

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, I have a petition to present on behalf of the Saskatchewan disenfranchised widows association. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to have the Workers' Compensation Board Act amended whereby benefits and pensions are reinstated to disenfranchised widows and whereby all revoked pensions are reimbursed to them retroactively with interest to April 17, 1985.

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

Mr. Speaker, the signatures on this petition come from the communities of Manor, Redvers, Sinclair, and Antler.

I so present.

Mr. D'Autremont: — Mr. Speaker, I also have petitions to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to have the Workers' Compensation Board Act amended whereby benefits and pensions are reinstated to disenfranchised widows and whereby all revoked pensions are reimbursed to them retroactively with interest to April 17, 1985.

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

These petitions, Mr. Speaker, come from Carlyle, Manor, Redvers, Christopher Lake, across the province, Mr. Speaker.

I so present.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also have a petition to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to have Workers' Compensation Board Act amended whereby benefits and pensions are reinstated to disenfranchised widows and whereby all revoked pensions are reimbursed to them retroactively with interest to April 17, 1985.

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

The petitioners, Mr. Speaker, are from the community of Manor.

I so present.

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

people asking for review of parental rights. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide a review process with respect to family intervention to ensure the rights of responsible families are not being violated.

Signatures on this petition, Mr. Speaker, are all from the community of Melfort.

I so present.

Ms. Haverstock: — Thank you very much, Mr. Speaker. I rise once again to present petitions on behalf of people concerned with the education of exceptional children in the province of Saskatchewan.

And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide essential funding and ensure the delivery of scientifically proven, diagnostic assessment and programming for children with learning disabilities in order that they have access to an education that meets their needs and allows them to reach their full potential.

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

Mr. Speaker, today the people who have signed this petition are from Grayson, Broadview, Prince Albert, and Dubuc, Saskatchewan.

Mr. McLane: — Thank you, Mr. Speaker. I'm proud to rise today on behalf of people of this province in presenting a petition. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to call on federal and provincial governments to dedicate a significantly greater portion of fuel tax revenues toward road maintenance and construction so that Saskatchewan residents may have a safe highway system that meets their needs.

Mr. Speaker, this petition has been signed by people from the communities of Midale, Arcola, and Kisbey. And I so present.

Mr. McPherson: — Thank you, Mr. Speaker. I bring forward a petition today in regards to the farm crisis:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to call upon provincial and federal governments to immediately take steps to end unfair world trade subsidies and provide farmers with prompt relief from declining income and act as watchdogs against rising input costs which are harming rural economy.

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

Mr. Speaker, the people who have signed the petitions are from Glentworth and Mankota areas of the province.

I so present.

Mr. Hillson: — Mr. Speaker, I present petitions this morning. The prayer of relief of which reads as follows:

That your petitioners call on this Hon. Assembly to call on the federal and provincial governments to dedicate a significantly greater portion of fuel tax revenues towards road maintenance and construction as Saskatchewan residents in order that they may have a safe highway system that meets their needs.

Your petitioners come from Regina, Saskatoon, Denholm, North Battleford and Whitkow.

Mr. Osika: — Thank you, Mr. Speaker. I present a petition on behalf of citizens of Saskatchewan and the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to call upon provincial and federal governments to immediately take steps to end unfair world subsidies and provide farmers with prompt relief from declining incomes and act as watchdogs against rising input costs which are harming the rural economy.

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

The signatures on this petition are from Goodeve, Melville and Grayson.

I so present.

Clerk: — The following petitions for private Bills are hereby presented and laid on the Table:

By Mr. Wall — Of the Saskatchewan Co-operative Credit Society Limited and Saskatchewan Co-operative Financial Services Limited, in the province of Saskatchewan; and

By Ms. Lorje — Of the Saskatchewan Foundation for the Arts, in the province of Saskatchewan; and

By Ms. Lorje — Of the Saskatchewan Medical Association, in the province of Saskatchewan; and

By Ms. Murray — Of the Group Medical Services, in the province of Saskatchewan.

READING AND RECEIVING PETITIONS

Clerk: — According to order the petitions presented at the last sitting have been reviewed and found to be in order. And pursuant to rule 12(7) these petitions are hereby received.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Hillson: — Thank you, Mr. Speaker. I give notice that I shall on day 19 move first reading of a Bill, An Act to Repeal the Resumption of Services (Nurses — SUN) Act.

STATEMENTS BY MEMBERS

Celebration of Weyburn's 100th Year Anniversary

Hon. Ms. Bradley: — Mr. Speaker, I was in Weyburn Wednesday, April 7, celebrating a great milestone. Weyburn kicked off the celebration of its 100th year anniversary at the Soo Line Historical Museum. Over 250 people attended this birthday celebration. There was an unveiling of a mural painted by 11 Weyburn artists working together. It is a 15 foot by 42 foot mural of a First Nations encampment northeast of the Signal Hill area.

Mr. Speaker, when we are reminded of what our pioneers went through in order to begin a society on this often hostile, somewhat barren, certainly imposing landscape, we are once again filled with awe and admiration at what they endured and what they accomplished. Our ancestors knew that they were working for their children and grandchildren because it would take a least a generation to get it established. In other words, what they did, they did for us and we should never forget that.

And look how Weyburn has grown and look at what has been accomplished. Mr. Speaker, Weyburn has given to Canada the largest grain-gathering point in Canada. And of course very important people, such as W.O. Mitchell, Isabelle Eaglesham, and of course, Tommy Douglas. The history of Weyburn's past has laid a strong foundation for an optimistic future.

I stand here again to congratulate the city of Weyburn on this historic milestone. Thank you.

Some Hon. Members: Hear, hear!

Health Care Debate

Mr. Heppner: — Thank you, Mr. Speaker. Well last night I had the privilege of attending another one of the series of meetings that's been held across the province, particularly in the communities where their hospitals have been threatened by the statements of the associate Health minister, and it was a well-attended meeting, Mr. Speaker. We also had quite a number of nurses that were picketing — were outside — and then later on attended the meeting as well, and they very strongly supported the Saskatchewan Party position. Quite hostile toward what the present government is doing.

The interesting thing was that also the NDP (New Democratic Party) candidate, Mr. Roy was there and had his shins severely kicked in that particular debate, as a result of which that when the meeting was over, he was the first one out in the parking lot and headed for home.

It was a serious meeting with lots of good questions. There was however a note of levity added to it, Mr. Speaker, and that is when the associate minister, associate Health minister's letter refuting all her former statements was read. That did bring a note of levity to it but other than that it was a serious meeting and a lot was accomplished.

Thank you.

Some Hon. Members: Hear, hear!

Estevan Bruins Win Championship

Mr. Ward: — Thank you, Mr. Speaker. It is now very clear why the member opposite was so eager to congratulate the Humboldt Broncos when they won the north division championship of the Saskatchewan Junior Hockey League. That was about four games ago, Mr. Speaker.

Four games ago, they began the provincial championship series with the Estevan Bruins. And a lot can happen in four games — all good for Estevan, too bad for Humboldt.

As everyone knows, no horse is a match for a bear. The final game showed Estevan 9, Humboldt 3; game, set, and match. Perhaps the Broncos should look at a name change.

I do want to congratulate the Bruins under Coach Glen Watson on winning the first MemberCare Cup — the SJHL's (Saskatchewan Junior Hockey League) new championship trophy. Next is the Anavet Cup with the winners of the Manitoba league, then the National Royal Bank Cup in Yorkton, May 1 to May 9.

And I want to congratulate all the teams in the SJHL for a very successful season and thank them for the entertainment that they bring to this province.

Some Hon. Members: Hear, hear!

Views of Nurse from Shaunavon

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

Our backs ache, our emotions are spent, and any professional idealism that has been battered by the constant need to do more with less.

That, Mr. Speaker, is a quote from Rhonda Thompson, a nurse from Shaunavon who today is the target of this government's heavy hand. Rhonda summarized the difficulties which this government created for all our nurses. Quote:

New grad nurses are travelling to the States, to other provinces, where working conditions, benefits, and wages far surpass Saskatchewan's own. I came from Alberta and took a wage and benefit setback. A new degree nurse in Alberta will graduate making a starting wage comparable to a RN who has worked 30 years in this province.

Mr. Speaker, Rhonda like many other nurses across this province enjoys her work but she says she can't give the patients the care they deserve. She worries that it will be difficult to impossible to recruit nurses. Mr. Speaker, she closes her comments by saying it is unacceptable, quote:

That the government of this province expects the people who care for our loved ones to work in such an environment.

Clearly a government that denies nurses their rights then threatens them with legal action is one that has its priorities dead wrong. Mr. Speaker, this is a letter that showed up in *The Shaunavon Standard* only a few days ago and I think really sets

out the situation today.

Some Hon. Members: Hear, hear!

Great Canadian Geography Challenge

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, on Saturday, March 27, I was pleased to be the quizmaster for the finals at Martin Collegiate here in Regina for the Saskatchewan finals of the Great Canadian Geography Challenge. Although I did an admirable job, I don't think Alex Trebek's going to lose his job in the near future.

But anyway the Challenge is organized, Mr. Speaker, by the Canadian Council for Geographic Education, with the help of numerous local teachers and volunteers. I particularly want to recognize Gail Smith, the provincial coordinator here in Saskatchewan who is a constituent and a teacher at Ruth M. Buck in my constituency.

This year the two winners were Cory Redekop from Herbert, and Jeannot Ouellette from Laval High School here in Regina. Cory and Jeannot will take part in the national finals over the May 24th weekend in Ottawa, Mr. Speaker.

And Ottawa, as you may or may not know and for members, is the large city in eastern Canada on the borders of the provinces of Ontario and Quebec, southeast of Montreal and somewhat northwest of Toronto. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Larry Warwaruk Novel Wins Award

Hon. Mr. Wiens: — Thank you, Mr. Speaker. Another Saskatchewan success story is emerging in the Rosetown-Biggan constituency, this time in the literary field. Larry Warwaruk's fictional novel, *The Ukrainian Wedding*, has recently been honoured with a nomination for the Saskatchewan book awards and I'm proud to say that this novel went on to win the SaskPower award for fiction.

This is his third novel. The first two of his novels, *Red Finns on The Coteau* and *The Rope of Time* were based on his wife's Finnish heritage. Larry is making a significant contribution to the telling of the stories of the many people who built this province.

The Ukrainian Wedding is based on a 1940s murder that occurred east of Winnipegosis, Manitoba. Larry has woven stories from his mother's childhood into this tale to highlight Ukrainian experiences and tradition.

Larry's life is deeply rooted in the community. He's been a lifelong teacher, writer, administrator, producer of dramas, and might I say, winner of awards in both Beechy and Outlook. He was awarded the best director for the Snakebite Players' production of *The Shipbuilder* at the Saskatchewan Community Theatre Festival in 1989, which play also won a number of other awards.

I would like to congratulate Larry for adding his nomination for the Saskatchewan book award and the winning of the

SaskPower award for fiction to his list of achievements. This recognition is well-deserved, a great Saskatchewan contributor to the arts and to the community.

Thank you very much.

Some Hon. Members: Hear, hear!

Wilkie Farmer Raises Alpacas

Ms. Murrell: — Mr. Speaker, I would like to inform the House today about an innovative and unique farm operation near Wilkie, Saskatchewan named La Palma Sunrise Alpacas.

Alpacas are native to South America and they have been raised for centuries by different cultures and civilizations. Today alpacas are raised worldwide.

Gordon Waldner decided to try raising these animals a few years ago. Today this operation is well established and proves to be a wise investment. Alpaca breeding provides an excellent investment opportunity and they are the source of one of the world's most highly-prized fibres.

Scarcity of alpacas and demand for their luxury fibre has kept alpaca breeding and sales strong worldwide. This interest makes these easy-keeping animals a great prospect, even on small acreages.

Worldwide demand for alpaca fibre isn't close to being satisfied. Fibre prices are rising over 25 per cent in the last year.

Mr. Speaker, La Palma Sunrise Alpacas will be hosting their first annual Alpaca Spring Fleece-off on May 8. This will include an educational seminar about the animals and information about the production of finished garments from their fibres.

I would like to congratulate Gordon Waldner on his enterprise and wish him all the best. Thank you.

Some Hon. Members: Hear, hear!

***The Wall Street Journal* Touts Saskatoon**

Ms. Lorje: — Mr. Speaker, on Tuesday of this week a remarkably flattering article about Saskatoon appeared in the investors' Bible, *The Wall Street Journal* I think it's called. The article was interesting and flattering for at least two reasons: one economic, one social.

Primarily the article touted Saskatoon's economic advantages and opportunities, especially in the ag-biotech field. It mentions what we already know, that Saskatoon is one of the "world's leading centres for agricultural biotechnology" that Saskatoon offers, quote, "opportunities that are hard to find elsewhere," and that, quote, "recruiters and companies say they never forget the lure of Saskatoon's low costs."

We all know that, but it's good to be recognized by the world's leading business journal.

On the social side, *The Wall Street Journal* comments on our

reasonable housing costs, our fine and inexpensive golf courses, our low crime rate, and of course our brisk winter weather.

The most remarkable statement though should remind us of how lucky we are to live here. Saskatoon, the article says, is, quote, "safe enough that small children commonly walk to school."

The next time we feel like complaining about our supposed disadvantages, we might remember this comment.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Nurses' Strike

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier. Mr. Premier, we now have a clear understanding of your management philosophy: the beatings will continue until morale improves. A court injunction; that's your answer. A court injunction.

According to the deputy minister of Justice, that means you're going to round up nurses and throw them in jail. That's your answer. You're going to turn nurses into criminals, throw them in jail, and that's going to improve the health care system.

Mr. Premier, have you lost your sense of what's right and wrong? Do you really think throwing nurses in jail is going to fix the problems in the health care system?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Thank you, Mr. Speaker. I understand the member of the Saskatchewan Party or the Tory Party attended the nurses' rally last night at the Centre of the Arts. And I'm wondering if the member would care to report how people treated him, because I understand that he was told and berated, that that outfit, if they were in place, would be ten times worse than the Government of Saskatchewan.

Mr. Speaker, we have a law-abiding population in Saskatchewan. We have citizens who obey the laws. And the law as of yesterday indicated that it was important for registered nurses in the province to return to work. And we are asking, we are calling on registered nurses to go back to work, Mr. Speaker, because we're advised that the system, the health system, has very little capacity to continue with the work shortage or work stoppage, and it could lead to further difficulties for the public safety.

Mr. D'Autremont: — Thank you, Mr. Speaker. Indeed I was very pleased to be able to attend the nurses' rally last night and many, many nurses came up to us and thanked us for the position we took yesterday. And yes, there was one NDP hack there. Mark Stobbe said it was his brother who did complain. He said I don't like Roy but I don't like you guys either.

Mr. Premier, you just don't get it. Nurses are caring, law-abiding citizens. They don't defy you because they're

criminals. They defy you because you're making their work conditions completely intolerable. I have heard nurses say going to jail won't be so bad. It would be better than the working conditions they have now.

Mr. Premier, you're mismanagement has created this crisis and now your solution is throw nurses in jail. Mr. Premier, it's lunacy. Do you really think turning nurses into criminals is going to solve this problem?

Hon. Ms. Atkinson: — Thank you, Mr. Speaker. I just wanted to remind the public that this party presently has on the order paper The Trade Union Amendment Act which repeals successor rights as well as The Saskatchewan Right to Work Act which means, which means, Mr. Speaker, that people in the province of Saskatchewan would be able to go back to work if their union was taking job action and their union could take no sanctions, Mr. Speaker. This is the kind of legislation that we see in Alabama and Georgia where they have the worst conditions and trade union legislation in North America, Mr. Speaker.

What I want to say to the members opposite is this; this is what I want to say. This opposition party, this opposition party left this government with a tremendous amount of debt and deficit — \$2 million a year . . . or \$2 million a day . . .

The Speaker: — Order. Next question.

Mr. D'Autremont: — Thank you, Mr. Speaker. The minister goes on with the NDP rhetoric of blaming somebody else. Mr. Speaker, two days ago the Premier decided to step in and fix the nurses' dispute. Twenty-four hours later we had a province-wide nurses' strike; 48 hours later we have a province-wide nurses revolt. And now he's going to start throwing them in jail. Mr. Premier, you still don't get it. Nurses are overworked. They're burned out. Patient care is suffering. And what's your answer? Back-to-work legislation that guarantees three more years of exactly the same terrible conditions.

Your legislation ended any hope that conditions might improve in Saskatchewan hospitals. You can't take away people's hope, Mr. Premier. That's why nurses are defying this legislation. Mr. Premier, what do you think? Do you really think nurses . . . turning nurses into criminals is going to solve this problem?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, Mr. Speaker, the people that are working presently in the system have indicated that they have very little capacity to continue on. I'm talking about the nurse managers and the physicians and the emergency medical technicians that are providing services right now to the people of this province.

We have a situation, Mr. Speaker, where we want to ensure that patient safety continues in the province of Saskatchewan. My question to that member is, do you support the notion of people violating legislation that is there to ensure public safety? Is that what this opposition party is saying?

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Patient safety and patient care has only become an NDP concern on Wednesday, when the Premier met with SUN (Saskatchewan Union of Nurses). Up until that time, they were ignoring the nurses' calls because the Premier still doesn't get it.

You have made working conditions for Saskatchewan nurses intolerable and now you're saying, go back to work in those intolerable conditions. And that's why nurses are saying, no. These nurses are law-abiding citizens, but today they are breaking your law because they can't take it any more.

Mr. Premier, it didn't just happen overnight. Seven years of NDP mismanagement has created this health crisis, and somehow you thought that passing back-to-work legislation would make it all go away. It was arrogant and it was wrong.

Mr. Premier, do you really think this is going to solve the problem? Do you really think your back-to-work legislation was going to solve the problems that you created in health care?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — The Minister of Finance introduced a budget that laid forward a \$195 million increase in health spending. As a result of that, Mr. Speaker, we have people indicating we need more money for highways, more money for education, more money for municipal government, more money for everything, and further tax reductions, Mr. Speaker.

We cannot afford a 22 per cent increase. We have said to the nurses we can deal with their issues in the workplace. Mr. Speaker, it was there. All the nurses had to do was come back and meet with the Premier at 8:30 in the morning. But instead they went on strike, Mr. Speaker.

Mr. Speaker, I ask the members again: do you support the notion of violating public safety and patient safety in the province of Saskatchewan? Are these people indicating to nurses that they should continue to violate the laws of the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Premier, Mr. Premier, it's time for you to take responsibility.

The Speaker: — Order, order, order.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Premier, it's time that you took responsibility for this and stopped hiding behind the Health minister's skirts. Mr. Premier, you have been the author of this horror story from day one. You closed 52 hospitals. You closed the Plains hospital. You introduced the health reforms that have destroyed working conditions and patient care in Saskatchewan. You made the decision to order nurses back to work under those intolerable conditions. And now the health system is on the verge of collapse and you are responsible.

Mr. Premier, stop blaming the nurses; stop blaming everyone else. Mr. Premier, admit that you have failed, that you have created the health care crisis in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — I think we need to continue the history lesson from yesterday. When we became the government, we had a billion dollars in deficit because of them. We had a \$15 billion debt because of them.

Mr. Speaker, presently today, even while paying down the debt, we pay \$2 million a day; 730-some-odd million dollars each and every year flows out of this province. Think about it, Mr. Speaker — \$730 million. We could afford to give many people a pay increase, Mr. Speaker. We could afford to reduce taxes.

I ask the member again; I ask him again: is he encouraging nurses in this province to break the law? Is that the position of his party?

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Eight years of power; eight years without responsibility. It must be a real testosterone rush for the Premier when he grabs that lever of power, because he certainly doesn't take any responsibility.

Mr. Premier, other health care workers are now . . .

The Speaker: — Order, order. Now all hon. members will recognize that the hon. member for Cannington is not located far from the Speaker's chair, and the Chair is having some difficulty being able to hear the question being put. And I'll ask for co-operation of members on both sides of the House.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Premier, other health care workers are now planning strike action. SGEU (Saskatchewan Government Employees' Union) workers at the Allan Blair cancer clinic and the North Central Health District could walk out today. Are you going to legislate them back to work?

Ten thousand SEIU (Service Employees' International Union) support workers in Saskatoon, Moose Jaw, Swift Current, and other centres could walk out tomorrow. Are you going to legislate them back to work?

Is that your answer to everything, Mr. Premier? Continue the beatings until morale improves.

Hon. Ms. Atkinson: — Mr. Speaker, I go back to my previous question. Does this member support registered nurses breaking the law of the province of Saskatchewan for \$9,000 a year pay increase. Is that what it's all about, Mr. Speaker?

We cannot afford a 22 per cent pay increase, Mr. Speaker. We have told the nurses we can deal with their issues in the workplace — their issues of recruitment and retention; their issues of workplace. But he says they don't believe it. It was there, Mr. Speaker, and they know it was there. Their representatives know it was there. We could not pay \$9,000 a year pay increase in this fiscal year, Mr. Speaker.

I go back. Does this member support nurses violating the law of Saskatchewan, not abiding by the laws of Saskatchewan that would ensure patient safety in order to receive a \$9,000 a year

pay increase?

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Premier, two days ago you stepped into the middle of the dispute and turned it into a full-blown crisis. Right now every hospital in southwest Saskatchewan is closed down because of you; 8,400 nurses are off the job because of you; 10,000 health care workers could walk off the job tomorrow because of you. Health care system in this province is collapsing because of you. It's hard to believe one person could screw things up so much in two days. But you've done . . .

The Speaker: — Order, order. Order, order. Order. I think the hon. member will recognize he's used language which has not been considered traditionally acceptable in parliamentary debate and I'm sure he'll want to withdraw his remark and proceed with his question. Order.

Mr. D'Autremont: — Thank you, Mr. Speaker. I apologize for that remark and withdraw it.

It's hard to believe that one person could mess things up so much in two days. But you've done it, Mr. Premier. Mr. Premier, you created this crisis. What are you going to do to fix it?

Hon. Ms. Atkinson: — What we're not going to do to fix it, Mr. Speaker, is encourage nurses to remain off the job and not abide by the law of Saskatchewan. We're encouraging nurses to return to work.

Mr. Speaker, the people who are presently in the health system that are trying to manage nursing care in the province of Saskatchewan have told us that they can't stay with it much longer, Mr. Speaker.

We are urging nurses to return to the workplace to provide patient care for the people of this province. Mr. Speaker, on the top of mind for the province and on the top of mind for the government, is the safety of the people of this province. We are urging people to go back to work. And I can't believe, Mr. Speaker, that the duly elected Her Majesty's Loyal Opposition would encourage people to not abide by the law of Saskatchewan.

Some Hon. Members: Hear, hear!

The Speaker: — Before recognizing the hon. member for Arm River, the Chair would like to ask the co-operation of members on both sides of the House. Personal insults being shouted across the floor do not assist the purposes of the . . . Order . . . the purposes of the function of this House and I say that to members on both sides of the House.

Back-to-Work Legislation

Mr. McLane: — Thank you, Mr. Speaker. Mr. Premier, are you happy? You really did it this time. Mr. Speaker, the Premier has taken the backbone out of our health system, our nurses, and today is making them into political prisoners with a court injunction. The Premier took the health system, made it

into a problem, then turned it into a crisis, and now has created a catastrophe.

Mr. Premier, your heavy-handed approach has soured health care in this province for years to come. Mr. Speaker, I ask the Premier, explain please if he can, how is fining and turning our nurses into your political prisoners going to help a failing health care system in this province?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — I want to thank the member for the question, Mr. Speaker. As the people of this province will know, this province has been under tremendous pressure because of debt and deficit, Mr. Speaker. We now have the deficit removed; we're still dealing with the debt. And each year we send out about \$730 million on interest on the public debt. At the same time, Mr. Speaker, we have a federal government that has also been dealing with its debt and deficit.

Mr. Speaker, that means that the federal government, beginning in 1995, has withdrawn over \$200 million in transfer payments to the province to pay for health and post-secondary education. Because of the work of the Premier, we now see a restoration of some of those funds — \$67 million in this fiscal year. That is a tremendous help, Mr. Speaker.

In this budget we have \$195 million. We cannot repair everything overnight. We cannot afford a \$9,000 a year pay increase at this time. We know that issues that nurses face, workload issues, need to be addressed. Mr. Speaker, we can address those issues.

I urge nurses, go back to work; go back to the bargaining table. We can address those issues, Mr. Speaker. We just can't pay \$9,000 a year for the nurses in the province at present.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. The government has money to fund two Health ministers and neither one of them seem to be doing anything so maybe we could use their salary to pay up on the nurses there.

Mr. Speaker, ordering electrical workers back, ordering nurses back to work, is this the Saskatchewan way that the Premier talks about? Is it the Premier of Saskatchewan's way to trample the right of workers? Is it the Premier's way to fine and jail any worker who dare disobey the Premier?

Mr. Premier, how come your government has ordered more workers back to work than the Ontario Conservative government of Mike Harris?

Hon. Ms. Atkinson: — You know, Mr. Speaker, when you become an elected member of the legislature and when you become a member of the government, we come to here . . . we come here with different points of view. We come here from trade union perspectives, from legal perspectives, from teaching perspectives, farming perspectives, small business perspectives, all of these perspectives, Mr. Speaker.

And when you come to this office you take an oath. And it's an

oath to the people of this province. It's not an oath to our special interest groups, it's not an oath even to our party.

Mr. Speaker, it is an oath to the people. It is an oath to the people who have democratically elected us to be here. It is our solemn oath that we are going to protect the public. We are going to make sure the public does not go without electricity in winter. That is a public safety issue, Mr. Speaker. And our oath to the public is to ensure public safety.

And, Mr. Speaker, I will uphold that oath any day of the week. We cannot afford \$9,000 a year. We'd like to; we want to; but we can't do it in this fiscal year, 1999.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. Yesterday the Minister of Health said she was concerned for people's safety as the reason for legislating nurses back to work. She said it again this morning, Mr. Speaker.

Also this morning the Premier said if the nurses defy his order he will throw them into jail.

Mr. Speaker, my question is to the Minister of Health. Madam Minister, if your Premier throws the nurses into jail what happens to your concern about the safety of people if the nurses are off the job because your Premier threw them all into jail?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, obviously the Liberals didn't have anybody attending the press conference because of some of the violations of the budget process, and so their Mr. Urbanoski wasn't there, so they don't have the details of the Premier's press conference.

What I can say to the public, Mr. Speaker, is this. We have a situation in the province of Saskatchewan, particularly in our big centres where people who are the most acutely ill are treated and cared for, where the few people who are out of scope who have nursing skills and the physicians and the emergency medical technicians, along with the nurses that have been provided by SUN for essential services, they can't continue to cope with the situation the way it is.

As I said earlier, our oath is to the people of this province. That is the oath that we took when we came to this legislature. And, Mr. Speaker, I'm urging the nurses, I am urging the nurses, please return to work; we can bargain your issues. We can bargain your issues but we cannot afford at this time to give you and pay you \$9,000 a year increase. We'd like to. We want to, but we can't.

Some Hon. Members: Hear, hear!

Premier's Involvement in Health Negotiations

Mr. McPherson: — Thank you, Mr. Speaker. Mr. Premier, I warned you of the implications of you getting involved in . . .

The Speaker: — Order. Order, order. Now the Chair is having a great deal of difficulty being able to hear the hon. member for

Wood River, and I'll ask for the co-operation of all members of the House.

Mr. McPherson: — Thank you for bringing them into control, Mr. Speaker.

The Speaker: — Now the hon. member knows — he's a veteran member — that it's highly improper to be commenting on the ruling of the Chair. And I'll ask him to just continue with his question.

Mr. McPherson: — Mr. Premier, for two days I've been warning you of the implications of you getting involved in the free and fair collective bargaining process which you thought was your political best move. You have now set a precedence. It's been warned that for every dispute from now on they're going to be calling you to the table and no one else because you're the boy that can make it all happen.

So tomorrow SEIU can go out on strike. They are saying, Mr. Premier, I want you at the table. Are you going to be there? Are you going to meet with them? Or are you going to legislate them back to work? Yes or no?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well, Mr. Speaker, what can you say to a question like that? Mr. Speaker, you know the ministers of the Crown try and get up and answer the questions. But I have to say, Mr. Speaker, that as a female member of this legislature I often find the behaviour of that member to be tasteless and bullying, Mr. Speaker.

Mr. Speaker, what I can say to the member is that I understand that SEIU, SEIU and the employer SAHO (Saskatchewan Association of Health Organizations) are continuing to bargain. And we are hopeful that they can arrive at a collective agreement that meets the needs of their members, meets the needs of their taxpayers, and meets the needs of the public.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member for Wood River from his seat shouts comments regarding the conduct of the Chair, and he knows that that's highly improper in this Assembly. And I'll ask him to withdraw his remark and apologize to the House.

Mr. McPherson: — I withdraw my comment, Mr. Speaker.

The Speaker: — The hon. member will recognize as well that the Chair requested him also to apologize to the House.

Mr. McPherson: — I apologize to the House, Mr. Speaker, for asking for another question.

The Speaker: — The hon. member will recognize of course that when the Chair requests an apology and a withdrawal of remark, that it's to be unqualified, and I'll ask the hon. member will provide an unqualified withdrawal and apology to the House.

Mr. McPherson: — I withdraw and apologize, Mr. Speaker.

Job Creation

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question this morning is for the Minister of Economic Development. Mr. Speaker, the first Friday of the month is usually a black day for those trying to find a job in Saskatchewan, and unfortunately this month is no different.

The March job figures were released this morning, Mr. Speaker, and once again they show the number of jobs in Saskatchewan has dropped like a stone. In March there were 2,100 fewer people working in Saskatchewan compared to one year ago. That compares to 56,000 more jobs in Alberta, over 8,000 in Manitoba, and even 10,000 more people working in Newfoundland over 1998.

Mr. Speaker, the government's economic policies continue to kill jobs and we saw no hope of relief in their budget. To the Minister of Economic Development: has it finally become obvious, Madam Minister, that your high tax policy is squeezing the economic life out of Saskatchewan and costing us jobs? What more proof do you need?

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. Mr. Speaker, I welcome this question. From 1992 to 1997 under the current tax regime, Saskatchewan led Canada in economic . . . (inaudible) . . . every other province.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Led . . . 1998 the economy began to slow down and people have been universal in telling the members opposite why. *Sask Trends Monitor*, low commodity prices — that's the only thing wrong with the Saskatchewan economy. And the other point made by the Canada West Foundation was this. Twenty years ago the level of commodity prices and oil prices would have meant a recession for Saskatchewan.

This economy is continuing to grow because of the work of our business and co-op leaders in diversifying our economy.

My final point is, we are like the business people of this province. We're optimistic about 1999. The Conference Board of Canada said Saskatchewan is going to grow in 1999 and grow faster than Alberta.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order. Why is the hon. member on her feet?

Ms. Lorje: — With permission, Mr. Speaker, for introduction of guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Lorje: — Thank you, Mr. Speaker and I thank all members of the House for indulging me and allowing me to introduce a very fine gentleman seated in the west gallery. Mr. Speaker, Mr. Al Gooding of Saskatoon has travelled down to observe the

proceedings today. He is a constituent of mine, a father of two very fine, very active young boys who are often in my office creating chaos and a delightful noise, and the husband of Jackie Nettleton, also a very fine woman in Saskatoon.

Mr. Speaker, I would ask all members of the Assembly to join me in a round of applause for a good and loyal friend, Mr. Al Gooding.

Hon. Members: Hear, hear!

The Speaker: — Why is the member from Prince Albert Carlton on his feet?

Mr. Kowalsky: — Thank you, Mr. Speaker. I also would like to introduce guests.

Leave granted.

Mr. Kowalsky: — Mr. Speaker, I just wanted to back the member from Saskatoon Southeast and welcome Al Gooding to the Assembly. I want to mention also that Saskatoon got such a good citizen simply because he was raised in my constituency, Mr. Speaker, in Prince Albert. Welcome, Al.

Hon. Members: Hear, hear!

The Speaker: — Why is the Associate Minister of Health on her feet?

Hon. Ms. Junor: — I'd also like leave to introduce a guest.

Leave granted.

Hon. Ms. Junor: — Thank you very much, Mr. Speaker. I'd like to introduce my daughter, who is up in the gallery, if she'd stand up. This is her first time at the Legislative Assembly and I'm sure she's enjoying the remarks of everyone. And she's a new resident in Regina and a new homeowner.

Hon. Members: Hear, hear!

Mr. Osika: — Thank you, Mr. Speaker. With leave to introduce a motion to debate a matter of urgent and pressing necessity.

The Speaker: — Under rule 46 . . . the Leader of the Third Party under rule 46 requests leave to introduce a motion of urgent and pressing necessity. I'll ask the Hon. Leader of the Third Party to very, very briefly outline the matter he wishes to bring to the attention of the Assembly to set aside the normal proceedings, and to very briefly advise the House of the motion he wishes to recommend.

MOTIONS UNDER RULE 46

Labour-Employer Relations with Saskatchewan Nurses

Mr. Osika: — Thank you, Mr. Speaker. I believe that in the interest of brevity as you've asked, that the motion itself if read into the record will indicate to the House the importance and the urgency of the need to debate this issue:

That this Assembly call upon the government to immediately restore a co-operative, positive environment for labour-employer relations for Saskatchewan nurses, which is today being destroyed as a result of NDP back-to-work legislation that is now seriously jeopardizing our health system by immediately dropping government business and allowing for leave to introduce second reading of the Liberal private member's Bill, The Resumption of Services (Nurses — SUN) Repeal Act.

Leave not granted.

Waiving of Penalties

Mr. Hillson: — Thank you, Mr. Speaker. I also wish to bring a motion before orders of the day pursuant to rule 46 and again by . . .

The Speaker: — Again I'll recognize the hon. member and advise him to very briefly outline the reasons he wishes to bring it and why it should set aside the orders of the day, and the motion which is introduced to give notice.

Mr. Hillson: — Thank you, Mr. Speaker. I think again if I read the motion that will explain both the import of the motion and the necessity of why orders of the day should be set aside to deal with this pressing matter:

That this Assembly call upon the government to immediately take steps to keep nurses in Saskatchewan and halt the severe personal harm being done to nurses by the heavy-handed, back-to-work legislation that is inflaming an already tense situation, which imposes fines of \$2,000 per nurse and \$400 thereafter per day for each day a nurse protests Saskatchewan's working conditions, and by immediately waiving those penalties now being unfairly imposed by the NDP government.

I so move, Mr. Speaker.

Leave not granted.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Kowalsky: — From a government that's open, accountable, and responsible, Mr. Speaker, I submit the answer to question 38, and request leave of the Assembly to submit the answer to questions 39, 40, and 41 simultaneously.

Leave granted.

The Speaker: — The answers are provided to item 1, question 38; item 2, question 39; item 3, question 40; and item 4, question 41.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Motions for Interim Supply

The Chair: — I will call to order the Committee of Finance to deal with interim supply. I will recognize the Minister of Finance and ask him to introduce his officials please.

Hon. Mr. Cline: — Yes, thank you, Mr. Deputy Speaker. I would like to introduce my officials.

Sitting to my immediate left is Bill Jones, who's the deputy minister of Finance. And beside him, to his left, is Mr. Len Rog, who is the assistant deputy minister in the revenue division.

And right behind me is Mr. Kirk McGregor, who is the assistant deputy minister of taxation and intergovernmental affairs. And to his left is Mr. Jim Marshall, who's the executive director of economic and fiscal policy at the Department of Finance. And to the right of Mr. McGregor is Mr. Glen Veikle, who is the assistant deputy minister of the Treasury Board branch.

And I think that's all the officials that are sitting on the actual floor of the Chamber. And there are some other officials at the back if we need further assistance, Mr. Deputy Speaker.

And now I would like to move resolution no. 1, and resolution no. 1 is:

That a sum not exceeding \$387.646 million be granted to Her Majesty on account for the twelve months ending March 31, 2000.

So I will submit that resolution to the Chair.

And I would like also to distribute some department summaries to members of the opposition for their information, and I'll send these over for my colleagues in the opposition.

And so I make that motion, Mr. Deputy Chair.

Mr. Gantefer: — Thank you very much, Mr. Deputy Speaker, and welcome to Mr. Jones and the other officials from the department. And thanks to the minister for receiving this interim supply summary. And as you can appreciate, it was just placed in my hands as I was . . . a moment to rise. So please excuse me if some of the questions are obvious on the information you've provided because it has not been an opportunity to review it in any depth.

Mr. Minister, I understand that what you're asking for is one-twelfth of the proposed budget. Is that allocated on a strict one-twelfth formula, or are there adjustments for special considerations in any of the departments?

Hon. Mr. Cline: — To answer the question specifically, Mr. Deputy Speaker, and I thank the member for the question. Aside from what are known as statutory amounts, in other words amounts of money that are allocated to various government departments and agencies by way of statute as opposed to through the estimates in the budget, but aside from that, basically what we are doing is allocating one-twelfth of what is proposed to be the budgeted amount in the estimates for each department and agency, without any variation from that other than what we see by way of statutory amounts.

And if I could . . . Having answered the question I think fairly

specifically but just to add to it, if I could ask for all members' indulgence, I just want to explain — and I think members will be aware so I'll try to be brief — that this process of interim supply is designed to enable the government and the agencies and third parties that rely on money from the government to carry out day-to-day business while the budget is being reviewed.

The end of the fiscal year has occurred — that was March 31 of 1999. No money is actually formally voted, if I can put it that way, through the budget until we get through the budgeting process. And we will go through several weeks or maybe even several months, for all I know, going over the estimates in the budget. And that's when the budget will be passed.

And when the budget is passed, that will give money to the departments and agencies. But in the meantime they don't have any money. And they ran out of money at the end of the fiscal year, which is March. So what we're trying to do is say that in the interim until the budget is passed, we will give the departments some money for their own purposes, plus it will enable them to give money to the third parties like foster parents and crisis intervention services and school lunch feeding programs for children and so on.

(1100)

And we need the approval of the Assembly to get that kind of funding to the foster care families and the children in need and various groups and individuals around the province who would suffer greatly if their payments were delayed.

And so what we're doing is basically doing what we've done in other years. And that is to say, while we're giving all members of the legislature, whether government or opposition, full opportunity to debate the *Estimates*, to ask questions about what we're doing and so on, in the interim we'd like to take one month, in effect, of the amount to be voted in the budget and as a interim measure get that money out to the departments and agencies that rely upon the money so that the business of the legislature does not hold them up from doing the important work they do on behalf of the people of the province.

Now to help all members of the House understand the numbers I've — as the member from the opposition correctly pointed out — I've just distributed the summary and he hasn't had an opportunity until just now to look at it. But basically what it does, is it sets out what they should get for the year and then it sets out what one-twelfth of that amount is.

And the Department of Finance, I guess — I think I'm anticipating what may be the next question — but we've been assured by the departments and agencies that they can manage within the figure of one-twelfth of their annual amount. So that's what we're proposing to do.

Mr. Gantefer: — Thank you, Mr. Minister. In addition to that . . . excuse me . . . I notice that the total of that one-twelfth of the amount to be voted is \$385 million. And there are some extra amounts under loans and advances that are required in some individual departments — as I read it almost two and a half million dollars. Are those special requirements of those individual departments?

Hon. Mr. Cline: — Yes. In addition to budgetary expense the \$2.3 million refers to loan programs. So that for example, in Agriculture and Food, we're to vote eighteen million four hundred dollars, which I think relates largely to the hog loan program but other loan programs as well, perhaps a few smaller ones in the Department of Agriculture. And so that they can carry out their business in the month of April, there's \$1.53 million; and so on for the other departments that would be providing some basically loan capital to people, it enables them to operate for one month.

And I would refer the member also to just the *Estimates* book at pages 130 and 131, and what that does is detail what these loans would be. And in particular I see for example for Agriculture and Food at page 130, there is \$400,000 to be voted this year for investment in Crown agricultural land held for resale; \$8 million for advances to the agri-food equity fund; and \$10 million for the short-term loan hog program; for a total of \$18.4 million. And then the amount shown, one-twelfth of that, would be voted for the month of April.

Mr. Gantefer: — Thank you, Minister. One of the issues that businesses always consider is the issue of cash flow. And when you made your remarks anticipating a question about will the one-twelfth be sufficient to meet the needs of the individual departments, I take it that that also addresses the issue of cash flow within the department. And it would seem to me that not all departments' expenditure profile would be an equal one-twelfth in any given month, that there would be weighted months that would require greater amounts and lesser amounts.

On the cash flow side, are the departments then able to move money within their department for individual programs so that their cash flow requirements are met?

Hon. Mr. Cline: — The answer is yes. A department can take the one-twelfth of their budget that they receive and if one priority is more important than another in that month, they can move money from one area to another within the department as long as they don't spend more than one-twelfth. And we're advised, as we were last year, that they can manage within that one-twelfth.

And I recall having the same conversation with the member last year. And these are very good and valid questions. And last year we did find that what we had indicated in this process was correct, that in fact they were able to manage with the interim supply that the legislature voted. And I'm advised by the departmental officials that the same is true this year, that the departments and agencies say that they can manage within the one-twelfth.

Mr. Gantefer: — Thank you, Minister. And I do appreciate that this is the second time we've had the pleasure of this conversation. It's about the third time that I've had the pleasure of it.

And I think part of the process is also important for the people that are watching and trying to understand how the finances of government work. So I think we have a responsibility to a broader audience as well. So I certainly don't consider it repetitious in the sense that you and I may understand this very well, but I think other people are very appreciative of the

opportunity to understand it.

On the expenditure side, some of my colleagues, I think, want to ask individual questions in their own respective critic areas about individual departments, so I'll stay away from that.

I'd like to turn, if I could as well, in picking up the theme of cash flow. The other side of the equation, of course, we're talking about expenditures. The other side of that equation is, of course, income. And I guess I would start off by asking, does the income stream move forward in pretty much a consistent basis of on a one-twelfth basis, and how does the overall cash flow — not looking at the individual departments but looking at the bigger picture, the General Revenue Fund — how does that translate in terms of a steady flow?

Hon. Mr. Cline: — Well I want to say first of all, Mr. Deputy Speaker, that I respect what the member is saying about the need to go over some of these questions that we've gone over before. And I think the member is right — that it's good to go through the process and have a dialogue with all the people in the province that are watching and may be interested.

I didn't mean to suggest that the member's questions are unduly repetitive just because they were asked last year, because I think the member is correct. We should have this discussion and make sure that we're accountable in the sense that the procedure we're following is the correct procedure. And sometimes it can be improved, and the member may have some suggestions for improvement, and I would welcome them because we can always do things better.

To answer the question specifically, I'm advised by the officials that generally speaking we do get approximately one-twelfth of our revenue on a monthly basis throughout the year but not the same amount each and every month, and that we receive our instalments from the federal government, the provincial income tax and other federal payments that come back are in several instalments throughout the year. But generally speaking we receive roughly one-twelfth of our revenue each and every month throughout the year.

Mr. Gantefer: — Minister, issues like personal income tax and things of that nature that essentially get filed once a year, what is the relationship with the federal government? I believe, of course, that the money is filed and processed through the federal government and then the money rebated, the provincial share of the income tax process would be rebated. Is that a pretty lump sum amount that comes in once a year because of the nature of the requirement of filing tax on an annual basis rather than on a monthly basis?

Hon. Mr. Cline: — I would answer the question this way. That what the federal government does is not so much to look at the income tax that is now being completed for 1998 for example, they will throughout 1998 estimate what they think may be received from the people of the province who pay income tax throughout the year. And they, on the basis of that estimate, will send us a certain amount in instalments throughout the year. But they don't really know what the amount of personal income tax or corporate income tax that may be paid will be, but they try to guess that, I guess, or estimate, is a better word.

And then in the next year they will do the same thing. But at the same time, when they actually know how much provincial income tax has been paid in the year, they will on an ongoing basis adjust what they pay us. But they will not wait until they actually know what we're paying, to pay us. They'll try to estimate it and then they will make adjustments on a year-to-year basis as time goes on.

And I think what you see sometimes is a year or two after the fact, after the actual year, you'll see them adjusting what we received for personal income tax or corporate income tax, and it has nothing to do with what's actually happening in that current year. They'll be making an adjustment for what may have happened a year or two ago.

But that's what they try to do. They make an estimate sort of going into the year. And throughout the year on the basis of that estimate they will give you a certain amount of what they think you will be collecting in that current year. But they will also add to that or subtract from it if they find out that their estimate for previous years was incorrect.

Mr. Gantefer: — Thank you, Minister. And I know this isn't Finance estimates but last year you undertook to give us a pretty detailed breakdown of your estimated income side, things on the small-business income tax, the corporate tax, and a breakdown in more detail than what is shown in the *Estimate* books. Would it be possible to ask for that breakdown again for the past year and for the year under review?

Hon. Mr. Cline: — Yes, certainly, Mr. Deputy Speaker. I don't have that here with me today but we'll undertake to produce that for the member, and to provide that to the member.

Mr. Gantefer: — Thank you very much. And when we look at the income side, would we be able to look at other sources of revenue, for example the Liquor and Gaming? And I recognize in the general revenue side the amount that you move into the General Revenue Fund is a decision in terms of what you want to transfer out of Liquor and Gaming fund if you like. Would you also be able to break down some of those numbers for us?

Hon. Mr. Cline: — I'd like to say, Mr. Deputy Speaker, that any information, you know, within reason that can be produced, should be produced and provided to the member.

And I do want to point out that on page 66 of the *Budget Address* book there is an estimate for all of the sources of revenue for the province broken down. And I won't read it all, but it's quite a long, lengthy list of everywhere that the revenue is expected to come from.

And it estimates what we expect to receive from each type of tax: corporation capital tax, corporation income tax, fuel tax, individual income tax, sales tax, and so on. And then it shows what we got last year from that tax and also what we estimated a year ago. So those numbers are there.

With respect to the Liquor and Gaming Authority dividend, there is a background or paper that came out with the budget that breaks down the Liquor and Gaming income into liquor operations, video lottery terminal funding, and the Saskatchewan Indian Gaming Authority. So in other words

liquor, VLTs (video lottery terminal), and casino money. And it shows what is estimated to be received this year, what we actually received last year, the present forecast, which will of course be finalized when the *Public Accounts* are provided in August or September of this year, and what we budgeted last year.

(1115)

So the numbers are pretty much set out in the budget and in some of the background information. However there may be some additional detail that is required by the member. And any detail with respect to any of these sources of revenue that is not here that the member needs to have, I'd be happy to undertake upon a question about which detail is required, to get that information, and to provide it to the member.

Mr. Gantefer: — Thank you very much, Minister. Certainly we have no philosophical opposition to the needs of government functioning on an ongoing basis, and one-twelfth is certainly very appropriate.

I guess a concern — we're into April 9 already and this would be funds that would be required as of April 1, given that the operating year end is March 31. Is there any concern or is it repetitive in nature that you may have to, within two and a half weeks or so, have to come back for another one-twelfth for the month of May?

Hon. Mr. Cline: — Well that's certainly a possibility. It will be determined by the House Leader from the government in co-operation with your party's House Leader and the House Leader from the Liberal Party and also the independent members. I would say that last year for example we were doing the first Appropriation Bill on April 6, so we were through, I guess, three days ahead of today, and then the second was April 28.

So if we get toward the end of April and the budget is not passed, which would not be unusual, or the estimates are not passed, then we will probably be coming back for a second Appropriation Bill to make sure that we have funds for May and perhaps June for the organizations.

And as the member knows, traditionally what we do in the first Appropriation Bill is agree to allocate one-twelfth of the money on an interim basis. And the second Appropriation Bill, which normally I see here in other years has come on April 28, April 29, or May 2, or April 30 in past years, I think if we get to the end of the month and we haven't passed the estimates, then we will again be asking the legislature to allocate probably another two-twelfths, as has traditionally been done.

And I would imagine, subject to the agreement of all of our House leaders and the independent members of the legislature, that in the normal course of events would be what we would be asking.

Mr. Gantefer: — Thank you very much. Thank you, Minister. On the general tone that . . . with that information you've undertaken to provide supplies me with the information I need. I now defer to my colleagues with some specific answer to question.

Mr. Krawetz: — Thank you very much, Mr. Chairman, and Mr. Minister. Welcome to your officials as well. A few questions this morning, Mr. Minister, on the two areas of both education K to 12 and post-secondary area as well.

You've mentioned, Mr. Minister, I believe you've mentioned it last year as well and I know in education estimates last year with the now Health minister but former Education minister, we raised the issue on behalf . . . or I raised the issue on behalf of boards of education as to a way of improving the situation that we're in right now.

And I'm just going to indicate to anyone who is watching right now, the process that boards of education do undertake, and the government's fiscal year of course beginning as you've indicated on April 1.

Boards of education find that already in the month of April they're four-tenths of the way through their expenses for the calendar year. And that's the difference, Mr. Minister.

As I indicated to you last year, boards of education operate on the calendar year, and the government operates on the fiscal year April 1 to March 31. And what has been happening, Mr. Minister, as you're well aware of, is that many boards of education are in a position of not having large surpluses to rely on, on the fact that they could use surplus money to operate. They are in fact overdrawn at their financial institutions.

So as a result of having had to pay January expenses, and March and April and very soon May expenses, they're four-tenths, because of course not a large amount of expenses in the months of July and August. And they've had to spend 40 per cent of their revenue. And when we look at ways of improving, Mr. Minister — and I know your response last year was, well we can look at that, and I think the Minister of Education said we can look at that as well — is there a process that we can alleviate the financial burden on boards of education?

Because we're looking at a one-twelfth expenditure. I'm sure that the Department of Education is going to be transferring one-twelfth. And that one-twelfth is actually making up for the expenses of January. And they're still going to be behind significantly.

Has your department or has your department in co-operation with the Department of Education made any progress in trying to alleviate the financial pressure on boards of education?

Hon. Mr. Cline: — The answer to the member's question, Mr. Chair, is yes. We have taken steps to resolve the issue raised by the member. And I want to compliment the member, because I do recall last year that the member raised this same issue. And partly as a result of the member's intervention — but there was also other concern, but certainly the member deserves some credit — we were able to come up with the solution to this, which is an interim solution. Perhaps we would want to have a legislative change.

But what we did was this. Basically the member is correct that because the school year, the fiscal year of the school starts in January but we don't start paying them the foundation operating

grant until April, they're relying on a line of credit and therefore paying interest because they don't have the money from us. And that is still the case.

But what we do . . . what we did last year and what we will do again this year is that when we get into the April, May, and June period, we will accelerate some of the money that we give them, so that we will pay them two-twelfths of the foundation operating grant in April and four-twelfths in mid-May. So that if you can follow this reasoning, by the time they're four and a half months into their fiscal year, they will have received at least six months of their operating grant money. So that they get some of their money early and thereby are able to take advantage of some interest they could get on some of that money plus have some interest savings at that time. The objective is that they come out of it even. In other words, they lose a little bit, yes, in January to March because they're borrowing money and paying interest, but then they gain in April, May because we give them some of their money early.

And I think that, and I'm told, that this will save the school boards and be a cost to the province, if you will, about \$800,000 a year in interest costs. Now I'm not sure that this is a final solution in the sense that if there were changes to the legislation to incorporate this, then we wouldn't have to use this system. But until there's legislative change, we are thinking that we will use this system to try to, in effect, pay them back the interest that they pay at the beginning of the fiscal year.

And I'm sorry that that's slightly complex by necessity, but I've tried to express it in relatively easy to follow terms and again, I do thank the member for raising it. I undertook to try to deal with it and with the then minister of Education, we were able to come up with this solution.

Mr. Krawetz: — Thank you very much, Mr. Minister. I appreciate that comment because even though it is a complex situation, I'm sure boards of education and the administrators and directors of boards of education will understand your comments very well.

And if indeed that type of process is going to be put in place that will result in interest savings to boards of education, they will be appreciative of that because, as you are aware, Mr. Minister, education dollars are very, very tight and when we start to look at being able to reduce costs that are not in the control of the board of education, they're in, in your control and the Department of Education. I thank you for that. And I'm sure boards of education will appreciate that very much.

Mr. Minister, one other area in the K to 12 funding, of course, deals with capital expenditures. The minister, the current Minister of Education, indicated that — I think about two weeks ago — that the request for capital projects in Saskatchewan is, you know, unbelievable in terms of the numbers and the amount of dollars required to satisfy those requests. There isn't enough money in the education capital budget to satisfy them. And there maybe isn't even enough money in the entire process of capital . . . in government to satisfy that.

He also indicated at that time, I think, that six major projects were probably going to be awarded this year and about a

hundred what he referred to as minor projects that will be dealt with. So a significant number of projects. And I guess when we look at a one-twelfth allocation which will include of course one-twelfth for capital, and being that the capital budget for K to 12 education is only \$24 million, that's not a significant amount.

And I know boards of education have lobbied your department, Mr. Minister, and the Department of Education, for years now to be up front with their allocations and their . . . sorry, not allocations but their announcements of capital projects so they can get engineers put in place and the architects put in place and get busy, get busy now.

Will the one-twelfth funding restrict the capital announcements from the facilities department? Or will there be a process in place that will allow all of the announcements to take place, and is this a sufficient amount of funding for those capital projects?

Hon. Mr. Cline: — Well I think there's two questions there. One is with respect to the process and whether they can proceed to do what they need to do to get ready with the one-twelfth. And then the second part of the question is, is the \$24 million in capital money sufficient. Maybe the member wasn't asking the second question.

But if he's more interested in whether the process, the one-twelfth, is sufficient, we're advised by the Department of Education that yes, it is sufficient; that the capital projects will not depend upon all of the money for the capital projects being made available to those school boards that are undertaking them all at one time as long as they have the approval through the process whereby they prioritize the projects and decide which they're going to do.

If the school board has the approval for that project, the school board will proceed to hire the, you know, consultants and architects and engineers or contractors, whoever is required to go ahead with it. They won't need to have 100 per cent of the funding to pay for it in order to proceed. The Department of Education says that if they get the one-twelfth allocation to them, they can work with the school boards to have those projects that should proceed go ahead. And as the member says, I think there's roughly somewhat over a hundred of them — a smaller number of them being major — and as the member says, I think about a hundred of them being more of a . . . under a hundred thousand dollar type of price range.

Mr. Krawetz: — Thank you, Mr. Minister. You alluded to a second part of my question. And I think you agree — and I wasn't asking for you to confirm what the Education ministers have said — because the Education minister has said very clearly that 24.2 million isn't enough for capital. And I mean, I know you agree with that, and we have to move in that area very quickly because when we look at the fact that your government was spending 70 million on capital — both capital and interest — back in 1991-92 and 60-some million in '92-93, that's not sufficient when we look at an overall budget of both interest and capital being only 30 million this year.

So the other question though — and I think you've clarified it too somewhat, Mr. Minister, is — my question was regarding whether or not the one-twelfth is a sufficient amount to

announce all of the capital projects now or indeed will they have to delay some of the capital projects into the summer?

Hon. Mr. Cline: — Yes, well my answer is that the one-twelfth — and if there's a second appropriation Bill, another two-twelfths, whatever — will be sufficient to allow the Department of Education to do what they normally do. They can go through the process of prioritization. I frankly don't know where they're at in that process; that would be a detailed question for the Minister of Education, although I'd be happy to undertake to get more information for the member.

But the long and the short of it is they go through the process, they can proceed, and the one-twelfth appropriation will not prevent them from proceeding in the normal way that they proceed each and every year. And that's what we want them to do.

(1130)

Mr. Krawetz: — Thank you very much, Mr. Minister, just a couple short questions in the area of post-secondary education, if we could turn to that, Mr. Minister. You've indicated of course, that one-twelfth of the amount necessary in all of post-secondary is going to be allocated.

When we look at post-secondary of course, we're talking about the universities, and we're talking about regional colleges, SIAST (Saskatchewan Institute of Applied Science and Technology), and a number of issues. Some have received additional funding by way of the budget, some have not. And we have seen now reports of course from the university of Saskatoon . . . Saskatchewan, the University of Regina, whereby tuition fees are expected to increase significantly.

With the allocation of one-twelfth, Mr. Minister, what kind of process do you see happening or occurring at the university levels; and I guess at the SIAST level as well, even though the SIAST amount of funding has been increased by about \$4 million. But when we look at the University of Regina, just as one specific example, we only see an increase over . . . an annual increase of only about \$600,000 in operating for the entire University of Regina operating expenses.

How do you expect the university to be able to cope now as well with the fact that they are only are going to be getting a one-twelfth allocation of expenses?

Hon. Mr. Cline: — Mr. Deputy Speaker, I appreciate the way in which the member has put the question because I think it reminds us of something we need to remind ourselves of, and that is when we're talking about post-secondary education, I find quite often — not the member, because his question refers to SIAST and the regional colleges and so on — but I find quite often in the public or the media, they're only focusing on universities, the University of Saskatchewan and the University of Regina.

And that's just part of post-secondary education as the member knows in this sense. But I know that when I graduated from high school, I believe that about 15 to 20 per cent of the graduating class attended university, mostly at the University of Saskatchewan. And that tells me, obviously, and I think about

20 per cent of our population gets a university degree, but 80 per cent of the people do not. But they are going to need to be trained and educated and get jobs, work, and support their families also.

And they get their training through the SIAST, the regional colleges, the apprenticeship, the JobStart, and Future Skills. And the reason I like the way the member put the question is he's referring to the whole system and not just the universities. And please, no one should misunderstand me. The universities are important parts, very vital parts of the post-secondary education system, but so are SIAST and the regional colleges, the apprenticeship programs, and so on, that serve all of the people that need to be trained.

Having said that, in answer to the member's question, I'd like to say last year the SIAST and regional colleges did not get very large increases at all in last year's budget. The universities at that time got a 5 per cent increase to operating, and I believe a very, very large increase in capital.

Now it is true that this year the universities are getting a smaller increase in operating but they're still getting a large commitment on the capital side, and SIAST and the regional colleges are getting a larger increase. And there has been some complaint about that, but last year the situation was reversed. The universities got more and SIAST and the regional colleges got less. So we have to try to support all of these institutions as best we can with the funds we have available.

In answer to the member's specific question, will the one-twelfth allocation to post-secondary institutions enable them to deal with their tuition situation, the one-twelfth allocation will not speak directly to that issue one way or the other. They will be looking at the total allocation of money that they will receive and then making a decision as to what they need to do on the tuition side. If we allocate the one-twelfth to post-secondary education today, that will not impact, I would suggest, one way or the other what the institutions would do on tuition, although I will concede to the member that certainly the amount of the operating grant may.

Having said that, we have to remember that last year when the universities received the 5 per cent increase they still found it necessary in the case of the University of Saskatchewan to increase tuition by, I think, about 6.9 per cent; in the case of the University of Regina, about 2 per cent.

What I'd like to do quite frankly is to, you know, have some discussion with the universities about the level of tuition fee increases that they need to have going into the future, and I hope that it's not too much.

There has to be some discussion and dialogue, I think, at the level of the board of governors of the two institutions and perhaps between the institutions and the Post-Secondary Education department as to what their ongoing needs are. And we have to be cognizant of the tuition fee situation. At the same time we have to recognize that just because we give an increase, it does not necessarily mean no tuition fee increase because we don't directly control that process.

Mr. Krawetz: — Thank you, Mr. Minister. You know you've

raised a lot of concerns and I know we'll be dealing with them in the estimates in Post-Secondary. And I'm not going to get into all those kinds of things right now because there are a number of questions that have to be asked regarding the whole process. I mean, we're looking at an 8 per cent suggestion for tuition fees across the universities. That is a huge increase and I think we're starting to see the backlash from students.

One question yet, Mr. Minister, and that is in the area of also . . . I think all students, as you've indicated — not the 25 per cent only that go to universities, but those who attend regional colleges and SIAST, etc., rely on student aid . . . the student assistance fund. And this year in your budget, Mr. Minister, you've indicated that that amount of money that's going to be spent on student financial aid is being reduced by \$1 million, the amount from last year to this year.

And when we look at a one-twelfth expenditure, I wonder, you know, for your Appropriation Bill, Mr. Minister, two questions. One, how will students who require additional funding . . . probably because of projected 8 per cent rate increases in tuition fees and cost of living increasing, etc., students will require more money. We know that there are students right now who are not accessing the student aid because of limitations on family income, and there needs to be a broadening of that program. I think the Minister of Post-Secondary Education has alluded to that already.

And on the other side, your government has chosen to reduce the aid to students by \$1 million. How does that all tie together with the fact that now also you're asking for only a one-twelfth allocation of expenditures for a year in which the old expenditures in the student aid are much higher?

Hon. Mr. Cline: — Well I want to say to the member, Mr. Deputy Speaker, that when you're dealing with the issues of student aid you can't simply look at the estimates that are coming from the General Revenue Fund, because there is another fund which is the Student Aid Fund, which is outside of the General Revenue Fund in the sense that there is a fund of money sitting there to provide student support. And I will get the member the exact numbers.

But I had a conversation just as a matter of fact with the deputy minister of Post-Secondary Education yesterday. And in fact he pointed out to me that we will be this year putting considerably more money into student support programs than we did last year. I don't recall the exact amount but I believe it was in the range of something approaching 8, 9, \$10 million more into student aid.

And the reason that that is not reflected in the estimates is because more money will be drawn down from the Student Aid Fund to give to students than perhaps was the case last year, and less money from the General Revenue Fund. But the point is the total amount of money that will go to students will be considerably higher this year than last year, and that's why in the budget speech I referred to more support for students.

And there are two specific areas that we've been concentrating on last year and this year. The first is students who have dependants — they may be spouses; they may be children. But the amount of living allowance that those people receive has

gone up.

And the second thing that we've done last year and this year is to look at students on the basis of need. And if they are needy in the sense that their expenses are higher and their income is lower, we increase the amount of money they get by way of bursary. And if my memory serves me correctly, I believe there can be bursaries of up to \$3,500 for 6,000 students — something like that.

And we want to keep building on that. Next year as I understand it, the federal government's millennium scholarship money is also becoming available, and we may be able to build on that some more.

But the simple answer to the question is, although the estimates show that out of the General Revenue Fund may be somewhat less money going to student aid, overall relying on the Student Aid Fund which exists, more money will be going into student loans and student support.

And I might also indicate that I was advised by the deputy minister of Post-Secondary Education yesterday that the Saskatchewan program for support to students he thought was second to none in the country; that we were providing as good a program as anywhere else in the country and better than most. That's the information I have.

Mr. Krawetz: — Thank you, Mr. Minister. I think you've indicated some areas that we need to explore with the Minister of Post-Secondary Education. If indeed the *Estimates* are not a complete document, we will have to have much more information from the Minister of Post-Secondary Education, and as I indicated earlier, from the Minister of K to 12 Education.

With that, I'd like to thank you for answering the questions that I have posed to you this morning. Thank you.

Mr. Hillson: — Thank you, Mr. Chairman. Good morning to the minister and his officials.

And I note that as we moved into the budget the issue arose as to whether we would continue to link our income tax rates to the federal government. Of course the province of Quebec has an independent income tax, and now Alberta and possibly other provinces are moving in that direction.

I note that the minister gave an indication that Saskatchewan was considering that. And if I may in preface to the minister say that there is nothing necessarily wrong with us having an independent income tax Act and formulation, that would not simply be a marginal rate for the federal tax.

But I have to ask the Minister of Finance if one of his concerns is that under the present system, when the federal government reduces its income tax, the Saskatchewan tax has automatically and unilaterally also been lowered, as happened in February. We hear that the federal government is committed to long-range reductions in income tax.

Is the Minister of Finance's concern here that Ottawa is embarked on lowering the federal income tax and he wants to

make sure that Saskatchewan taxpayers don't receive a benefit therefrom and that that is why he is looking at de-linkage.

Hon. Mr. Cline: — No. In a word, no. That is not our concern. It never has been our concern and it isn't the concern of any other province in Canada.

For the information of the member, the idea of de-linking the provincial income tax system from the federal income tax system is something that all of the provinces have been working on for several years, I think going back probably to the mid 1980s.

And in December of 1997, the provinces received permission from Paul Martin, the federal Finance minister, and the federal government to de-link their tax systems from Ottawa as early as the year 2001.

And as the member has correctly pointed out, the province of Alberta has already announced that they are going to do that in the year 2002. And I understand that some other provinces have expressed an interest in doing this as well, particularly the western provinces. And our province is no exception.

I have expressed an interest and our government has expressed an interest in de-linking our system from the federal system. Not in the same way that Quebec has done, because Quebec has set up their own . . . they've always had their own, I think, administration of income tax; we do not want that. So that there's no misunderstanding, we want Revenue Canada to still administer the income tax system and collect taxes on behalf of Saskatchewan residents.

If the federal government reduces income taxation, as they did in the recent federal budget, we welcome that. We think that as the fiscal situation not only of Saskatchewan but Canada improves, to have some income tax relief for Canadians, and in particular middle-income Canadians, is welcome. And I have made that statement on several occasions.

We have no objection whatsoever to the recent tax reduction from the federal government which also results in a tax reduction at the provincial level. That is not our concern and we would not be talking about de-linking out of that concern because we really haven't been concerned about it. We have welcomed it.

Our concern is along other lines and in particular that we have had to buy into, if you will, a very complex income tax system which is designed for all of Canada which has meant that . . . and not just Saskatchewan but every province in order to have the kind of taxation system they think is fair and reasonable for their particular province, each province has had to have an array of tax, complicated tax reductions scenarios — and anybody filling out their income tax form will know what I'm talking about — and a complex system of surtaxes.

(1145)

The reason we have those things in Canada, whether Saskatchewan, Manitoba, Alberta, British Columbia, or any other province, other than Quebec which has their own system, is because we're required to do things in that way by Ottawa

pursuant to the agreement we have with Ottawa. And we value, I should say, a co-operative relationship with the federal government. And I think the federal government is being co-operative with the provinces in the sense of saying we can allow you to go to a simpler system.

The reason we would want to go to a tax-on-income system as opposed to a tax on federal tax system which we have now, is because it could be simpler, easier for people to understand. We think perhaps it could be fairer. And I have said publicly this week to the chamber of commerce in Saskatoon when I spoke to them on Wednesday I believe it was, that we also believe that if we reformed our income tax system to go to a tax-on-income system, we would probably have to couple that with a tax reduction.

Because the experience in other jurisdictions, including the proposal in Alberta, is that you have to save some flexibility to cut taxes when you're de-link and bring in a new system so that you can ensure that everybody gets some kind of benefit from the new tax system.

That would also be the objective of this government. We have no intention whatsoever and no desire to go to a new system that will increase taxes for people. We want to decrease taxes. But we also believe that if we de-linked from Ottawa, we could have a simpler and fairer tax system. That is the objective.

So I thank the member for the question and I hope I have clearly set out the objectives that we have in this regard.

Mr. Hillson: — Yes, Mr. Chairman. I was somewhat reassured to hear those answers. So you are saying then very clearly that it is not the intention of Saskatchewan to set up its own bureaucracy to administer income tax collection. I want to confirm that.

And the other thing is: would you also then confirm that as the federal government reduces income tax, that there will be commensurate reductions of the provincial level?

Hon. Mr. Cline: — Yes, very briefly. We are supportive of the notion that the federal government should be collecting the tax, as it is now. We have absolutely no interest whatsoever in setting up a new provincial agency or bureaucracy to collect income tax. We want that to continue to be done at the federal level and with that we are in agreement with what the federal government also wants. They want to simplify things by trying to help one administration to collect not only the income tax but I think they're interested in expanding that, and conceptually we have no problem with that subject to agreement on any details but to answer the question this way, we are not interested in increasing the provincial bureaucracy or the civil service to collect income tax. We want to work co-operatively with the federal government as we have done, I guess, for several decades.

Mr. Hillson: — Mr. Chairman, I'm also pleased to hear the point about simplifying income tax and, of course, we got into the graduated income tax on the theory that it would be socially more fair. Now we've ended up with a system that is not only complicated, but some economists argue it isn't even particularly fair.

It strikes me that one of the reasons we've gotten into this is that we use income tax for social purposes as well as for the obvious purpose of raising revenue for the government. I mean, the first purpose of income tax is to . . . to have all citizens contribute according to, or commensurate with their income.

But there's a secondary purpose and that is that we have used the Income Tax Act to encourage various good measures whether it is movie production, or donation to a favourite charity, or whatever.

Is the Minister saying that we ought to be moving away from using income tax for social purposes as opposed to revenue collection?

Hon. Mr. Cline: — No, I'm not saying that. I think that any taxation system, whether it's a sales tax, income tax, or otherwise, will have the purpose of collecting revenue for the needs of the people of the province — whether it's health, education, highways, or whatever. And at the same time, any taxation system should be designed with several issues in mind: one of them being social policy; one of them being fairness; one of them being competitiveness; one of them being economic development and so on.

And there are an array of issues that have to be considered when we're developing our taxation policy and I don't think that will ever cease to be the case. I think that's always been the case and I think it always will be the case. You can't make decisions about taxation without trying to take into account all of the impacts that that may have on society, on the ability of society to have an education system, an health care system, a highways system, or to achieve any of the other objectives that the member is referring to.

Mr. Hillson: — On budget day, I submitted a written question asking if the government could provide any information on the effects of cross-border shopping on this province. And of course the answer came back that no, we've done no work in that area. So I have to ask the Minister if not, why not? And will he consider undertaking that?

And of course the government has said that now moving the provincial sales tax to 6 per cent makes us actually among the lowest, if not the lowest, of all the sales taxes in the country.

Coming from the western side of the province I appreciate that. But of course the difficulty is that we live next door to a tax-free province. And for businesses, especially in the western strip of the province, this is a tremendous problem.

I have to concede, Mr. Chairman, that if Saskatchewan was located anywhere else in the country, a 6 per cent sales tax wouldn't look too bad. But pending a move of the province to some other locale, the reality is we're here and we live next door to a tax-free jurisdiction and that is putting enormous pressure as you know on small business especially.

So I have to come back to it and ask the Minister: why have we not done some work to see what is the net impact? I also want to know not only what we are losing in shopping revenue — retail revenue — but I also want to know if it might be that we have fewer people leaving the province to make their purchases

as a result of the three point reduction in the sales tax.

If I may in that regard, Mr. Chairman, note that when we had the two point reduction in the sales tax, there was the forecast of I believe \$160 million of revenue that would be lost to the provincial government. That was the forecast in the budget. When the year ended in fact we had lost about half of that. We did far better on revenue from provincial sales tax than what we had forecast.

Now there's one of two possible explanations. The one would be that we had a good retail sales year and so an increase in retail sales accounted for the additional revenue. But there's another possible or related explanation and that is that in the western part of the province we simply had more people who were no longer taking the drive of an hour or two into Alberta and so all that really happened is more of our people were staying home.

And I want to know if the government has done any work on that; or if the answer's no, if they would undertake some studies on that to see the economic impact of cross-border shopping.

Hon. Mr. Cline: — Well, Mr. Deputy Speaker, I thank the member for his comments and there are various questions in there.

Part of the difficulty I guess, and it certainly is not any attempt to evade the question of the member, but I acknowledge the member did ask, for example, what would be the amount of money that people would spend buying their fuel in another province?

And the difficulty is, you could spend more money sort of monitoring people going, coming back across the border from Alberta or Manitoba or wherever they are and how much gas they bought while they were in another province than it would be worth in the sense that we're not going to start stopping vehicles and asking them how much fuel they bought in another province or how many goods they bought in another province and so on just because (a) it wouldn't be welcome I think by the residents of the province, and (b) it wouldn't be a very good way to spend our money.

So not to evade the question, but I'm saying to the member I don't think we should be hiring people to keep track of how much gas and how many goods people are buying in other provinces.

But I'd like to go on and say to the member this isn't just a one-way street. And if you go to the city of Yorkton for example, where I sometimes go and I'm sure the member goes there on occasion too, you will see at the Superstore in Yorkton or at the mall at Yorkton many cars from eastern Manitoba, people that live in smaller communities in Manitoba that come into Saskatchewan to shop.

And so that you lose some revenue I suppose when people are driving in other provinces and purchasing goods in other provinces as they will and as they should, because this a free country where we visit our friends and relatives in other provinces and they visit us, and it will always be that way and so it should.

And our people will go shopping because, unlike me, some people do enjoy the activity of shopping and think that's actually an enjoyable activity, which I don't. They'll do it in other provinces and they'll do it in Saskatchewan. But where we lose in some ways, I think we gain in others.

Now to move on to another aspect of the question, the member alluded to the fact that our sales tax is now the lowest of any province with a sales tax — of course Alberta has none, although they have health care premiums — and it is the lowest sales tax. But more significantly I think it is a sales tax in Saskatchewan on the narrowest range of goods.

When we had . . . Well I'll just put it this way. Manitoba has I think now a 7 per cent sales tax, but it is on many, many goods. And the average amount of money that the average person will spend in Manitoba in a year in sales tax will be somewhat higher — the material actually is in the budget book — on sales tax than a resident of Saskatchewan will because they charge sales tax on many things that we don't.

For example if you were a two-income family in Winnipeg earning \$50,000 a year with two people working and you had two children, in Winnipeg it is estimated that your retail sales tax would be \$886 — that's what the average family might pay. In Saskatoon that would be \$613.

But to go on to the next aspect of the member's question, the answer to the question whether the reduction in sales tax is totally responsible for an increase in retail sales is a very complex answer. And when you talk to the economists of which I think we have some very good ones that work in the Department of Finance, and the reason I think they're fairly good is consistently when they've told us what they think is going to happen, they've turned out to be fairly accurate. They do a good job.

But they tell me, and I accept their advice and others outside the government have told me, that the level of retail sales depends on many, many factors, including just how the economy is doing for a variety of reasons. And a retail sales tax cut is certainly a positive factor which will encourage people to buy more but it's not the only factor. Now having said that, it's my hope and I know it's the member's hope, that the reduction of the tax will encourage economic activity, retail sales, and so on. And that that will have a positive impact in the economy.

To quantify that is very, very difficult not just for me, but actually for anybody because I'm not sure that there's anybody in the province who can come forward and say that a cut in the retail sales tax will mean X dollars more retail sales and X per cent more in terms of economic activity. Personally, my opinion is that things like farm commodity prices and oil prices will have a much bigger impact in the sense that what we really need right now, or as soon as we can in Saskatchewan, is higher oil prices, higher grain prices, higher beef prices, higher hog prices, and so on. That's what we need; that's what we're all hoping for.

The sales tax cut, don't misunderstand me, I think it's positive, I think it's good, I think it will help. But I think we need a lot more other things to happen as well.

The Chair: — Order, order. Before we proceed I just want to caution the members — I don't want to restrict the questioning in any way — the members and the minister, that we seem to be pushing the borders of interim supply here to the limit. And I must remind you we are in interim supply, and estimates will be along later where you can get into the detail a little better. So I just remind members of that.

(1200)

Mr. Hillson: — Well, Mr. Deputy Speaker, I would like to push the borders maybe to Medicine Hat. However, Mr. Deputy Speaker, I'd just like then to thank the minister for his answers. I'd like to say that I'm very much aware that Yorkton being on the eastern . . . near the eastern border, is of anything a benefit to that community, and I'm glad for them. I know that being near the border is no detriment to Yorkton's growth whatsoever.

However the sad and tragic fact is that being near the western border of our province is frankly a detriment to business and investment. And on behalf of my constituents, in the most non-partisan of spirit, I want to say thank you for getting the sales tax down those three points. I think that has had a beneficial effect and my constituents are grateful for it.

However, that said, there are too many of my constituents who are now doing the mental arithmetic of what costs here versus there. And as I say, maybe if we were located some other place in Canada, it wouldn't be as much of a problem. But we're located where we are and we have the neighbours we have, and the developments we see going on in Alberta now are causing many, many people, especially in western Saskatchewan, to do some thinking that is not beneficial to our growth and development and people staying home and shopping here.

So I just ask you to stay on top of the fact that there are some special challenges for those of us who live in the western part of our province. Thank you.

Hon. Mr. Cline: — Mr. Deputy Speaker, I thank the member for his questions and I would just say that I think that what we're doing is good in terms of the west side of the province in this sense, that we've reduced the sales tax from 9 per cent to 6 per cent. The member has acknowledged that that makes a difference; and on the income tax side we are undertaking a review and we have some plans that I've discussed with the members. So those are very positive developments, I think. I think there's some solace there for the member.

And beyond that, I would just say that when you look at Saskatchewan as a place to live and all of the taxes and all of the living costs — I won't go into all the details, although they are at pages 48 and 49 of the budget booklet; they're set out there — Saskatchewan still remains a very, very good place to live and very competitive with respect to most places in the country.

Motion agreed to.

Hon. Mr. Cline: — Yes, thank you, Mr. Deputy Speaker. I move resolution no. 2:

That towards making good the supply granted to Her Majesty on account of certain charges and expenses of the public service for the fiscal year ending March 31, 2000, the sum of \$387.646 million be granted out of the General Revenue Fund.

And if I can just say, before you call the vote on that resolution, Mr. Deputy Speaker, I'd like to thank the members opposite for their questions and their co-operation with respect to the interim supply. And I'd like to also thank the officials from the Department of Finance for the work they do throughout the year, but also for their assistance here today.

Some Hon. Members: Hear, hear!

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Cline: — Mr. Speaker, I move that the resolutions be now read the first and second time.

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

APPROPRIATION BILL

Hon. Mr. Cline: — Mr. Speaker, by leave of the Assembly, I move:

That Bill No. 24, An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2000, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

Hon. Mr. Cline: — Mr. Speaker, by leave of the Assembly and under rule 55(2) I move that the Bill be now read a second and third time.

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

ROYAL ASSENT

At 12:10 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bill:

Bill No. 24 - An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2000

His Honour: — In her Majesty's name, I thank the Legislative Assembly, accept their benevolence, and assent to this Bill.

His Honour retired from the Chamber at 12:12 p.m.

The Speaker: — And before adjourning the House, the Chair

wishes for all hon. members an enjoyable time, a relaxing time, in your own constituencies and with your families this weekend. Have a good weekend and see you on Monday afternoon when the House will reconvene at 1:30.

This House now stands adjourned . . . (inaudible interjection)
. . . Yes, and a happy Easter to those celebrating the orthodox rite this weekend.

The Assembly adjourned at 12:13 p.m.

