for the local physician who can use his or her skills cooperating with the specialist who's done the surgery. We need to encourage more of that.

In terms of specific questions about procedures that doctors in Moosomin or Kipling may wish to do, I can't answer those questions. Those should be addressed at the local level.

But I would say that, you know, we have to do everything in a sustainable manner. And if somebody gets trained in a speciality, we have to see that there's sufficient numbers to warrant buying a piece of equipment and so on. But if it is practical, then it's the view of the Department of Health and myself as Minister of Health, and the government, that these things should be done to the extent that they can be done in rural Saskatchewan.

It should not be our view that we have hospitals only in Regina and Saskatoon. Although I would point out those hospitals are not for Regina and Saskatoon. They are for the people of the province as a whole, and the majority of people in them are from outside of Regina and Saskatoon.

A proposal has been made by the Liberal Party, under the leadership of Dr. Melenchuk, that we go to an Australian model whereby you would only have hospitals in Saskatoon and Regina. We reject that proposal.

We think that we should have base hospitals in Saskatoon and Regina. We should have larger rural hospitals in places like Yorkton, which provide some speciality services like orthopedic surgery; North Battleford, Swift Current, Prince Albert, and some others that . . . Moose Jaw, and some others that I may not be mentioning right at the moment — Lloydminster. And then we should have a series of other rural hospitals, like the Tisdales and Rosetowns, and perhaps Moosomin — I don't know — that should offer surgeries that can practically be done there.

And that is the view of myself as minister, that is the view and the policy of the Department of Health and the Government of Saskatchewan. What we need to do is find what is practical and suitable for people across the province, what is sustainable fiscally, and to reassure people that we as government want to see these services across the province.

And one of the messages that I've been trying to get out as a result of the very excellent budget of my colleague, the Minister of Finance, is that the money is there to stabilize the system and

to keep in practice the view that I have in this regard.

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

Hon. Ms. MacKinnon: — Thank you, Mr. Chairman. Sitting next to me is Bill Jones, the deputy minister of Finance. Behind Bill is Bill Van Sickle, the executive director of administration. Behind me is Kirk McGregor, the assistant deputy minister of taxation and intergovernmental affairs. Next to me on my right is Len Rog, the assistant deputy minister of the revenue division. And behind Len is Joanne Brockman, director of fiscal policy.

Item 1

Mr. Gantefer: — Thank you, Mr. Chairman, Minister, and welcome to your officials again this afternoon.

Minister, in the time we have I would like to touch on a number of areas hopefully. The first one I would like to touch on is, I think it would come under category of budget analysis, and I am assuming that that would have to do also with the forecasting of financial trends and things of that nature. And I wonder if you would outline for us please, how your analysis and budget forecasting and things of that nature operate.

Hon. Ms. MacKinnon: — Mr. Chairman, what we do in terms of developing forecasts is we obviously look at what outside agencies say about the economic performance of the province and what their projections are. So we look at what agencies like DRI (Data Resources Incorporated), Conference Board of Canada, project for the province. And we get our own figures internally from the different departments. We ask, for example, Energy and Mines what their forecasts are for the resource sector. And through that we compile our own estimates of what we think the economic forecasts or the fiscal forecast is going to be for the province.

Mr. Gantefer: — Minister, do you have as a matter of course or policy that you estimate on the safe side . . . I was going to say conservatively, and I know you wouldn't want me to use that word, but on the safe side? Do you sort of hedge your bets a bit or do you try to be accurate? I know that forecasting is sort of like reading tea leaves. You can only build a certain level of certainty into it. But do you have any kind of a priority or policy, if you like, on the way that you do forecast?

Hon. Ms. MacKinnon: — Well, Mr. Chairman, what I would say to the member opposite is we're definitely not liberal in our forecasting. What we are is cautious. And so we tend to . . . If we're going to be surprised, we want to be pleasantly surprised, rather than unpleasantly surprised. So if there's a range, we go, generally, for the low range.

And there's often confusion. People say, well how come you only want the Saskatchewan economy to grow by whatever per cent? We say no, that's not what we want. Our goal is probably

something quite higher, but in terms of what we're going to spend our money on the basis of, we're going to aim at the low end so that we don't overspend and we are on target.

Mr. Gantefer: — Minister, leading out of your forecasting, in terms of the economic activity, another thing that I imagine has a great deal of impact in terms of your forecasting is the trends in interest rates and things of that nature, which would also have impact in terms of long- and short-term bonds and things of that nature.

Minister, I wonder if you have figures on the fact on your debt reduction account, there is a fairly noticeable diminishing in the amount that we're paying on interest. Do you have the breakdown on how much of that is attributed to the fact that you've paid down things in terms of long-term debt as compared to the reduction in interest rates that have occurred over the last while?

I'm asking of the amount that you're saving on interest rates that you're paying on long-term debt. Is there a breakdown between how much is actually due to interest rate declines and how much is because the principal amount that you're paying interest on is diminished?

Hon. Ms. MacKinnon: — It's really difficult to separate those out because they are intertwined. What I would say though is this: one of the major reasons why — the major reason why — we are paying less in interest is that we balanced the budget and we're paying down the debt. If you look at governments where their interest costs are still going up, it's because they still have a deficit. So the most important factor in lowering the interest cost to the government was getting rid of that \$842 million deficit and then paying down the debt.

We don't benefit as much from cuts in interest rates as other governments because we borrow our money more on a long-term basis. And so it takes a long time of low interest rates for it to have as much impact. The flip side of that is when you get into something like the pre-referendum jitters, before the last referendum in Quebec, we also didn't suffer as much from high interest rates, because ours are more like long-term mortgages that are locked in at a particular rate.

(1645)

Mr. Gantefer: — Minister, I appreciate that we just don't go to a bank and get a line of credit as a member opposite suggested as you might do in a business. But you would have a number of bonds that would be at different maturity lengths of time, five-, ten-, whatever year bonds. Do you have a breakdown on how much of our debt is financed in these different instruments, if you like, of the short-term and mix of the long-term bonds?

Hon. Ms. MacKinnon: — Perhaps the best part to reveal that breakdown is in the budget address on page 61. There's a breakdown there and it shows that savings bonds are about 10 per cent, promissory notes about 2 per cent of the debt, bonds due in one year about 4 per cent, and then about 84 per cent is bonds due after one year.

Mr. Gantefer: — Minister, would you . . . Is there a

noticeable difference in the interest rates that would be on those different categories? And I notice that 84 per cent, as you've indicated, are bonds greater than one year. But what I'm getting at, for example, Minister, if you were offering bonds of a five-year term, what would the interest rate likely be on five-year term bonds as compared to ten-year term bonds? Is there a difference between the rates of those kinds of terms?

Hon. Ms. MacKinnon: — Mr. Chairman, yes, there obviously is a difference. It's the same principle as when you go out to get a mortgage for your house. They give you a different mortgage rate if it's a one-year mortgage or a two-year or a five-year mortgage.

Mr. Gantefer: — Minister, which way . . . the short-term bonds more attractive as an interest rate when we're actually borrowing the money if you like, than long-term bonds? I know that they're different but which is the most attractive and have you taken that into consideration?

Hon. Ms. MacKinnon: — I think one of the things that the Department of Finance in Saskatchewan needs to be credited with is taking a long-term view. It's the same as your mortgage on your house; it's cheaper to borrow money on the short term. But you're also exposing taxpayers to a lot more risk, because if there's fluctuations in interest rates upward you really have them exposed.

And I know the Department of Finance has traditionally in Saskatchewan gone for the long haul with a more secure position for taxpayers. And I think the fact that they have been right in that is proven by the reality that the federal government, which has tended to more short-term borrowing, is now moving to more long-term borrowing as well to provide that security rather than exposing taxpayers to risk.

Mr. Gantefer: — I guess, Minister, sort of tying back to your forecasting and your forecasting department and things of that nature, surely there is some ability to look and make some assumptions about the stability of interest rates over the reasonable term.

And what I'd like to ask you is, is what is the actual spread in interest rates? And if you do not want to give me the actual rates, would you have the spread between 5-, 10-, 15-, and 20-year bonds in terms of how much more . . . or how much higher is the rate on the longer-term bonds that you're buying and how much does that impact?

Hon. Ms. MacKinnon: — If you look in the budget speech on page 59 we assume that short-term rates are 4 per cent; long-term rates are 8 per cent. You can project those out to a certain extent, but the only thing I would say is they are always still projections. Something comes that is unexpected, and all of a sudden in the next year, you know, the interest rates shoot up — another referendum in Quebec which unsettles everybody or things of that kind. But the projections are 4 per cent short-term; 8 per cent long-term.

Mr. Gantefer: — Minister, do you have the figures then as to the difference? I believe one percentage point on our debt would be something in the magnitude of \$6 million? Would

that be reasonably accurate?

Hon. Ms. MacKinnon: — That's accurate, to the member opposite.

Mr. Gantefer: — Minister, then I guess why I have to question . . . and I appreciate the difference between the stability that you're buying. We're looking at a 4 per cent spread. That's something like \$24 million a year to have that comfort level on interest rates.

In view of the forecasting that your department tries to do, do you not think that perhaps we could tighten that up a little bit so that we could have more of our portfolio at the short-term rates? Or a better mix of it that would result in some significant savings in interest payments?

Hon. Ms. MacKinnon: — Mr. Chairman, you know I think that comment might sound very wise today. But I would ask the member opposite, what if a year and a half from now we were into another referendum in Quebec. And when we were into the referendum in Quebec the last time, and interest rates were shooting up, there were governments across Canada going like this, because they had said: gee, it's cheaper for me today to borrow money short term. And they were in a real jam, some of them. A real jam.

So in terms of being safe with taxpayers' money, the safest thing to do is to borrow for the long term and ensure that you know what your rate is rather than taking those chances. Because when the rates are low, taking the chances look wonderful. But when those rates shoot up, for a reason we can't project right today, that doesn't look like a very wise use of taxpayers' dollars.

Mr. Gantefer: — Minister, can you give us a figure on how much guaranteed debt that the province is holding? I believe there's something in the magnitude of almost \$400 million that's accounted by for Saskferco and the NewGrade. Can you give us the total numbers?

Hon. Ms. MacKinnon: — Mr. Chairman, this is detailed on page 70 of the budget speech, and as of March 31, 1997 it's about \$570 million and it's estimated to go down to about, just over 500 million.

Mr. Gantefer: — Minister, when the government enters into these type of loan guarantees, which amounts to a fairly significant amount of exposure by the province of Saskatchewan of half a billion dollars, what are the criteria that the government uses in deciding how they will go into a loan guarantee situation?

Hon. Ms. MacKinnon: — These are done on an individual basis, the same as any other decision about investing or not investing money. But what I would say to the member is virtually all of these are hold-overs from the 1980s; so they're decisions that were made in the 1980s.

I think what's important is to look at what has happened to guaranteed debt in the province. When we took office in 1991-92, guaranteed debt of the province was about one and a

half billion dollars. Now it's down; as of '98 it'll be down to 500 million. So it's been cut by . . . been cut to about a third of what it was. So it's been dramatically reduced.

Mr. Gantefer: — Thank you, Minister, and I recognize that the overall number has gone down. Have there been projects that you have approved guarantees for, and what criteria would you use if you did?

Hon. Ms. MacKinnon: — There have been no major new guarantees. There have just been continuations of existing guarantees. And it's the same . . . from our point of view, if you guarantee something it's the same as if you're investing in it. You have to be sure that the taxpayers' money is safe and that you're going to get it returned at some point in the future.

And so those are the criteria, but this government has not used loan guarantees to any extent at all. Most of what we've been doing is just managing the ones that we inherited . . . or the programs that we inherited from the 1980s.

Mr. Kowalsky: — I move the committee rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 5 p.m.

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