

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, this afternoon I stand to present a petition on behalf of the people of southwest Saskatchewan, some specifically from the Cypress Hills constituency and others from constituencies surrounding the region and the city of Swift Current. It is a petition that draws attention to the condition of health care and facilities for health care in the city of Swift Current. And the prayer reads as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to carefully consider Swift Current's request for a new hospital.

And specifically the petition is signed by constituents from Pennant and the city of Swift Current and other communities in the southwest.

I so present.

**Mr. Hermanson:** — Thank you, Mr. Speaker. I have a petition which is regarding Saskatchewan's EMS (emergency medical services) development project calling for provincially run and centrally operated ambulance services. And, Mr. Speaker, the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and to affirm its intent to work to improve community-based ambulance services.

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

Mr. Speaker, the signatures on this petition are from the community of Biggar, and I'm pleased to present the petition on their behalf.

**Ms. Draude:** — Mr. Speaker, I too have a petition to present today regarding the EMS report:

Whereas your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and affirm its intent to work to improve community-based ambulance services.

The people that have signed this petition are from Rose Valley and Quill Lake.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I rise on behalf of citizens concerned about the increasing costs of energy. The petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

The signatures on this petition, Mr. Speaker, in addition to my home community of Melfort, are from Bjorkdale, St. Brieux, and Star City.

I so present.

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, I stand on behalf of citizens concerned about the cuts at Assiniboia Pioneer Lodge. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary actions to ensure that, at the very least, current levels of services and care are maintained at Pioneer Lodge in Assiniboia.

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

And this is signed by folks from Shaunavon, Rockglen, Assiniboia, and Wood Mountain.

I so present. Thank you.

**Mr. Wall:** — Thank you, Mr. Speaker. I rise again on behalf of people from the southwest part of our province concerned about the state of the hospital in Swift Current. And the prayer of this petition reads as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to carefully consider Swift Current's request for a new hospital.

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

And, Mr. Speaker, this petition is signed by people from my home community of Swift Current as well as Hodgeville, Herbert, Morse, and Vanguard, as well as Wymark.

I so present.

**Mr. McMorris:** — Thank you, Mr. Speaker. I too present petitions on behalf of citizens of Saskatchewan regarding the EMS service. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance service as recommended in the EMS report and affirm its intention to work to improve community-based ambulance services.

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

Mr. Speaker, this petition is signed by the people in the Antler-Redvers area.

I so present.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have a petition dealing with the Redvers health care centre. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Redvers Health Centre be maintained at its current level of service, at minimum, with 24-hour acute care, emergency, and doctoral services available, as well as laboratory, physiotherapy, public health, home care, and long-term care services available to the users from our district, southeast Saskatchewan, southwest Manitoba, and beyond.

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

Mr. Speaker, they come from the Redvers, Bellegarde, Storthoaks, Wauchope areas of the province.

I so present.

**Mr. Weekes:** — Thank you, Mr. Speaker. I rise again to present a petition concerning the retention of the Hafford Hospital. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take necessary steps to ensure the Hafford Hospital remains open.

Signed by the good citizens of Hafford, Speers, and Richard. Thank you.

**Mr. Brkich:** — Thank you, Mr. Speaker. I have a petition here signed by the good citizens of Saskatchewan concerned, worried about the high rates — SaskEnergy, SaskPower increases:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

As in duty bound, your petitioners will ever pray.

Signed by good citizens from Davidson, Girvin, Saskatoon, Elbow, Borden, Glidden, and Regina.

And I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. I too rise in the Assembly today to bring forth a petition regarding the energy rate rebate program:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

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

And the signatures on this petition, Mr. Speaker, are from Spiritwood.

I so present.

**Mr. Peters:** — Thank you, Mr. Speaker. I also have a petition from citizens of Saskatchewan concerned about the services at the Pioneer Lodge in Assiniboia, and the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure that, at very least, current levels of service and care are maintained at the Pioneer Lodge in Assiniboia.

Mr. Speaker, the petition is signed by folks from Assiniboia.

I so present.

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Again I rise with a petition from concerned citizens, reference the cuts at the Assiniboia Pioneer Lodge, and the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure that, at the very least, current levels of services and care are maintained at Pioneer Lodge in Assiniboia.

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

And, Mr. Speaker, the signators on this are from Gravelbourg, Assiniboia, Verwood, and Willow Bunch.

I so present.

#### READING AND RECEIVING PETITIONS

**Deputy Clerk:** — According to order the following petitions have been reviewed and pursuant to rule 12(7) they are hereby received as addendums to sessional papers nos. 3, 4, 10, 58, 65, and 121.

#### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 33 ask the government the following question:

To the Minister of Highways and Transportation: which non-profit and/or community-based organizations received funding from the Department of Highways in the 1999-2000 fiscal year, and how much did each of these organizations receive?

And while I'm on my feet, Mr. Speaker, I have a similar question for the upcoming year:

To the Minister of Highways and Transportation: which non-profit and community-based organizations will receive funding from the Department of Highways in the

2000-2001 fiscal year, and how much will be dedicated to each of these organizations?

Thank you, Mr. Speaker.

**Mr. Wall:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 33 ask the government the following question:

To the Minister of Crown Investments Corporation: how much was spent on travel by CIC strategic development officials during the 1999-2000 fiscal year; who were the officials; where and when did they go; and who accompanied these officials on these trips?

And while I'm on my feet, I give notice that I shall on day no. 33 ask the government the following question:

To the Minister of Justice: did Information Services Corporation hold a retreat for its executive management during the last week of April 2001; were any consultants brought in for this retreat; where were these consultants from; and which company or companies did they represent; what was the cost for bringing these consultants to the retreat; and what was the cost for the entire retreat?

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 33 ask the government the following questions:

To the Minister of Municipal Affairs: (a) what is the total amounts of grants in lieu of to be paid by the province to the city of Regina for all provincial government-owned properties in the city; what is the amount paid or to be paid in grants in lieu to the school systems in Regina for the provincial government-owned properties within the city for the current fiscal year; did the provincial government receive a tax notice or a grant in lieu notice from the city of Regina or the school divisions in the city for the current fiscal year; and, if so, what is the amount for each; if the provincial government was subject to property taxation, what amount would it owe individually to the city of Regina and the school divisions in Regina for the current fiscal year?

#### INTRODUCTION OF GUESTS

**Mr. D'Autremont:** — Thank you, Mr. Speaker. It's my privilege to introduce to you and through you to the Assembly the man who scared the NDP in the Elphinstone by-election, Mr. Morris Elfenbaum and his wife, Giselle, along with a friend, sitting up in your gallery. I'd ask all members to welcome them here today.

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

**Mr. Harper:** — Mr. Speaker, I'd like to introduce to you and through you to all the members in the House, 38 grade 7 and 8 students who are seated in your west gallery. The students are from M.J. Coldwell School in my constituency. And they're accompanied here today by Ms. Fiorante and Ms. Wood.

And I understand the group is going to take a tour of the legislature after they've taken in some of question period here

and then we'll meet for a photo and some refreshments afterwards.

I'm sure, Mr. Speaker, that all the members will agree with me that we're always pleased to have school students visit us here in the legislature because we all know that the students of today are the leaders of tomorrow.

Mr. Speaker, I'd ask all members to offer them a very warm welcome.

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

**Mr. Stewart:** — Thank you, Mr. Speaker. Mr. Speaker, I wish to introduce to you and through you to all members of the hon. Assembly a young lady seated in your gallery, Ms. Kristie Ridgeway of Regina.

Kristie is enrolled in Thom Collegiate. She's in grade 12. She's in the advanced academic program, a special program where she will be studying the respective roles of government and opposition. Only 25 students from Thom are chosen for this project.

Kristie will be asking the co-operation of various members on both sides of this Assembly to complete her course. And I'm sure Kristie will do well. She always does in school.

She's seated with her father, Lorne Ridgeway, a constituent of mine from the community of Avonlea. Welcome.

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

#### STATEMENTS BY MEMBERS

##### School Safety Patrol Week

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me great privilege today to rise in the House on behalf of the Saskatchewan Party in recognition of School Safety Patrol Week.

Mr. Speaker, safety patrollers are a familiar sight around many school grounds with their familiar reflective vests, stop-sign paddles, and well-known sounds of their whistles. They stand on guard and they are on a mission to keep their fellow students safe.

There are many reasons why kids become safety patrollers but most importantly, Mr. Speaker, it gives them a sense of purpose in that they are contributing to the well-being of the students in their community.

For over 60 years school patrollers have helped students get to and from school safely. I would like to congratulate all the school patrollers on behalf of the Saskatchewan Party. Regardless of what type of weather they seem to have to put up with, they're there on duty getting their fellow students to and from safely.

(13:45)

Mr. Speaker, and while I'm on my feet I would also like to

congratulate one of the driving forces behind — if I can use that term — driving forces behind the school safety patrol program, Ms. Maureen Murray, who is in charge of the public and government affairs for CAA (Canadian Automobile Association). Job well done.

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

### Regina School Boards Reduce Mill Rates

**Mr. Harper:** — Mr. Speaker, more good news for the people of Regina. Courtesy of the excellent budget presented by the Minister of Finance — a budget by the way which the opposition members voted against — his budget continued the largest personal tax reductions in the history of our province, at the same time increasing the contributions to health, highways, and, Mr. Speaker, education.

Because of the 15.5 per cent increase in the provincial grant to the Regina public school system and because of the 7.7 per cent increase in the Regina separate school system, both reduced their mill rates which will reduce further . . . decrease the taxes to Regina ratepayers.

In fact, Mr. Speaker, of Saskatchewan's 90 out of 99 school divisions which have reported so far, 63 have lowered their mill rate, 27 have kept it the same. That is good news for Regina and the whole province of Saskatchewan.

Thank you.

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

### Bethlehem Lutheran Church Celebrates 90th Anniversary

**Mr. Brkich:** — Mr. Speaker, I rise in the House today to talk about a celebration which took place in a community in my constituency.

On April 22 the Bethlehem Lutheran Church in Outlook held a special service to celebrate the occasion of the church's 90th anniversary. The day's events included a special service in the morning followed by a noon luncheon. After that, an anniversary program took place in the afternoon and special invitations were sent to previous pastors as well as many former members of the church that returned to celebrate the special anniversary.

Mr. Speaker, the church's history began back in 1911 when initial foundations were laid and the church was formed, although the actual building itself was not constructed until 1939. For several years after that the church members worshipped in the church basement until construction of the main level was completed.

Pastor Daryl Olson is quoted as saying:

That part of our history should reinforce to us that the church is not only just a building, but rather is a group of people who are on a journey of faith.

Mr. Speaker, this event wrapped up a year of preparation by the planning committee. The community and the church members

should be proud of a successful event to celebrate the church's 90th anniversary.

I ask the members to join me in congratulating the Bethlehem Lutheran Church and the community of Outlook in their achievement.

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

### Premier's Business Luncheon

**Mr. Yates:** — Well, well, well, Mr. Speaker, more good news for Saskatchewan. Over the lunch hour nearly 600 Regina business people, community leaders, and a couple of MLAs (Member of the Legislative Assembly) were treated to good food, good fellowship, and great leadership.

The Premier hosted his first Regina business luncheon. And, Mr. Speaker, the message the Premier delivered was simple, timely, eloquent, and essential. He said that things are going more than well in Regina, and in Saskatchewan, Mr. Speaker.

He gave the facts and figures of which we in the legislature are very familiar. And he reminded us that the main reason we do live in a blessed province is because our people have demonstrated in the past, and are showing us now, that we have a can-do attitude, Mr. Speaker. A can-do attitude; not doom and gloom.

There are opportunities galore in Saskatchewan and Saskatchewan people are taking advantage of them — economic opportunities, educational opportunities, and social opportunities.

A good lunch, Mr. Speaker, and the message made the food even better, Mr. Speaker. A good day for Saskatchewan.

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

### Southwest Region Volunteers Recognized

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, recently Mrs. Margaret Bykevich, on behalf of the Vidora Archeological Society, received a certificate of appreciation from the Saskatchewan Archeological Society. Now this group has been recognized for advancing archeology in southwest Saskatchewan for a number of years. The Vidora chapter actually has been active in public education activities including presentation to area schools, tours to sites, and organizing festivals of ancient technology in a variety of communities.

As I mentioned, it's a small group, active since 1987, but they've got some of the most enthusiastic and committed volunteers in the province. And I wish to extend my congratulations to the society on receiving this certificate.

And then on April 28, Mrs. Bev Dolgopol of Consul received a Skate Canada, Saskatchewan Recognition Award at the awards banquet held in Moose Jaw. This award was presented to her for her devotion as a volunteer in the promotion and development of skating in southwest Saskatchewan.

Now Bev has been judging skating for many years and travels

extensively throughout the province, and I'd like to offer my congratulations to Bev on being chosen to receive this award.

Now in this year when we have seen many auspicious ceremonies honouring volunteers, southwest Saskatchewan residents continue to assume their usual leadership role in this province. It is through the hard work and dedication of these very special citizens that our communities and the entire region insist on surviving and even thriving.

Thank you, Mr. Speaker.

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

### Highway Improvements for Saskatchewan

**Mr. Addley:** — Thank you, Mr. Speaker. Yesterday I rose to speak about the 70th anniversary of our provincial parks, and today I rise to speak about the new surface roads we can use to get there.

Surfacing begins on Highway 23 near Tisdale, improvements to Highway 40 near Battleford, and resurfacing is already underway on Highway 13, east of Stoughton. Mr. Speaker — these improvements are just a sample of the many improvements to come on our road network.

The total cost of these three projects run in the neighbourhood of 5.1 million. Let me remind the members opposite of the budget for Highways and Transportation this year is a record \$311.7 million which will help resurface and upgrade 550 kilometres of rural and northern highways.

Mr. Speaker, connecting Saskatchewan to the future means providing our communities and our economy with a safe, reliable, and efficient transportation system. With a \$900 million investment over the next three years, Saskatchewan people will see the twinning of Highway No. 1 West and 800 kilometres of the province's thin membrane surface highways will be upgraded to granular pavement. Safety improvements and hundreds of jobs will be created from engineers to summer students.

Mr. Speaker, we have a plan. A plan that results in a prosperous future for all people in Saskatchewan. By accelerating our twinning program, rebuilding rural highways, and repaving provincial highways, we will ensure a transportation system that connects our province to the future.

Thank you, Mr. Speaker.

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

### Most Valuable Defenceman at Air Canada Cup Midget Championships

**Mr. Allchurch:** — Thank you, Mr. Speaker. Mr. Speaker, the hockey season has all but drawn to a close except for the NHL (National Hockey League) playoffs on TV now. But before it does, I want to make reference to an outstanding hockey player who played his final game this season last weekend in Prince George, BC (British Columbia) at the Air Canada Cup.

Justin Cruz played defence with the Beardy's Blackhawks who competed for the Air Canada Cup National Midget Championships. Under the management of head coach, Dale Grayston; assistant coach, Jim McComas; staff, Brad Tomporowski; and Travis Laycock, the team played exceptionally well but not good enough to win the cup. But on the other hand, Justin Cruz was voted the Most Valuable Defenceman in the tournament. The team played phenomenal hockey. They had a great work ethic and it was demonstrated by the play of defenceman, Justin Cruz.

I would like to take this opportunity to send congratulations to coach, Dale Grayston, assistant coach, Jim McComas, Brad Tomporowski, and Travis Laycock, the entire Beardy's Blackhawks hockey team, along with Justin Cruz — a great, great defenceman — on a great, great season of hockey.

The fans in and around Duck Lake thoroughly enjoyed the past year, and they also want to say thank you to the Beardy's Blackhawk's hockey team and Justin Cruz for a sensational year.

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

### Prince Albert Women Honoured at Women of Distinction Awards

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I'm very pleased to stand in the House today and talk about five women in the larger constituency of Prince Albert that have been acknowledged by the community for their contributions to it.

Five Prince Albert women were honoured at the YWCA's Women of Distinction Awards banquet on Tuesday night in Prince Albert.

Mr. Speaker, Teena Polle took the award in arts and culture. Teena has sung in choirs all her life and is noted for her recommendations at music festivals.

Linda Louise Kasko received the business and professional award. And it's noteworthy to say that she has been very instrumental in bringing together resources for students with learning disabilities.

Orpha Mary Hunt received the award for community enhancement. As a teacher of over 35 years, she was instrumental in establishing the Prince Albert Reading Council.

And Dr. Lalita Malhotra was awarded the health, sports, and fitness award. Mr. Speaker, by the way, she has the distinction of having delivered more babies than any other person in Saskatchewan.

Rebecca Sadler, a young woman from Carlton Comprehensive High, was the recipient of the SaskPower/Roberta Bondar scholarship.

These women really do exemplify the kind of diversity and dedication to community that is vital to the future, not to mention the current life in our city.

And I would ask all members of the Assembly to join with me in congratulating these five women for their very valued contribution to their community. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Municipal Revenue-Sharing Grants

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal Affairs.

Mr. Speaker, today the mayors of the cities of Saskatchewan met with the minister and they had a message for his NDP (New Democratic Party) government. The mayors said urban municipalities are facing a crisis situation. Mayors representing 550,000 people said they are sick and tired of being ignored by this NDP government. And the mayors told the minister that another empty NDP promise of more funding next year just isn't good enough.

Mr. Speaker, will the minister finally admit the NDP made a big mistake with this year's budget by making the government bigger, driving property taxes up, instead of holding the line on taxes by increasing revenue sharing?

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

**Hon. Mr. Osika:** — Thank you, Mr. Speaker. I had a good meeting with the city mayors this morning. Our dialogue continues and I was very pleased to hear from those mayors.

I'm really disappointed in the member opposite bringing up this question of forcing increases in taxes.

In January — local governments seek education tax relief from Finance minister. Guess what? Just — if they care to listen — I have a letter here that says Rosthern lowering mill rate for 2001. *Prince Albert Daily Herald* — a best budget in several years for Sask Rivers' mill rate. Catholic ratepayers get break as tax rate falls by 1.48 per cent. The city of Regina, we just heard the good news about the school boards not increasing their mill rates.

We are working with municipalities. We are listening to them and we will continue to listen to them. And I made a commitment to open a dialogue as to where we go in the future on behalf of our communities, our rural communities and our cities.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, the minister might be interested to know, just because the mill rates are going down, with reassessment in many cases there's more tax dollars being taken in than less.

Mr. Speaker, because the NDP has spent the last 10 years downloading on municipalities, the municipal infrastructure is crumbling and many essential local services can no longer be maintained without raising property taxes.

Mr. Speaker, thanks to this NDP government's misplaced priorities, property taxes are going up all across this province. Listen, Mr. Speaker, this is interesting.

Mr. Minister: in Prince Albert, a 10 per cent property tax increase. In Weyburn, Mr. Speaker, 6 per cent increase. Estevan, 7 per cent increase. Yorkton, 8 per cent. Saskatoon, 4 per cent increase. North Battleford, 8 per cent.

Mr. Speaker, will the minister commit today not to grow the size of government with 570 new government employees, but instead increase revenue sharing to municipalities all over this province?

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

**Hon. Mr. Osika:** — Mr. Speaker, thank you. Once again, I'm disappointed. The member opposite brings up the point of not wanting more people working throughout our communities, to the benefit of our communities.

I want to remind them of the letters that they sent to those communities pointing out that they would sooner see those people not working in lieu of money, and they disagreed with them, Mr. Speaker. They said you didn't tell us exactly what your amendment to the budget was going to be.

But, Mr. Speaker, having said that, this government has been contributing to the well-being of our communities, of our municipalities despite the fact that revenue sharing has remained the same. There have been many other targeted programs involving millions of dollars over the last few years that have helped these communities.

And you know, Mr. Speaker, I'm sure the members opposite will recognize and live through it themselves — you do the best you can with what you have.

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

(14:00)

### Management of Crown Corporations

**Mr. Hermanson:** — Thank you, Mr. Speaker. My question is for the Premier. Mr. Speaker, every day we see more and more evidence of a Crown sector that is completely out of control: Crown corporations getting into all sorts of businesses where they just don't belong; Crown officials ignoring the direction of cabinet, operating outside their mandate, losing millions of dollars. Mr. Speaker, allegations of bribery. It's not a very pretty picture.

And what's the Premier doing to rein it in? Absolutely nothing. And when someone like the former minister of Economic Development does try to rein them in, she gets forced out of cabinet.

Mr. Speaker, who's running things over there? Who's taking responsibility? Why has the Premier lost control of the Crown corporations?

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

**Hon. Mr. Calvert:** — Mr. Speaker, let me make this observation about the Crown sector in Saskatchewan, Mr. Speaker. The member opposite talks about Crown sector outside of mandate. Not at all, Mr. Speaker.

The Crown sector in this province are delivering services to the people of Saskatchewan at a very cost-competitive rate, in some cases the best in all of Canada, Mr. Speaker. The Crown sector is returning resources and investment to the people of this province by millions and millions of dollars, Mr. Speaker.

I'll tell you what we're not doing with our Crown sector — what his friends in Alberta have done with their Crown sector — privatized it and deregulated it, Mr. Speaker. Because look at the mess that's created.

Mr. Speaker, we have a solid Crown sector, a sector that's contributing to the people and the economy of Saskatchewan, a sector that we are going to grow.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, the Premier is living in a dream world, but let's bring him back to reality.

On Monday, if he will remember, we released a memo from the former minister of Economic Development that raised serious concerns and asked detailed questions about Information Services Corporation and its business plan.

And how did CIC (Crown Investments Corporation of Saskatchewan) respond to these concerns? In today's paper, Mr. Speaker, CIC president Frank Hart said her concerns were baseless. What absolute arrogance. Here was the Vice-Chair of CIC, the most senior minister in this government, asking questions about ISC's (Information Services Corporation of Saskatchewan) business plan and Frank Hart says that her concerns were baseless.

Again I ask the Premier, who is running things over there? Why is the tail wagging the dog? Do you think it's acceptable that Crown officials so simply blow off questions from cabinet ministers?

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

**Hon. Mr. Axworthy:** — The concerns of the former minister for Economic Development were addressed by the CIC Board. Each of her concerns were analyzed and investigated by the board and, Mr. Speaker, each of those concerns were found to be groundless.

Mr. Speaker, the Crown corporation, the Information Services Corporation has the support of the legal profession, has the support of the real estate association, has the support of the land surveyors, has the support of the computer industry, Mr. Speaker, and has the support of the Regina economic development agency.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Well let's shed a

little more light for the minister. He seems to be in the dark as well. The Saskatchewan Party has obtained a copy of Fraser Nicholson's response to the minister's questions. He basically told her to take a hike. In a January 8, 2001 letter to CIC president Frank Hart, Nicholson refused to answer the minister's questions. Instead he said, and I quote:

I have serious concerns about the implications of the latest demand on the CIC decision-making matrix and the authority of the Crown corporation boards.

Nicholson refused to answer because the minister was infringing on his authority. Mr. Speaker, I ask again, who is running things over there? Does the Premier agree that his ministers have no right to question the business plans of Crown corporations?

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

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, Mr. Speaker, the role of the ministers who are on the Crown Investments Corporation Board is specifically to question the activities of that board and to ensure that they run appropriately and in the best interests of the people of this province.

When any issues are raised, Mr. Speaker, as was the case here, they were investigated, Mr. Speaker, and they were addressed. Every single one was addressed, Mr. Speaker.

This is a corporation which will save the people of this province money, which will develop economic opportunities in this province, and which, Mr. Speaker, has the solid support of everybody who's been consulted on this, from lawyers to real estate agents to the business community.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, the minister is trying to paint a different picture than the facts that we have from the correspondence that we've looked at.

Here are some of the questions that the former minister asked. She wanted detailed revenue and expense projections; she wanted a detailed report on the changes that had taken place since the original business plan; and she also wanted a detailed report on salaries, accommodations, and travel.

Mr. Speaker, these are legitimate questions that deserve answers and what was the response? Fraser Nicholson told her to get lost. He said and I quote:

As the chief executive officer of ISC, I find that the current demand creates confusion (that's what he said) and may in fact set a new standard for Crown corporations.

Mr. Speaker, in other words, heaven forbid, Crown corporations may actually have to be accountable.

My question to the Premier: why is he allowing his Crown corporations to openly defy ministers?

**Hon. Mr. Axworthy:** — Mr. Speaker, let me reiterate. These issues were raised by the former minister, they were addressed

by the CIC board one after the other; each one addressed by the CIC board.

Let me just deal with a couple, Mr. Speaker. The mandate question. The member will know . . . I'm sure he was paying attention when this legislation was introduced last year. The mandate has been fully followed by the Information Corporation of Saskatchewan, Mr. Speaker. And if you look, Mr. Speaker, one of the critical aspects here is to ensure that there is a return on this investment to the people of this province. There will be a return on the investment to the people of this province, Mr. Speaker. The computer industry says so, the business industry says so, lawyers say so, everybody says so, Mr. Speaker.

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

**Mr. Hermanson:** — Mr. Speaker, the minister is still living in the land of illusion. The Crown corporation lost \$11 million.

Mr. Speaker, yesterday we heard serious allegations about a government trying to silence the member for North Battleford.

After the last few days in question period, we're starting to wonder why the Premier doesn't get up and answer these questions. Why is he so silent? Mr. Speaker, I believe it's because this Premier has lost control of his government and he's lost control of the Crown corporations.

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

**Mr. Hermanson:** — Here we have, Mr. Speaker, a Crown corporation operating outside its mandate. They lost millions of dollars last year. They are millions of dollars over budget. In the case of Land Titles, it's still not automated . . .

**The Speaker:** — Order. Order, order. Order. Order. The member will put his question. Ten seconds.

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, Land Titles still isn't automated and they have the arrogance to openly defy a request from the minister. It's no wonder *The StarPhoenix* editorial talks about an NDP government in utter disarray.

My question: why does the Premier think, why does he think that it's acceptable for a Crown corporation head to refuse to answer the minister's question?

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

**Hon. Mr. Calvert:** — Mr. Speaker, the Leader of the Opposition seems to want to suggest that things are out of control. Well, Mr. Speaker, I tell you this, that member — the Leader of the Opposition and his friends — will never have a chance to be in control. That's for sure.

Now, Mr. Speaker, I had the opportunity today to attend to a function where there were about 600 people present, leaders of the business and the community here in Regina and across southern Saskatchewan. Mr. Speaker, they don't take the view that things are out of control. They take the view that things are going very well, Mr. Speaker, with reductions in personal

income tax, with reductions in small-business tax, with a growing economy in all segments — except the difficulty we're having on the farm front, Mr. Speaker. Those folks think things are going very well in this province, never mind in the Crown sector as well.

Mr. Speaker, it's time for this group of men and women, if they want to be a responsible opposition, to get with us, join the program, become enthusiastic about the province, and stop this kind of foolish criticism,

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

### Land Titles' Fees

**Mr. Heppner:** — Thank you, Mr. Speaker. My question is for the Minister of Justice. He's done a fine job of playing premier so far today — now we'll let him take care of his own department.

Mr. Speaker, one of the original objectives of automating the Land Titles Office was to cut costs, reduce fees for Land Titles' customers. However now that ISC is losing millions of taxpayers' dollars, both the minister and president of ISC are admitting that fees will probably be going up.

Mr. Speaker, computerizing Land Titles Office was supposed to save money — save money — not cost more money. Mr. Speaker, how much more will the property title transfer fees increase as a result of the NDP's botched computerization program?

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

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, I'm sure the member opposite will be pleased to know that in fact the fees will not increase. For the vast majority of transactions, for the vast majority of people in this province the fees will go down substantially. For a small number, the fees will go up a very modest amount.

But, Mr. Speaker, in sum total this will be a huge saving to the people of this province. It's a better, cheaper, more efficient, faster system.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Mr. Speaker, in 1998 the NDP said that the fees would be less than paper-processing fees. Now the minister gets up and he says some will and some won't. Well we know what the NDP's some will and some won't is worth. Many of those are actually going to increase.

Let's just review the NDP's record on this whole project. They're \$40 million over budget. They lost \$11 million in the first year. Land Titles still isn't up and running.

My question, Mr. Speaker, is: what will the total difference in increased fees mean for this particular government?

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



**Hon. Mr. Axworthy:** — Mr. Speaker, the members opposite have a habit of finding things that are not in fact the case and spreading rumours across this province of . . . And, Mr. Speaker, Mr. Speaker, ask the member, ask the members, ask your leader, Mr. Speaker . . . the member should ask his leader what happens when people don't tell the truth about things that are going on in this government.

Mr. Speaker, the truth of the matter is, the truth of the matter is that these fees for the vast majority of people will go down. That this will create jobs in this province as the computer industry has said. That it will be a faster, cheaper, better service as real estate people have said, Mr. Speaker. This will save money for the people of this province.

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

### SecurTek

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Crown Investments Corporation. And it has to do with another subsidiary of a Crown corporation called SecurTek, Mr. Speaker, that in 20 months lost about \$2.8 million, Mr. Speaker. But what is arguably more disturbing than the loss of taxpayers' money is the impact this corporation is having on small businesses in the province.

Mr. Speaker, Bryan Pratt is a constituent in Swift Current who owns a small security company. He sent me a very emotional e-mail that made his case clear on the subject of SecurTek. He says, and I quote:

I'd like to know where I agreed by paying taxes to be in direct competition with myself.

He says SecurTek has made it impossible for anyone in this province to make any kind of a living selling security systems. He says, and I quote:

This is just more proof of why Saskatchewan's tax base will continue to shrink. If I could, I would pack up everything and get out of this province.

Mr. Speaker, to the minister: how can the minister rationalize destroying small Saskatchewan businesses with their own tax dollars and losing \$2.8 million in the bargain?

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

**Hon. Mr. Sonntag:** — Thank you very much, Mr. Speaker. Of course we are concerned when this impacts on the private sector, Mr. Speaker. But SaskTel and SecurTek live in a competitive environment, Mr. Speaker. I would say, Mr. Speaker, that the member should take about the 14 companies that SecurTek is partnering with and creating jobs . . . (inaudible) . . . creating jobs here in Saskatchewan.

(14:15)

Mr. Speaker, I refer to an article in *The Leader-Post*, Mr. Speaker, of yesterday actually, that says the following, Mr. Speaker:

Elite Security Ltd., a Regina company that has SecurTek handle its monitoring, is one security company that is pleased with the arrangement.

I quote, Mr. Speaker, I quote. It says:

"It's getting better all the time," said Larry Sydor, general manager (Mr. Speaker).

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

**Mr. Wall:** — Mr. Speaker, Mr. Speaker, the minister wants to talk about how companies feel about this particular Crown corporation, SecurTek, and we'd be happy to do that.

Mr. Speaker, it's not just the Saskatchewan Party or Mr. Pratt that's concerned. Frankly, it's Charlie Currie of Active Security, and Randy Logan of the Security Company in Regina, Mr. Speaker. It's Don Burback of Yorkton.

And I also received an e-mail from a Saskatoon resident who's a former owner of a security firm, Mr. Speaker, Mr. Kevin Banman. And here's what he had to say in his e-mail about SecurTek. He said:

SaskTel basically, their strategy was to (and I quote) basically divide and conquer.

He says:

It makes it very hard to compete when they use my tax dollars to advertise and finance customer systems against me.

He says, Mr. Speaker:

We sold our company last May because the money just wasn't there any more.

He says, and I quote:

I built my company up from nothing 10 years ago and was basically forced to sell.

Mr. Speaker, to the minister: in the face of these comments from Saskatchewan small-business people, for men and women entrepreneurs in our province, how can he possibly justify losing \$2.8 million to drive them out of business?

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

**Hon. Mr. Sonntag:** — Well again, Mr. Speaker, I say we are always concerned when we have impact on small business. But, Mr. Speaker, SaskTel, our Crown corporations, and SecurTek in this particular case, lives in a competitive environment, Mr. Speaker.

Why doesn't that member ask the mayor of Yorkton about the 40 jobs that out there, Mr. Speaker? Why doesn't he ask the mayor of Yorkton how he feels about that? He's very positive about this. He thinks this is wonderful, Mr. Speaker.

Mr. Speaker, we have 14 different companies that SecurTek is

partnering with. They say they are pleased with the jobs that are being created and the opportunities that are being created by SecurTek and by SaskTel, Mr. Speaker.

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

**Mr. Wall:** — Thank you. Thank you, Mr. Speaker. Mr. Speaker, today the Premier spoke to a luncheon of small-business men and women in this city. And I'm sure he told them how much he valued the small-business sector in this province.

Right after he won the leadership of the New Democratic Party, he indicated that he felt small business was the most important engine of our economy.

Well now, Mr. Speaker, it's time for the Premier to walk the talk. It's time for him to back up his words, Mr. Speaker.

Mr. Speaker, my question is to the Premier. His Crowns are driving small business out of our province, and destroying the entrepreneurial spirit of Saskatchewan . . .

**The Speaker:** — Order, order. Order. It's just getting increasingly difficult to hear the questions, and I would like to be able to hear them.

**Mr. Wall:** — Thank you, Mr. Speaker. His Crowns are driving small business out of the province, and destroying the entrepreneurial spirit of Saskatchewan men and women.

To the Premier: will he commit today, to rein in those Crowns; to stand up for Bryan Pratt; to stand up for Kevin Banman; for Don Burback ; for Charles Currie. Will he stand up for Saskatchewan small business, Mr. Speaker?

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

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. Well I want to tell the people of Saskatchewan what that member wants to do. That member wants to sell the Crowns, Mr. Speaker, to ensure that there is a monopoly held by the private sector, so none of the services will be provided in the constituencies that they now represent, Mr. Speaker.

Mr. Speaker, you need only go to Alberta, Mr. Speaker, where deregulation is taking place. What's happened to the power and energy rates over there, Mr. Speaker? They're way right through the roof, Mr. Speaker.

Mr. Speaker, the fact is we are concerned when we have impact on local business, Mr. Speaker . . .

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

**Hon. Mr. Sonntag:** — The fact is, Mr. Speaker, as I was saying, we are concerned when we have impact on small business, but we try to find a balance, Mr. Speaker, that works with the private sector. I think we have achieved that with this objective through SecurTek. We've created 40 jobs in Yorkton, Mr. Speaker — not jobs if it was held by a large private utility that would be in Toronto and Vancouver, Mr. Speaker — right here in rural Saskatchewan.

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

**Mr. Wall:** — Mr. Speaker, I just gave the Premier a chance to stand in this legislature and back up his talk; back up his hollow words about how he values small business . . .

**The Speaker:** — Order, order. We'll just have to take our time here until we can get a little order so that we can hear the question . . . so that we can hear the question, so that we can hear the answer.

**Mr. Wall:** — Thank you, Mr. Speaker. I just gave the Premier the chance to stand up in this legislature and back up his words about the government support for small business. But he remained in his seat, Mr. Speaker, so I'll give him another chance.

It's time for the Premier to choose. Will you choose between the . . .

**The Speaker:** — Order. Order. Order. The member will put all of his questions, his comments through the Chair.

**Mr. Wall:** — Mr. Speaker, will the Premier stand in his place today and confirm for the small business sector of this province and for people, especially security firms, in this province that he will stand behind them instead of his precious Crown corporations?

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

**Hon. Mr. Calvert:** — Mr. Speaker, I appreciate that the man who would-be leader of that party would give me a chance to speak in the legislature.

Mr. Speaker, he wants to talk about my, and our commitment, to small business in this province. I invite him to reread the budget speech delivered by the Minister of Finance just weeks ago.

And what was in that budget, Mr. Speaker, was a 25 per cent reduction to the small business tax rate in this province from 8 to 6. What was in that budget, Mr. Speaker, was a raising of the ceiling which qualified some small business from 200 to \$300,000. What was in that budget, Mr. Speaker, was the ability for the professionals of our province to incorporate, Mr. Speaker.

That is commitment to small business. A commitment, I may say, Mr. Speaker, that's not dependent on the sell-off of our Crown corporations as they propose, Mr. Speaker.

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

## STATEMENT BY THE SPEAKER

### Ruling on Question of Privilege

**The Speaker:** — Members, before orders of the day, I would like to bring down the ruling which I deferred yesterday.

Yesterday, the Opposition House Leader raised the question of privilege concerning an allegation made by the member for

North Battleford to a newspaper, that a senior official of the Crown Investments Corporation of Saskatchewan offered him a trip in return for not criticizing certain CIC investments.

I thank the member for raising this matter by the proper means and for doing it in a timely fashion. I also thank the member for North Battleford for his intervention when the question was raised yesterday.

Before I make my ruling, I remind all hon. members that it is not the role of the Speaker to decide if a breach of privilege or contempt of the Assembly has been committed. This is a question only the Assembly can decide. It is the Speaker's role to decide whether a prima facie case has been established. That is, whether on the surface of it the case has been established which would justify the matter taking precedence over other business before the Assembly.

I will now turn to the case of the Opposition House Leader. In making his case the Opposition House Leader states that the allegation of the member for North Battleford constitutes a breach of rule 102 of the rules and procedures of this Assembly and as such is a breach of privilege. Rule 102 states that, quote:

The offer of any money or other advantage to any Member of the Assembly, for the promotion of any matter whatsoever pending or to be transacted in the Legislature, is a high crime and misdemeanour, and tends to be the subversion of the constitution.

The member also quoted paragraph 101 of Beauchesne's *Parliamentary Rules and Forms*, which relates to a parallel rule of the Canadian House of Commons. I repeat the applicable part of Beauchesne which is as follows, quote:

... the offer of a bribe in order to influence a Member in any of the proceedings of the House, or of a committee, has been treated as a breach of privilege, being an insult not only to the Member, but also to the House.

In each of these passages it must be stressed that the offer of money or advantage or bribe as the case might be, must be related to the proceedings of the House or committee. Both the rule 102 and Beauchesne's paragraph 101 are based on practice at Westminster, which is described on page 112 of Erskine May's *Parliamentary Practice*, 22nd edition, which I quote:

The acceptance ... of any fee, compensation or reward in connection with the promotion or opposition to any bill, resolution, matter or thing submitted or intended to be submitted to either House, or to a committee, is a contempt.

Again, the operative part of this passage is the connection of the contempt with the proceedings of parliament.

It is stated on page 60 of Maingot's *Parliamentary Privilege in Canada* that, I quote:

... it would be a question of fact in each case whether the member's parliamentary activities were fettered by the association in question (i.e. a financial inducement to take a particular course of action in parliament).

In addition to the case made by the Opposition House Leader, I have a letter the member for North Battleford sent me during question period yesterday, just before the question of privilege was raised in the Assembly.

In his letter, and in his subsequent statement in the House, the member for North Battleford indicated that the exchange recounted in the newspaper article was accurate but that he did not characterize the exchange as bribery. He did not claim that the exchange constituted a breach of privilege or contempt. He also stated that an investigation was not required to determine what was said.

Now with respect to the concept of privilege, Speaker Lucien Lamoureux said in the House of Commons in 1971, and I quote, that:

... parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

The general contention of the Opposition House Leader is that, and I quote:

The allegations made by the member for North Battleford clearly constitute a prima facie breach of privilege against the member for North Battleford and against all other members of the House.

From the statements of the member for North Battleford to the Speaker and to the House, it can be concluded that the member for North Battleford does not feel that he has been impeded in the performance of his duties. Nor do I find that this allegation has impeded the parliamentary activities of any other members of this House, collectively or individually.

As the member for North Battleford is the only member directly affected by the alleged offer of a trip, and he has indicated no intention to claim a breach of privilege, I find that a prima facie case of privilege has not been established. Therefore this question will not be given precedence over the other business on the order paper.

Before concluding the question of privilege, I want to address the second part of the case made by the Opposition House Leader. The member states, and I quote:

The member for North Battleford has made allegations that impugn the character of every member of this Assembly by suggesting that members' support on important issues can be bought.

Although the member for North Battleford has stated that he does not call the incident in question a bribe, he nonetheless makes a very serious allegation. As Speaker, I share the concern of the Opposition House Leader and feel that this is a matter not to be treated lightly because it diminishes the respect for the House and its members.

It is stated in Erskine May, page 112, that:

Any person who is found to have offered such a corrupt

consideration is also in contempt.

When allegations or bribery or similar misconduct have been made at Westminster, the House of Commons has referred the matter either to a select or privilege committee for investigation. In Saskatchewan we have a comparable precedent.

In 1916 the member for Prince Albert City made an allegation that certain members had been offered and had accepted bribes in return for political support in the House. The issue was referred by direct reference to a committee for investigation.

Although I have found that this case does not constitute a prima facie case of privilege and therefore should not take precedence over all other business at this time, members still have the opportunity to pursue this matter further by submitting a motion with the proper notice.

(14:30)

### ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. I'm extremely pleased to table a response to question no. 125.

**The Speaker:** — The response for no. 125 is tabled.

**Mr. Yates:** — Thank you, Mr. Speaker. I'm extremely pleased to stand up and respond on behalf of the government to question no. 126.

**The Speaker:** — One twenty-six is tabled.

**Mr. Yates:** — Convert.

**The Speaker:** — It has been requested to convert question no. 127. Converted.

**Mr. Yates:** — Convert.

**The Speaker:** — Request for conversion of 128.

**Mr. Yates:** — Mr. Speaker, I'm extremely pleased to stand and supply the answer to question 129.

**The Speaker:** — Question 129 has been responded to.

**Mr. Yates:** — Convert.

**The Speaker:** — 130 is converted.

**Mr. Yates:** — Convert.

**The Speaker:** — Convert 131.

**Mr. Yates:** — Thank you, Mr. Speaker. I'm pleased to stand and supply the answer to question 132.

**The Speaker:** — Answers to question 132 have been tabled.

## GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 10

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Sonntag that **Bill No. 10 — The Oil and Gas Conservation Amendment Act, 2001** be now read a second time.

**Mr. Stewart:** — Thank you, Mr. Speaker. I'd like to take a few moments to comment on this particular piece of legislation, The Oil and Gas Conservation Amendment Act, Bill No. 10.

The reclamation of orphan wells and how it is going to be done in an orderly, organized manner is a good thing, something that's quite workable. However, Mr. Speaker, there are some companies in the province we want to continue consultations with to make sure that they are indeed onside with this proposal the government has put forward, to make sure everyone is on the same page and any new rules are agreed to and will be adhered to in the future.

It should be noted though that the industry has been very responsible in this regard and the orphaned wells at this time, province-wide, total about a dozen. Certainly no reason to risk throwing the baby out with the bath water.

This Bill makes mention of how oil and gas wells' facilities and related sites are properly abandoned once they are no longer in production or use. It should be noted, Mr. Speaker, that some members of the oil and gas industry were a part of the committee to help look into this situation and to put some input into this Bill.

Mr. Speaker, I would like to mention also that we are in discussion with these groups as well to go over the proposal, to make sure that everything is included that the industry would like to see and that there were no oversights. So more time to study this Bill would be required for that.

Mr. Speaker, members on this side of the House are very much in favour of an environmentally responsible agenda when it comes to this particular industry, and I am quite sure the representatives from within the industry will concur. And we hope this continues and that any good will that exists between the industry and the Department of Energy and Mines won't be put into jeopardy because of any provisions that may seem heavy-handed, particularly with regard to the licensing provisions of this Bill.

It is refreshing to see the minister's comments on his second reading speech on this Bill that Saskatchewan will follow the Alberta model for orphan wells. Mr. Speaker, it's our hope on this side of the House that the members opposite will continue to follow the examples set by our neighbours to the west in regards to the industry so that we can attract the needed investment to this industry that will stimulate our economy, provide many more good secure jobs in the province, and begin to grow Saskatchewan.

Although as I have said, Mr. Speaker, that we support the basic concept of this Bill and what we believe to be the minister's motives for advancing it, we certainly feel that more input is still needed from the players in the oil and gas industry. When we can get a clear consensus from the industry — one way or another — on all of the implications of this Bill, then, Mr. Speaker, will be the time to debate it in more detail.

Debate adjourned.

### Bill No. 11

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Sonntag that **Bill No. 11 — The Freehold Oil and Gas Production Tax Amendment Act, 2001** be now read a second time.

**Mr. Stewart:** — Thank you, Mr. Speaker. It's my pleasure to speak to this Bill, An Act to amend The Freehold Oil and Gas Production Tax Act, Bill No. 11. It's my understanding, Mr. Speaker, that this Bill proposes to impose a new tax on oil recovered from such facilities as cavern disposal, waste processing, water disposal, or water injection facilities.

This is the sort of activity undertaken by the industry, Mr. Speaker, that greatly extends the life of our oil fields, substantially enhances oil production in the province, increases revenue to the provincial government, protects the environment, and provides many good jobs for Saskatchewan people.

Mr. Speaker, not only does recovered crude oil provide great benefits to the province, but it also tends to be more expensive oil to produce. Any government purporting to act in the best interests of Saskatchewan should do everything in its power to encourage the production of this so-called recovered crude oil and certainly should not risk discouraging this type of activity through the imposition of onerous new taxes.

Mr. Speaker, the level of this proposed new tax on recovered crude oil is not set out in the Bill and will consequently have to be dealt with in the accompanying regulations. To debate a Bill of this nature without any indication of the level of the proposed new tax is akin to buying a pig in a poke. I caution the minister, Mr. Speaker, in the interest of the economy of this province, to do some real work with the players in the oil industry and to reach a consensus with them before proceeding any farther with this Bill.

This is a Bill that, if properly done in consultation with the industry and with a tax rate acceptable to the industry, could be a positive thing for the industry and the province. But if a tax regime is imposed on recovered crude oil that is not acceptable to the industry, this Act has the potential to cause considerable harm to the industry and to drive more oil investment dollars to other jurisdictions.

Mr. Speaker, I'd like to continue my comments on this proposed piece of legislation by just talking about its title, the freehold oil and gas production Act. Now the keyword in this, of course, is the word "tax", Mr. Speaker. Whenever this tax-happy NDP government even mentions the word "tax", people in businesses across Saskatchewan start to shudder.

They know the NDP history on taxes. Last year's PST (provincial sales tax) expansion, this year's forced property tax increases — thanks to the NDP. So it's no surprise when we see a Bill or document from the members opposite, and it mentions the word "tax", that it raises some eyebrows.

The minister responsible mentioned the tax instead of a royalty. That type of initiative, Mr. Speaker, the oil and gas groups have expressed concern time and again, as have members on this side of the House, about the oppressive royalty tax structure in our province and how it hinders growth. That is something that has to change if we are to attract anywhere near the kind of investment that this dynamic industry can sustain.

We would also have concerns about what the industry thinks when they see this Bill and they see that word "tax". Will that scare off even more business as this NDP government has done over the past decade? That is why this proposal needs more study, Mr. Speaker.

Mr. Speaker, we need this investment to grow the economy of this province, and I would question the wisdom of putting a new tax in place when high taxes are already the greatest deterrent to investment in Saskatchewan, and particularly investment in Saskatchewan in the oil industry.

The minister in his second reading speech mentioned that the province's authority to levy a royalty on oil recovered from certain oil field facilities including waste processing facilities. The minister goes on to say that the government's authority to levy a royalty on this oil was not as strong as it could be and may not stand up to a legal challenge.

Mr. Speaker, this is another section of the document that will require further examination as to what the implications are for the oil and gas industry, if it is a positive or negative thing.

Mr. Speaker, we need to do what we can to grow Saskatchewan. A lot of companies would like to come into our province and contribute to the economy, but they do not. They say it is because of the NDP government and its regressive taxation. This has to change.

The Canadian Association of Petroleum Producers says that we are the highest-taxed jurisdiction in Canada and therefore the highest-cost jurisdiction for them to do business in Canada, and one of the highest in the world.

Surely it is time to begin removing and lowering taxes rather than imposing new ones, and that is why we need more time to study this Bill and to see if the affected parties will be supportive or not.

This legislation before us will need further study, Mr. Speaker, further input into our office from the numerous oil and gas and drilling companies. They're expressing to our office that they would like more time to study the Bill, to see how it will affect their businesses in Saskatchewan. Accordingly, Mr. Speaker, we require much more time to gather input from the industry regarding the implications of this Bill on them and the implications that it will have on the overall economy of Saskatchewan.

When we have had sufficient time to gather input from the industry and to determine what the future ramifications of this Bill will be to the economy of the province, then, Mr. Speaker, will be the time to debate this Bill in more detail. I move adjournment of debate.

Debate adjourned.

(14:45)

### Bill No. 2

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 2 — The Securities Amendment Act, 2001** be now read a second time.

**Mr. Heppner:** — Thank you, Mr. Speaker. As was just stated this is not a full Bill, this is just an amendment to a Bill but still there are a number of things in there that I think we need to talk about, we need to question, and we need to get an opinion on.

The Bill, Bill No. 2, The Securities Amendment Act, what it does and one of the things that it does, it allows for a permanent registration system of deals and salespeople involved in securities trading, ending a practice of yearly registration which is currently in place.

This is almost astounding, Mr. Speaker, that this government would actually do this. Because what happened here is we're actually cutting back on red tape. It means that these individuals, instead of having to come cap in hand to government every 365 days and saying please, government, may I go ahead and carry on this business for another year, can go ahead and be registered and carry on for a certain period of time longer than just, you know, 12 months, 12 months, 12 months.

And the reason I say that, that it's surprising, is that it's not in the attitude of your average socialist to get rid of red tape. And maybe looking at this comes from the present Minister of Justice who had tried hard to be the premier. Maybe he should have been premier; he would have taken away some of the red tape we have.

We have, Mr. Speaker — I'm not sure if you're aware of it — 17 binders of this size of red tape in Saskatchewan. Can you imagine how many binders full of red tape that is? And yet finally, finally, we have one minister who's prepared to be brave enough to take away a little bit of the red tape.

We wonder how much red tape there is in this province that is absolutely useless, Mr. Speaker, that serves no purpose whatsoever except to hassle the individuals who are making a living, who are creating jobs for people in this particular province. They have no idea of what's going on out there.

I suggest to you, Mr. Speaker, that if the members opposite would actually go ahead and spend some time in business to see what was going on, they would find out the amount of red tape that's out there and how frustrating that is. When the employers of this particular province, Mr. Speaker, after putting in a full day's work — they're there first, they provide the jobs and the opportunity for their employees, they provide a service for their

communities — then after that's all over with, after supper, they have to come back and they have to deal with 17 volumes of red tape, Mr. Speaker. It's unbelievable, it's unbelievable.

So finally they take away one little bit of red tape. And it'll be interesting to see, Mr. Speaker, very interesting to see that maybe after a year or three that the securities area actually hasn't fallen on its face and collapsed because they cut some red tape.

I see the members over there, Mr. Speaker, and I appreciate this. They're sitting there with, you know, glued to what I have to say because they themselves are spellbound by the fact that they would actually cut some red tape out of their 17 volumes of red tape that this government has.

So now what we have, what this recommends, Mr. Speaker, is a permanent registration system. And that's why this is so amazing. They're moving from this 12 month, 12 month, 12 month thing — coming cap in hand in government — to permanent registration. Permanent registration; not even once every 2 years or 3 years.

And I see the look of awe on their faces. I'm sure government members aren't anywhere near aware that this piece of registration is being presented by them. And I'm a little afraid, Mr. Speaker, that when it comes to voting on it, they'll probably vote it down. They'll probably vote it down.

Another thing that this particular piece of legislation does, Mr. Speaker, and I'll read it to you. It says:

It prohibits anyone with the intent of making a trade to make statements that contain untruths.

Well this is going to be amazing. I'm sure this government's going to find an opportunity to hire thousands of bureaucrats to sit in on every deal that's made throughout the province, to make sure that there isn't an untruth told.

So now we have . . . this government is going to become the truth police. It reminds me a whole lot of Big Brother in some other situations. The truth police over there.

Now we hope that any time a deal takes place that no untruth will be told, no untruth will be said. And yet it's impossible to imagine that this government is actually going to go ahead and ensure by this piece of legislation that an untruth is not going to be told in business. And I'm a little concerned — seriously, Mr. Speaker — that we're going to have the truth police around very shortly.

But we need the police out there to do a lot of other things than to sit in on another deal, and to sit in and listen to what they're saying when they're trying to negotiate a deal. It's also going to set out terms and conditions to be disclosed to investors from other provinces.

Now that's good, Mr. Speaker, that's good. It sets out terms and conditions in which information regarding those involved in trading securities can be disclosed to investigators from other provinces. Finally, finally the socialists over there, instead of drawing walls around themselves and around the province and

trying to keep this whole thing out — no free trade, you know, they might allow trade between Yorkton and Saskatoon but you need a permit for that, Mr. Speaker — but now basically they're actually going to allow some of that information, some of that trading in securities to be disclosed to investigators from other provinces.

Well it's about time we do some co-operation, Mr. Speaker. We just heard my seatmate here, a day or two ago, discussing some of the things that were happening in the sex trade and the ideas that were happening in other provinces, and yet this government was bound and determined on trying to invent the wheel again.

Well I can assure you, Mr. Speaker, the socialists opposite could not invent a wheel if they were given a millennium. So let's make sure that we support this sort of thing, where they allow this to be disclosed to investigators from other provinces.

Okay, Mr. Speaker, also, Bill 2, Securities Amendment Act, states that electronic delivery of certain legal information is recognized, making it an option over the current requirements of pre-mailed delivery of documents. That's probably a movement ahead into the year 2001, Mr. Speaker. It's a movement in that direction.

But we just saw that happening with the Land Titles Office, Mr. Speaker, where we're going to move away from the system where we used to have to wait weeks, it's now going to be electronic. And yet today, Mr. Speaker, today, the minister in charge of the Justice department got up in his place and he said, some of the fees for land titles are actually going to go up.

It was put in place, Mr. Speaker, the Land Titles Office, the electronics of it, to get rid of a lot of employees. To do it electronically, it was going to be fast, it was going to be quick, it was going to be efficient. But today he added on a little fine print. It's also going to be more expensive for some of the people. Hard to believe.

So when The Securities Amendment Act includes the possibility of electronic delivery of certain legal information, we wonder very much what the costs are going to be. We wonder very much what the costs are going to be. It's likely going to result in an increase in costs, in costs and fees to the people of this particular province.

The amendment to The Securities Act, Bill 2, as we're dealing with it this afternoon, Mr. Speaker, also extends the period in which investigations can take place to two years from the current one year, following an incident. And I think that's probably a worthwhile thing to support, Mr. Speaker.

So that if it's only one year after the particular incident, it often takes a lot of time for all the paperwork — electronic or mail, whatever it be — to get shuffled through the system and for someone to find out that actually something had gone wrong with that deal and that there was something dishonest going on in it.

By that time, a year is over and suddenly the state of it is, you can't do anything about it because it only lasts for one year. So they're now increasing it to a two-year time during which investigations can take place.

It also removes points from legislation and moves them into regulations, and we'll have a fair bit to say about that a little later on, Mr. Speaker.

Changes in this legislation for the most part seem fairly well-intentioned and positive — the specifics of it. As I said, we're a little surprised it came from over there. We have some concerns where they're going to take it. In this day and age . . .

**An Hon. Member:** — It's a secret socialist plot. We didn't think that you'd catch it up.

**Mr. Heppner:** — And as the member from over there says, it is a socialist plot, and I agree with him. And if anyone should be able to recognize a socialist plot, Mr. Speaker, it should be a socialist.

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

**Mr. Heppner:** — In this day and age when so many more people are getting involved in the markets, trading stocks and securities . . . and there's very few people in our province, Mr. Speaker, that today aren't talking about that to some extent. Many of them are doing it, involved in stocks and securities, and at least they're all very aware of it.

And so this is changing times, and so we have to keep up the legislation to change with those particular times. It's important to keep our laws as current as possible, and both to keep up the demands with the trading industry, and we also need to protect those particular customers.

I find it interesting, Mr. Speaker, that one of the changes in this Act makes it illegal for those conducting trade to make misrepresentations. It's interesting that after a decade, the NDP would finally decide that to make a misrepresentation is now illegal. After 10 years in government, the NDP bring in an amendment to say that misrepresentation in conducting a trade is illegal.

Where have they been, Mr. Speaker, for the last 10 years? Weren't they aware of this problem, or didn't they care?

It is important to have laws in place that do protect citizens from those who may have less scruples, and to enhance investigatory procedures against those with a mind that tends to drift away from what is right and what is legal. So there's some good directions in here.

Now we see that there's increased power to share information for those involved in the market with investigators from other provinces. And with the globalization that's taken place, and Saskatchewan is part of that globalization — and the NDP are being dragged into it, kicking and screaming, but they're being pulled into it — there's a need to have that investigation set up in such a way that it can take place from all over, not just province by province or even country by country.

Now no one will hope that proper safeguards are in place. So this new power to share such information cannot be abused, and the privacy of individuals not involved in illegal activity cannot be infringed upon. And that's a very serious concern, Mr. Speaker, and it's one that we always have to be careful to

balance all the possibilities that are out there.

We've talked this is going to be a lot of electronics taking place in how information is going to be sent back and forth. How can we ensure that the business that people do in private doesn't suddenly become the knowledge of individuals that have no right to it and should not have access to it.

We've seen the Pentagon, in some cases, people have managed to access some of the records out there. I'm sure, Mr. Speaker, if the records of the Pentagon can sometimes be broken into, I don't think that the Saskatchewan government is that much more secure. So we have some questions on that, and we'll want to get some more information on that later on this spring and summer.

The change to the modernization of the legislation is definitely a plus.

But there's one article that I said earlier on we'd say a bit more about, and that is the movement of issues and items out of actual legislation and into regulations. And I just pointed out the 17 volumes, Mr. Speaker, that there exists, of red tape. Red tape are essentially regulations. Legislation is not usually considered red tape; it's all the little regulations that are put on and that are changed from time to time. And those are ones that I think the public has the biggest concern about, Mr. Speaker.

We have a concern about those because there's no way for the average person out there to have any idea that this is happening. They can't even hope for their member of government to know and to let them know in their articles and weekly newspapers or however else they communicate to their constituencies. Because it's done by a few bureaucrats. They make a few changes in the regulations, and none of the 58 people out here have any idea that it's happening, but suddenly those individuals find themselves afoul of the law because someone's changed a regulation.

And I'm going to have to go ahead and set up a bit of a different analogy for this one so that the people who are watching this on television get the full significance of regulations, of how this can catch people and turn honest people into criminals overnight.

Saskatchewan and the NDP fortunately have joined us in this, in strong opposition to the federal gun control. Now in the federal gun control situation, what's happened over there is the firearms that are legal, the ones that aren't illegal, the ones that are classified possibly as being restricted or prohibited, that's under regulations, Mr. Speaker.

And so here's what can happen. A particular firearm that an individual has purchased on a particular day and it's legal and it is not restricted and it is not prohibited, he goes to bed, wakes up in the morning, but what he doesn't know is that someone in Ottawa, some bureaucrat, has just taken that particular firearm and said it is now prohibited. This person now has a prohibited firearm. He is a criminal. He has a criminal record, just like that. He has no responsibility, no way of finding out what was happening.

(15:00)

And that's why when we have these things take place, where issues and items are taken out of legislation where we can debate them in the House as we're doing this afternoon, Mr. Speaker, and they're put into regulations, these things can be changed on a whim by bureaucrats. And there's one million people in this particular province that can be affected by it, and will have no way of knowing that things have changed for them.

There's no requirement to let the people who are affected by those changes and regulations to be informed. That's very serious, Mr. Speaker, that's very serious. And it's the kinds of things that puts a lot of fear into the people of our province.

The minister states that this particular Bill, Bill No. 2, the amendment, is going to make future changes to the rules that's going to make that a whole lot easier. I'm sure that's true. I'm sure it would be far easier for any government to make changes it wants without bringing these changes to the legislature. They can just slide off into a quiet room some place, make the changes, and it's done.

However our system is not in place to make things simple for bureaucrats. Our system is in place to protect the public. It's put in place to allow elected officials scrutiny over government actions. And when more and more is moved to regulations that have little scrutiny taking place over them until they've been passed by cabinet, and then how are we going to get to see them anyways, the people's right to hold the government actions accountable is weakened even further.

When you've made and moved everything to regulations, you basically kill democracy, Mr. Speaker. You kill democracy. And what you've done is create a dictatorship.

And that's what I'm concerned about that's happening when I look at this particular Bill, Bill No. 2, and I see that there's a desire by this particular government not to allow — not to allow the members of this legislature to debate the issues, but to take them out of this legislature, put them into regulation, and have somebody else make those particular changes.

And I need to repeat this, Mr. Speaker. When you've moved everything to regulations you kill democracy because there's nothing left for anyone else to do. Furthermore when you've moved everything to regulations you've created a dictatorship, and in this case it's a dictatorship of the socialists. And I can see the Finance minister over there already waving a white flag, but I'm not sure he's giving in, so we'll have to continue a little longer.

There are numbers of things that we need to look at further. I mentioned though the part about regulations, the part about something that looks like we're going to end up with something that might be like the truth police, checking up on everything we say. We need to check on some of the other regulations that are taking place, the amount of disclosure that's going to be made to investigators, and the security of the electronics that will be used in this.

So for that particular reason there's much more research we need to do, and I move to adjourn debate on Bill No. 2.



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

Debate adjourned.

**Bill No. 13**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 13 — The Class Actions Act/Loi sur les recours collectifs** be now read a second time.

**Mr. Heppner:** — Thank you, Mr. Speaker. Bill No. 13, The Class Actions Act. Now this is probably a fairly new one to everyone in this province because class actions are not something that take place a whole lot in this particular province. And I guess to some extent I'd like to be able to say that I'm glad that it hasn't, because possibly there has been no need for that. However I rather doubt that. But I think we would all like to think, Mr. Speaker, that we haven't seen many class actions take place because there hasn't been the need.

However, Mr. Speaker, times are a changing. I mentioned globalization a while back, and I think what happens with that is all the things that take place in other countries, in other democracies, we tend to pick up on those. And class actions is another one of those.

I think it has some validity. And the purpose for class actions is so that those individuals that are harmed in similar sorts of ways can go ahead and together take some action in front of the courts and look for some redress. And I think that's good.

We had in this particular province, some possibility for people to act together — where you could have had 10 or a hundred or a thousand people get together and say, we're going to collectively carry on a suit in Saskatchewan.

However, there was a unique quirk in the law in this particular province that said that the harm that had to take place to you, the injury that had to be done, had to be identical — had to be identical. Which meant that if you happened to be in a plane that crashed and there was a definite reason — that someone had probably flown the plane poorly and that was the reason for the crash — in Saskatchewan you couldn't carry on a class action suit unless for all of you maybe it was your left leg only that was broken. If half of the people on that flight had their left leg broken and half their right leg, in Saskatchewan, Mr. Speaker, you couldn't carry on that sort of action. It seems bizarre, but that's the way it was.

What would have to happen is that all those people would have to hire their own individual lawyers and carry on their own lawsuits, which would just have created a feeding frenzy for the legal community but created a totally impossible situation for all those people on that particular flight, each one having to finance a separate lawyer to carry on that particular lawsuit.

**An Hon. Member:** — Bizarre.

**Mr. Heppner:** — A very bizarre situation. That's correct, as I heard one of my seatmates say.

So there is some need, some definite need for this particular

Act. So now what takes place with this new Act is these individuals can get together and a lawsuit can be carried out because they were injured. The injuries do not have to be identical; they just have to have suffered some injury and they can work together on that.

And I think this is one of those cases that we're sort of catching up with the rest of North America, I would probably guess, Mr. Speaker. And to that extent I think we need to look at this particular Bill very carefully, this change that would allow much more latitude in launching such a multiple party or class action suit. And I think we would probably accept that.

Class action suits are very seldom, Mr. Speaker, frivolous. Individual lawsuits sometimes are because a person thinks a little differently, or doesn't think or whatever, and just decides I think I'm going to sue someone, and they look for someone to sue. That doesn't happen with class action suits because class action suits usually have a lot of people suffering in somewhat similar ways or at least from a similar occurrence. This allows a much larger latitude in that area, and I think that's good.

Of course when you introduce a major change like this, it's important that we also look at what kind of limits we're going to set on a class action suit. Is this now wide open and you can have five people suing all kinds of individuals and companies on a willy-nilly basis? No it is not.

In his opening remarks introducing this piece of legislation, Mr. Speaker, the Minister of Justice stated that the Uniform Law Conference of Canada adopted the Uniform Class Proceedings Act. And a Uniform Class Proceedings Act is what we're dealing with here — it's a class action.

In order to bring about legislation that is consistent between provinces . . . and as I stated earlier, it's good to see that we have the members opposite once in a while climbing on a ladder, looking over the borders and boundaries they've set up around this province to see what's happening elsewhere.

I read from his remarks that this legislation does follow those recommendations — and I'm referring to the recommendations set up by the Uniform Law Conference of Canada — that this legislation follows those made by that conference. He didn't state that directly, but I think there's a bit of a hint there.

And we'll want to check that out carefully to make sure that this actually does follow the recommendations of the Uniform Law Conference of Canada. And I wish you would have made that a bit more clear. But we'll want to question him closely on that Bill in the next few weeks or months, when it arrives in committee.

In general, Mr. Speaker, I find it somewhat refreshing to see the members opposite actually appear to be introducing a law that may well enhance people's rights before the courts instead of extinguishing them, as we have seen in so many instances dating back to 1991.

And this government is probably the government in North America, maybe even in the Americas, that is better than any other government in extinguishing people's rights and freedoms, things that they thought that they meant.

And we just had a member from Saskatoon chirping over . . . doesn't seem to want to believe this. Well I'll mention to her, Mr. Speaker, the word GRIP (gross revenue insurance program). Where people in this province had a contract with the NDP government, Mr. Speaker, they had a contract with that particular government . . . signed contract that was very clear, very specific.

It had been in effect over a number of years and farmers had used this, so they were used to it. It wasn't something new that came in and suddenly was found out not to work. It had been there; it had been in effect. And this government tore it up and said, we just decide we're going to take those rights and freedoms away from you.

Now had we had class action in Saskatchewan, had we had class action, all those farmers, thousands of them, could have joined together in a lawsuit against this NDP government and shown them that what they were doing was wrong, was illegal, was unfair, was actually immoral — to take a contract that you sign, tear it up, and say it no longer exists.

So if the members opposite wonder if that happens in this country, if it happens in this continent, it happens in this province and it was carried out by the NDP. GRIP is something which people still remember and many of them are, unfortunately, never going to be able to forget that because it created so much hardship.

And I see the minister in charge of Agriculture sitting there and grinning from his seat, as if he's proud of the fact that he went back to the farmers in Yorkton and said, all you people that farm in Yorkton, tear up the contracts because we deem we never signed it. Amazing that a government can just deem they never signed it, when their name is on it. That's why we need something like this, the possibility for a class . . . a group of people to go ahead and form a class action suit.

And, of course, no-fault insurance is another one, Mr. Speaker. And amazing when we start looking at places where class action suits would have been valid, would have been useful for the people of Saskatchewan, it's the NDP government opposite that would have suffered at the hands of most of those class action suits. GRIP was one; no-fault insurance was another one. Took away people's rights before the courts.

We had an interesting situation not long ago under SGI (Saskatchewan Government Insurance). And you will recall, Mr. Speaker, I'm sure, where partway through the year SGI decided to up the rates. So someone who might have paid \$900 for his insurance finds it's gone up a little further — and I'm referring to the deductibles, Mr. Speaker.

So just like that this government said you all have a contract, you signed it for a year, you bought your licence, you paid for it for a year, 12 months, so you now have your security for 12 months from now . . . or till 12 months from now I can drive this vehicle; I'm covered with insurance. This government, their SGI Crown corporation they're so proud of, shamefully said, we're going to tear up that licence you have and say you owe us more money when you have accident. The deal that you had when you sign it is gone.

So there is much room for class action suits.

What happened in that case, Mr. Speaker, what happened in that case, Mr. Speaker, is one individual took it to court. And I believe SGI realized that they could find themselves losing every single court case and decided to save themselves a lot of hassle and having their reputation sullied still more and paid that money back. I hope we'll soon see another piece of legislation that remedies that sort of thing as well.

Some of the members on the side opposite who were here in 1999 will remember that particular thing happening, when that deductible, as I mentioned, was changed from 500 to 700.

And I wonder when the minister gives us examples of where class action suits are preferable, this case of against the government, and the two that I mentioned — the GRIP case and the SGI case. And again, the member from Yorkton should know both of those well. One is a farmer tearing up that GRIP. And second, I believe he used to be an insurance salesman. He probably knows both of those very well.

So while the principle behind this Bill is one that I think we can agree with, we'll need a lot of clarification on the details of that Bill. We'll need some clarifications to make sure what the limits are, the parameters that are out there around this particular Bill, Bill No. 13, The Class Actions Act.

I'm also interested in sections of this Bill, such as section 14, which states that any time the court may make an order it considers appropriate respecting the conduct of a class action to ensure fair and expeditious determination of a case.

(15:15)

Now I would hope that means that this government, this government, the NDP government, can't hide behind the legal system and literally drive people into poverty rather than settle their court cases.

We had one on CBC (Canadian Broadcasting Corporation) not long ago, Mr. Speaker, where an individual family had been in court with this government for seven years — for seven years. They're waiting, they're ready, they're trying to get into court and to deal with this with the government.

This government, this NDP government, is dragging its feet, is dragging its heels, to try and stay out of court. They saw it on CBC; I'm sure they did. It's probably the only station they watch.

Those kinds of things, I would hope, that when we look at the details of this particular Bill, Bill No. 13, are taken care of so that, as I've said, class action suits are taken care of in a fair and expeditious manner so that they don't last for years and years.

I'm also interested in clarifying with the minister the power of a person to opt out of a class action suit and pursue his or her own action independent. Those kinds of things in his introduction weren't given. And we have those sorts of questions; we want to ask those.

The minister also stated in his remarks that this legislation

makes our justice more fair, more certain, and more efficient. And in my debate so far this afternoon, Mr. Speaker, I've talked about those sorts of things — things being fair, things being certain — so that you could be sure that when you signed a contract with an NDP government, it wasn't going to be torn up in front of you and it was going to be more efficient.

And I mentioned that one court case, Mr. Speaker, that's already been in court in Saskatchewan for over seven years, and this government is purposely dragging its feet hoping that those people will go away, go broke, or just up and die and get out of their hair.

So we have those sorts of questions, we'll need to get those answers, and for that reason at this time, Mr. Speaker, I move to adjourn debate.

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

Debate adjourned.

## SECOND READINGS

### Bill No. 7 — The Superannuation (Supplementary Provisions) Amendment Act, 2001

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. I rise today to move second reading of The Superannuation (Supplementary Provisions) Amendment Act, 2001.

Mr. Speaker, this Act pertains to the following defined benefit pension plans: the Liquor Board superannuation plan, the Power Corporation superannuation plan, the Workers' Compensation Board superannuation plan, the Public Service Superannuation Plan, which encompasses the Anti-TB (Tuberculosis) League superannuation plan and the Saskatchewan Transportation Company superannuation plan.

Mr. Speaker, these various plans were closed to new employees in 1977 and the majority of active members are now between ages 40 to 59. Each of the pension plans has a board that oversees the operations of the plan.

Mr. Speaker, the major amendment proposed in this Bill provides a surviving spouse of an employee who dies prior to retirement with the maximum pension allowance available under the pension plan. This amendment replaces a provision that provided the same maximum pension allowance only if the employee had chosen the higher benefit.

As people move from one employer to another, Mr. Speaker, it is important for some members that their pension asset be transferable. This Bill updates and modernizes the ability for these plans to enter into new agreements to allow transferability. These changes are required because other plans, like the Government of Canada's, have cancelled their agreement with these plans.

Mr. Speaker, the purpose of several of the proposed amendments to this Act is to clarify compliance with the federal Income Tax Act. It is imperative, Mr. Speaker, that the pension plans comply with the federal legislation to ensure that their registration status is not affected.

Overall, Mr. Speaker, the amendments proposed to The Superannuation (Supplementary Provisions) Act serve the purposes of improving survivor benefits, revising the portability of the member's pension asset, and compliance with federal law.

Mr. Speaker, I move second reading of An Act to amend the Superannuation (Supplementary Provisions) Act, 2001.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, whenever you're dealing with someone's pension plan, it's their future and it has to be taken very seriously, Mr. Speaker.

As the minister said earlier, this plan closed in 1977. So you can be assured, Mr. Speaker, that the people involved in this plan have put a lot of reliance into it for their future to support them as they retire or, in the case of a tragedy and someone dies, to support their spouse and family.

Mr. Speaker, I did find it interesting though when the minister stated that the people involved in this plan, since it closed in 1977, were between the ages of 40 and 59. At age 40 today, if you're involved in this plan, you must have started working and to qualify for this pension when you were 16 years old. I didn't realize that the government hired employees at age 16 that would have been eligible to receive a pension.

So perhaps that's something that the minister at some point could explain to us, why the government was hiring employees at age of 16 to qualify for this pension plan. You know that's one of the issues I think that would be of interest. Not that there's anything wrong with it, Mr. Speaker, in the sense of being illegal, but rather a point of interest, Mr. Speaker.

**An Hon. Member:** — Opportunities for youth.

**Mr. D'Autremont:** — The minister hollers across, opportunities for youth. Well, Mr. Speaker, I hope that when the minister says that he means that whenever a youth works for the government then, that they would be entitled to start building a pension plan that's transportable with them. So that when they are hired as summer students, summer employment students, that they can start to build a pension plan for their future.

I'm not sure that this happens but perhaps the minister can clarify this when he gets an opportunity in Committee of the Whole, when this Bill reaches that point sometime this summer, to explain that to us, Mr. Speaker.

Mr. Speaker, it's very important that people be able to transfer or have a portable pension plan, that as they move from location to location that that pension plan follows them and they can continue to contribute to it.

I guess the questions we need to ask the minister: is this plan only portable within government or is it portable as a person may move through their career, in government service, out of government service, and whatever else they may be employed with such as self-employment, Mr. Speaker.

One of the issues that has been raised to me on pension plans, Mr. Speaker, particularly by those people involved in the

pension plan is, as they leave that sector of employment, where they're no longer contributing to that particular pension plan, what notifications do they receive, on an annual basis let's say, of the status of their pension plan?

You know, a person may have been employed in the government employment for 10 years prior to 1977, contributed to the pension plan, but haven't worked for the government since that point in time. Is there a notice sent to them on an annual basis, Mr. Speaker, that shows the value of their pension plan and indicates to them that the managers of the pension plan still remember that they had made contributions and are still eligible to receive benefits?

That's very important for a lot of people, Mr. Speaker, because they may have forgotten what they did 25 years ago in the sense of contributing to a pension plan. As they move, papers get lost. It's important that the people who operate the pension plan, Mr. Speaker, remain in contact with all of the participants whose money resides within that pension plan and who are eligible to receive benefits. Because it's not just the individual who made the initial contribution who is entitled to a benefit, but their spouse and children in the case of death, Mr. Speaker, who would be entitled.

So that is important. And those are some of the issues, I think, Mr. Speaker, that the minister needs to take under advisement and be prepared to answer at the opportunity he will receive whenever this Bill would go into Committee of the Whole, Mr. Speaker.

But there are a number of people across the province, Mr. Speaker, who are very interested in any changes to the superannuation Act because it affects their pension plan, Mr. Speaker. They need an opportunity to review what this Bill does and the implications it may have on their future well-being.

So, Mr. Speaker, it's important that they be given the time to have a look at this Bill, to respond to any concerns that they may have. Therefore I would move adjournment of debate.

Debate adjourned.

#### **Bill No. 14 — The Provincial Auditor Amendment Act, 2001**

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. I rise again today to move second reading of Bill No. 14, An Act to amend the Provincial Auditor Act. This Bill, Mr. Speaker, amends the Act governing the Provincial Auditor which was passed in 1983.

The Provincial Auditor is an officer of the Legislative Assembly. The amendments in this Bill strengthen the independence of the Provincial Auditor and strengthen the accountability of the Provincial Auditor to the Legislative Assembly. The amendments in this Bill reflect the recommendations of the Standing Committee of the Legislative Assembly on Public Accounts — an all-party committee of the Legislative Assembly.

And I'm very happy to say, Mr. Speaker, that the amendments proposed in this Bill have received the unanimous support of all of the political parties in the Legislative Assembly — something we don't see everyday.

The process leading up to these amendments, as can be appreciated, was very open and complete.

On December 6, 1999, the government announced in the Speech from the Throne that amendments to The Provincial Auditor Act were planned.

In February 2000, the Provincial Auditor issued a special report that provided the Provincial Auditor's recommendations for amendments to the Act. The Provincial Auditor at that time indicated that the purpose of the special report was to obtain the views of the Public Accounts Committee regarding required amendments to the Act.

The government established an advisory committee to review the Provincial Auditor's recommendations and the amendments being considered by the government to provide an independent review. This Provincial Auditor Advisory Committee was chaired by George Baxter, Ph.D. (Doctor of Philosophy), who is a professor of accounting at the University of Saskatchewan. And the committee reported its recommendations on June 7, 2000.

The Public Accounts Committee was able to review the special report of the Provincial Auditor as well as the report of the independent committee. It completed its review of the Provincial Auditor's recommendations and the advisory committee's recommendations in the fall of 2000.

The Provincial Auditor and the government worked together on the wording of the amendments to appropriately reflect the recommendations of the Public Accounts Committee. And the opposition Finance critic says it wasn't easy. And it probably wasn't.

And I have to compliment, actually, the opposition Finance critic here, Mr. Speaker, because he is, as you know, the Chair of the Public Accounts Committee. And the Public Accounts Committee did a lot of work with respect to this legislation which, I think, has led to a better product and the rare event of a unanimous recommendation from the Public Accounts Committee and both sides of the House, which is reflected in this legislation.

So the government recently announced in the Speech from the Throne, Mr. Speaker, that amendments to the Act would be introduced during this session of the legislature. The consultations are now complete, and the Bill therefore has been introduced and is today having second reading.

I would like to thank the Provincial Auditor for providing his views and working with the Department of Finance on the amendments in this Bill. I appreciate the work of the Public Accounts Committee, chaired by the opposition Finance critic in thoroughly reviewing the Provincial Auditor's recommendations and the advisory committee's recommendations.

(15:30)

And I would also like to thank the advisory committee for the service it provided and its vision of an enhanced audit committee.

So you can see, Mr. Speaker, that we have the support here of the Provincial Auditor, the Public Accounts Committee, the various political parties in the Legislative Assembly, and the independent advisory committee.

The Provincial Auditor has written me and reported to this House indicating that he supports this Bill because it maintains the government's accountability to the Legislative Assembly and improves the Provincial Auditor's independence.

I'm very pleased, Mr. Speaker, that the Provincial Auditor supports this Bill and that we were able to find agreement between the Provincial Auditor, the Provincial Controller, the Department of Finance, the Public Accounts Committee, and representatives of the private sector. This is not an everyday occurrence.

I should say, Mr. Speaker, the main provisions in this Bill are as follows. Firstly, the amendments — and this is very important — ensure an independent process for the selection and appointment of the Provincial Auditor for Saskatchewan. The amendments provide for the appointment of the Provincial Auditor by resolution of the Legislative Assembly upon the unanimous recommendation of the Public Accounts Committee.

What that means, Mr. Speaker, is the Public Accounts Committee of course is a committee of all of the political parties of the Legislative Assembly. So you need to have all of the political parties agreeing on a recommended Provincial Auditor and then that recommendation would come to the Legislative Assembly.

The amendments also ensure an independent process for the review and approval of the Provincial Auditor's budget. Currently the Board of Internal Economy performs this function but that is not required by law. What these amendments do is to say, in law, Mr. Speaker, that the Public Accounts Committee — which is, as I said, an all-party committee of the Legislative Assembly chaired by a member of the opposition that works with the Provincial Auditor — will review and approve the Provincial Auditor's budget.

The amendments strengthen the accountability of the Provincial Auditor to the Legislative Assembly by formalizing, in law, the current practice whereby the Provincial Auditor provides a business and financial plan and an annual report on operations. The amendments provide for the tabling of these documents in the Legislative Assembly and the referral of these documents to the Public Accounts Committee.

So once again, all of the political parties of the Legislative Assembly will be involved in looking at the plans and budget of the Provincial Auditor.

As well, Mr. Speaker, the amendments strengthen accountability by providing for an independent audit committee to advise the Public Accounts Committee, at its request, with respect to recommending a Provincial Auditor to review the Provincial Auditor's reports if requested to do so, and in other matters as determined by the Public Accounts Committee.

The amendments also provide for members of the audit committee to be selected and appointed by the Public Accounts

Committee after consulting with the Crown Corporations Committee. Members from the academic, legal, business, and accounting sectors of the province would be selected to provide technical advice to the Public Accounts Committee.

Once again, Mr. Speaker, the point of all this is to say that because the books of the province need to be independently audited by the Provincial Auditor, we want to take the control out of the hands of the government of the day, the political party that may be in government, and to involve all of the members of the Legislative Assembly, which is only proper because the Provincial Auditor is an officer of the Legislative Assembly.

And I should say, Mr. Speaker, that this follows a trend with respect to other officers of the Legislative Assembly as well, such as the Ombudsman, the Children's Advocate, and the Chief Electoral Officer. More and more what we're doing, what other governments are doing, is to take the decisions respecting these people out of the hands of the major political party in the legislature and involve all of the members of the legislature. And that's what we should be doing; that's what the Bill proposes.

In addition to the Public Accounts Committee, the amendments allow the Provincial Auditor, the Minister of Finance, or the minister responsible for The Crown Corporations Act, or the Standing Committee on Crown Corporations to request the Audit Committee review issues that in their opinion should be reviewed by the Audit Committee. This is to facilitate the discussion and resolution of audit and accounting issues.

The amendments also deal with a number of administrative items, Mr. Speaker, and I won't mention most of them but I'll mention two of them. Currently there is no term of office specified for the position of Provincial Auditor. Saskatchewan is just one of three provinces without a term of office specified in legislation.

The amendments establish a 10-year term of office for the position of Provincial Auditor. They also permit the Provincial Auditor to apply for a second or subsequent term. This allows for periodic renewal for the office. It also provides a time frame that is long enough to attract candidates and allow the incumbent to make substantive changes to the office.

The amendments also provide for, as part of the Provincial Auditor's duties, audit assignments that may be required when the government issues securities. This eliminates the need for an order in council when this service is required.

These amendments, Mr. Speaker, will come into force on assent. And I'm very pleased to move second reading of An Act to amend The Provincial Auditor Act.

**Mr. McMorris:** — Thank you, Mr. Speaker. It's a pleasure to talk to Bill 14, An Act to amend The Provincial Auditor Act. After talking to some of my colleagues and listening to the minister opposite speak on this Bill, we find that probably a lot of the groundwork and a lot of the homework has been done.

As was mentioned by the minister that it was an all-party committee that suggested the changes in this Act, so we've

certainly had a lot of time to have our input into it. And as the minister mentioned how it's unusual to have all the parties come together and agree on something like this, and I would just suggest that perhaps it was the fact of the chairperson. It was the opposition chairperson of that committee and it was really quite interesting how it all came together when we were chairing it.

And I would just advise the members opposite if they want to get some more agreement that maybe they could replace some of their Chairs that are on that side of the House with some Chairs from this side of the House, and I think things would work quite a bit better. But perhaps, perhaps that will be coming in the near future. That may be coming in the near future regardless.

But, Mr. Speaker, it was unanimous. It was unanimous between the auditor and it was unanimous with the opposition and as well as the government of the changes that are being suggested.

I think the most important part — and it was really working towards that — is to keep the independence portion of the Provincial Auditor, to make sure that it was truly independent and that it would be reporting now to the Public Accounts Committee as opposed to the legislature as a whole. But it's so important to have that independence, otherwise the office of the Provincial Auditor really loses probably most of the respect and most of the importance of that position.

I think of many different reports that have come out by the Provincial Auditor, which are not always complimentary of governments, regardless of what government it is. And certainly, this government is no exception. And to know that the auditor is speaking on behalf of and accounting on behalf of the general public and not certainly bent on any one political persuasion — government or opposition — it certainly adds to his relevance.

I was talking to, again, a couple of our members that sit on that committee and they were talking about not only the independence, but how, as the minister opposite was talking about, the Audit Committee and how it's going to have more responsibility, or not necessarily more responsibility, but put to work more often than what it was in the past. And I think in the past it really had been, you know, a structure there that just hadn't been used.

By the looks of it, it's going to be used a little bit more in the future, which is . . . if we're going to have a committee, it might as well be put to work.

One other part of this Act that I think is — and again, talking to members on our side that are on that committee really suggest is a good idea — is a term of office for the auditor. And they suggested a 10-year term with the ability to apply for a second length of term. And I think just listening to the minister opposite, when you compare it to most of the other provinces and their provincial auditors, that they have something like that in place, and that was missing here in the province.

And the fact that it's a long enough term of 10 years with the option of a second, you'd certainly get some continuity and some . . . with the auditor. They can carry issues from year to

year to see whether there have been changes on his suggestion or not. Whereas perhaps if it's a quick turnover, it would be a little bit tougher to do.

So, Mr. Speaker, I think what we would like to do, although we're very, very close to sending this to the Committee of the Whole, at this time I'd like to adjourn debate in case . . . just to let it go once more and see if there's any other issues that come up. But by the sounds of it, being unanimous, as I mentioned, by the parties concerned, that we'd have no problem letting it go to the Committee of the Whole. But at this point I'll adjourn debate.

Debate adjourned.

## COMMITTEE OF FINANCE

### General Revenue Fund Finance Vote 18

#### Subvote (FI01)

**The Chair:** — I'd invite the Minister of Finance to please introduce to the committee his officials with him here this afternoon.

**Hon. Mr. Cline:** — Thank you very much, Mr. Chairman. I have with me today, seated to my left is Dr. Paul Boothe, who is the deputy minister of Finance; and to his left is Mr. Terry Paton, who is the Provincial Comptroller; and beside Mr. Paton is Ms. Joanne Brockman who is the executive director of the economic and fiscal policy branch of the Department of Finance; and seated behind Mr. Boothe is Mr. Bill Van Sickle, who is the executive director of the corporate services division.

Behind me is Mr. Glen Veikle, who is the assistant deputy minister and is in charge of the Treasury Board branch of the Department of Finance; beside me on my right is Mr. Len Rog, who is the assistant deputy minister and is in charge of the revenue division of the Department of Finance; and behind Mr. Rog is Mr. Kirk McGregor, who is also an assistant deputy minister and is in charge of taxation and intergovernmental affairs of the Department of Finance.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Minister, welcome this afternoon and to your officials, also welcome.

Thank you very much, Mr. Minister, for your compliment back a few moments ago when you spoke on Bill No. 14. I appreciate that comment and I must say that all members worked very hard to try to produce a document that is best for the province of Saskatchewan.

And, Mr. Minister, I guess that's maybe where I'd like to begin today in more general terms with yourself as Minister of Finance and responsible for the budget of all of Saskatchewan, as well as your particular department is concerned.

The newspaper article, of course, that is before us in the last couple of days indicating that the deputy Finance minister sitting to your left is moving back to Alberta causes, I'm sure,

some concern for you as the Finance minister, and it does cause the opposition some concern.

(15:45)

I guess, Mr. Minister, what I'd like to know is the contract that you had established, the secondment contract that you had with the University of Alberta, was it an ongoing contract or did it have a term to it?

**Hon. Mr. Cline:** — It was for an indefinite period, Mr. Chair.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, while we appreciate the work I'm sure that . . . and as well that you have . . . must also appreciate the work of Mr. Boothe, we note that in the last couple of months there's been some negotiations with yourself and the Clerk of Executive Council regarding that contract. And we're wondering why back at the end of March there was a decision made to change the . . . a clause of the contract that allowed for the reduction of notice by either you, the employer, or the employee in this case, to be reduced from three months to two months. Could you explain that particular clause?

**Hon. Mr. Cline:** — Yes, Mr. Chair. It was changed, as the member says, from three months to two months to make it consistent with the notice provision required by the University of Alberta for a return. And also to make it consistent with other such contracts that I understand have been entered into by the Government of Saskatchewan.

**Mr. Krawetz:** — So with the announcement at this time, just prior to May 1, does that mean then that that notice was necessary to allow for the July 1 re-entry back into the University of Alberta?

**Hon. Mr. Cline:** — That's correct.

**Mr. Krawetz:** — Thank you for clarifying that, Mr. Minister. Mr. Minister, now then with the departure of Mr. Boothe effective June 30, you've indicated that Mr. McGregor will be taking over as the current assistant deputy minister, will be assuming that responsibility. Do you see any change in the direction of your department with Mr. Boothe leaving, and that responsibility being passed on to Mr. McGregor?

**Hon. Mr. Cline:** — No, I do not, Mr. Chair.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, the changes as I believe the Premier documented in his press release, he complimented Mr. Boothe for certain numbers, certain accomplishments, certain directions that have been implemented as a result of Mr. Boothe being your Deputy Finance Minister. Would you indicate that whether or not you were pleased with the role that Mr. Boothe played, and the direction that your department has headed in in the last two years, and whether or not you anticipate any change in that direction.

**Hon. Mr. Cline:** — No, I do not anticipate change in a major way, Mr. Chair. I am very actually pleased with the direction of the government's fiscal policy and the government in general.

I'm pleased with the budget and I'm very, very pleased and proud of the men and women that work at the Department of Finance. We have a Department of Finance that is recognized across the country as being one of the finest in the country. It of course does not depend upon the efforts of one individual; it depends upon the collective efforts of a few hundred or 300-and-some men and women who work there.

Certainly the Department of Finance has made major strides in the last few years in terms of things like: personal income tax reform; tax reductions; The Provincial Auditor Act with the co-operation of the member opposite, for which I thank him and his colleagues; changes in the area of Indian taxation; many other initiatives. And these policies will certainly continue.

I'm very pleased with the job that Dr. Boothe has done as deputy minister of Finance during his secondment here. And the direction that we have been taking is the direction that we will continue to take.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, this budget that has been presented most recently, when compared to the budget that was presented a year ago — which would be the two budgets that Mr. Boothe was involved with — are to some degree slightly different.

You announced some income tax changes, some tax changes last year. Even though we saw an expansion of the PST, I think everyone agrees that if your projected changes produce the results that you anticipate, by the year 2003 we should see some significant changes in that department.

You also note of course that it was necessary to change the income tax system that we had operating in Saskatchewan with the federal system, and to decouple, and that was also needed. And that's sort of the mark I guess that we would see Mr. Boothe and, as you indicate, others made on that very first budget a year ago.

We note now of course that the budget has taken a slightly different turn. Much less in the way of tax reductions — in fact very little — and more a spend budget. Is that a role that your deputy minister has recommended and is this something that has the support of your new deputy minister who will be taking over?

**Hon. Mr. Cline:** — Well certainly my new acting deputy minister, Mr. Kirk McGregor, is actually the head of the taxation and intergovernmental affairs division of the Department of Finance. He has in fact been in charge of the response of the government to the Vicq Committee and in charge of the program to reduce income taxes. So clearly, Mr. McGregor is very much involved with that.

But I'd like to say to the member opposite whose question may imply, if I heard it correctly, that the idea of tax reform arrived in Saskatchewan with Dr. Boothe, that that certainly is not the case. Without taking anything away from the major contribution of Dr. Boothe — and it certainly has been major because he's a very competent and respected individual — in fact if the member will recall in the budget of 1999, which was several months before the arrival of Dr. Boothe in Saskatchewan, I announced that I was going to be appointing a committee to

review the matter of personal taxation in Saskatchewan. That process began as a result of this government's commitment to fairer, simpler, and more competitive personal taxes.

The report arrived after the arrival of Dr. Boothe, but it was in fact commissioned before Dr. Boothe came here and then implemented under the leadership of Dr. Boothe, ably assisted of course by Kirk McGregor and his people in taxation and intergovernmental affairs.

So I think that point has to be made. The second point I would make for the member is that his question may be taken to imply that there were no tax reductions in this year's budget. In fact I would remind the member that the small business corporate income tax rate was cut as of July 1 this year by some 25 per cent, which I think is a significant reduction. The amount of income that small business can earn and be eligible for the lower tax rate is going from \$200,000 to \$300,000. I believe most reasonable people would regard that as a tax cut.

And I also would remind the member that in fact it is during this fiscal year, Mr. Chair, that the really first part of major income tax cuts take effect. There were a variety of additional credits for students, caregivers, disabled people, seniors, that were announced in the budget as well. I won't detail all of them but the member's implication that the budget did not cut taxes is demonstrably incorrect.

I want to say to the member also that . . . The member says, well, the budget had a different focus perhaps this year than last year. Well the reason for that, of course, is the tax reform plan announced last year takes effect in 2001, which is this year, 2002 and 2003.

And, Mr. Chair, all of that was announced last year. And of course what we're doing this year is what we said we would do last year.

I think it's very important that governments set out a plan, say what they're going to do, and then do it. And certainly that is what our government is doing and the member knows that.

But I also want to say to the member that running a government, building a society, is not just about one thing at any time. Certainly tax reform is important; tax reduction is important. But in this year's budget we are doing other things.

We are rebuilding the highway system. We are investing more money in education, in the K to 12-education system. We're taking high-speed Internet throughout rural Saskatchewan so that we can have a level playing field in terms of the information technology available to people regardless of where they live; and I think perhaps more importantly, so that a child who lives in rural Saskatchewan, in the member's constituency, will have the same access to information in the education system as a child who lives in my constituency in Saskatoon, or anywhere else in the province.

And all of these things, Mr. Chair, are building blocks which are important for the province's future. Part of it is tax reform and making sure that we have a fair tax system, but part of it has to be fixing our roads and educating young people.

And there are many other things in the budget, but my point is we need a balance between tax cuts and investments in things that matter to people. And of course people expect the highways to be fixed, they expect to have a public health care system, they expect to have an education system — all of those things are an important part of budgeting, Mr. Chair.

**Mr. Krawetz:** — Thank you, Mr. Minister for that answer, and I do want to end my questions on the direction of your department and the role played by Mr. Boothe by wishing Mr. Boothe well as he returns to his role at the University of Alberta. And thank you for your contribution to the province of Saskatchewan in your short two years here.

Mr. Minister, to a question that I asked of you during, I believe, the debate on the appropriation Bill, was whether or not your department could supply the various numbers of the capital tax estimates and the components of tobacco tax, etc. And to date I have not received those. And I have a couple of questions. And I was wondering whether any of your officials have had the opportunity to prepare that information?

**Hon. Mr. Cline:** — Actually, Mr. Chair, yesterday I sent a letter through the assistance of one of the pages in this legislature to the Leader of the Opposition, answering the questions of the opposition with respect to taxes and various components. And I don't have that in front of me, although I can get it and perhaps send a copy over to the member. But I did in fact send that to the Leader of the Opposition yesterday.

**Mr. Krawetz:** — Thank you, Mr. Minister. While I understand that you may have answered some of the questions and letters, and you have done that in the questions I've asked, my request is for the chart form as you have prepared in previous years that indicates all of the values of the various components. And I'm just wondering whether or not that chart is available for distribution, you know, publicly.

**Hon. Mr. Cline:** — I'm advised, Mr. Chair, that we did provide that yesterday. And I don't have a copy in front of me, but I will ask my office to provide a copy so I can send it to the member. But I did send that over yesterday.

**Mr. Krawetz:** — Thank you very much, Mr. Minister. That's very acceptable.

Mr. Minister, to better understand this year's budget, in a general sense, I need to ask you a number of questions relating to your mid-year report that was put out in November and how that affects the development of this year's budget.

Mr. Minister, we've had some discussion about a couple of funds that were created in last year's budget. They were the Health Transition Fund and they were the — through the Environment and Resource Management division — they were, that was referred to as the Forest Fire Contingency Fund.

Both of those funds indicated in last year's budget and even in the mid-year, in fact they were not only . . . remained the same as the Forest Fire Contingency Fund was, that is it was kept at a \$50 million limit, but the Health Transition Fund, which was initially budgeted at 150 million, was increased by 33 million. Mr. Minister, that 33 million, as you noted in your mid-year



report, was a transfer of federal dollars and it grew that fund to 183 million.

When I compare the mid-year report to your current budget, there seems to be a disappearance of the, of the — not the disappearance of the money — but the disappearance of where that money actually was placed. Could you explain the \$50 million Forest Fire Contingency Fund and the \$183 million Health Transition Fund.

(16:00)

**Hon. Mr. Cline:** — Yes, thank you, Mr. Chair. I want to deal with the Forest Fire Contingency Fund first. And I should say to the member, I did send the member a letter with respect to the Forest Fire Contingency Fund which I think he would have received last week.

And as I indicated last time we were in estimates in the House, we didn't spend that much of the Forest Fire Contingency Fund last year fortunately because we didn't have as many forest fires as we have had in some years. I think we spent 3 or \$4 million of that.

At the end of the fiscal year, that fund lapses according to the rules of accounting. But as I indicated to the member with respect to the Forest Fire Contingency Fund, I propose to present legislation to set that fund up in law so that the money would not lapse in the future, but there would be a permanent fund available to fight forest fires in the event of an extra number of forest fires in a year. So that deals with the Forest Fire Contingency Fund.

With respect to the Health Transition Fund, the member is right that \$33 million was added to that as a result of monies that came from the federal government last fall. And some of that money was spent during the last fiscal year, \$100 million approximately of the Health Transition Fund lapsed; in other words had not yet been provided to the health districts. That \$100 million was added to this year's Health budget.

**Mr. Krawetz:** — Thank you, Mr. Minister. Further question to the Forest Fire Contingency Fund.

Mr. Minister, if it was not your intention to create a fund that would be carried over last year, why didn't the actual budgeting or estimated budgeting of \$50 million, why didn't the category, vote no. 10 within the Environment and Resource Management budget, why wasn't that total budget just increased by \$50 million which of course would lapse at the end?

Was there an intention to create a fund last year that was going to be carried over but then because of . . . as you've indicated this year, you require legislation, was that a decision as to why that fund was not put forward?

**Hon. Mr. Cline:** — Mr. Chair, with respect to the Forest Fire Contingency Fund, we have increased the basic forest firefighting budget this year by something close to \$10 million — I don't have the exact figure in front of me — hence the Forest Fire Contingency Fund is now \$40 million instead of \$50 million, but the total amount available roughly the same as last year.

The reason why we did not pass a law last year to prevent the money from lapsing was simply that we wanted to have some experience with the fund and see how it operated. We've done that. Now what we're going to do is do in legislation — what I think the member would want us to do as implied by his questions — which is to create a permanent fund where we can put some money in to make sure that we have resources available to fight the forest fires.

**Mr. Krawetz:** — Thank you, Mr. Minister, and I would support that type of move to ensure that there is funds available. And as you've noted, Mr. Minister, I think that the dollar figure that you're proposing for this year for fighting forests in Saskatchewan is relatively the same as last year, except that you've moved 10 million from sort of an operating to a fund.

Mr. Minister, we are on . . . you know today is May 2, I'm wondering how close you are to having that legislation available for presentation to the House?

**Hon. Mr. Cline:** — I'm sorry I can't answer that question, Mr. Chair. The legislation actually — and I may have mislead the member — would be presented by the Minister of the Environment rather than myself. But what I will do is undertake to find out from the Minister of the Environment when that legislation is anticipated to be introduced and to advise the member accordingly.

**Mr. Krawetz:** — Thank you, Mr. Minister. And, Mr. Minister, I do want to indicate to you that the official Opposition Whip has just talked to the Leader of the Opposition, and indeed the document that you said that you circulated to the Leader of the Opposition contains the information and I thank you for that.

Mr. Minister, to the second fund that I asked about and you've made a brief comment — the \$33 million of federal money that was transferred to the province of Saskatchewan last September — could you indicate whether or not that \$33 million was used to purchase equipment in particular hospitals or was it allocated to districts throughout the entire province?

**Hon. Mr. Cline:** — It was allocated to districts throughout the province, Mr. Chair; 16.5 million spent last year and 16.8 million will be spent this year.

**Mr. Krawetz:** — Mr. Minister, I note in the mid-year financial report that you anticipated an expenditure in Health of about \$2.170 million. That was the projection as of November of last year. In the end, your estimates show that you have reduced . . . or that the actual expenditures up to March 31 were significantly lower than that. Could you explain how we hear through listening to boards, district health boards talk about being underfunded?

We note that we have problems with maintaining beds and utilization of facilities. We have longer waiting lists. And it seems that the budget that was proposed by your department last spring was, in fact, enhanced throughout the year because of federal transfer monies, because of additional monies that were made available from windfall oil and gas royalties. And indeed, there was the opportunity to spend \$2.1 million on Health to maybe change some of the weaknesses that we see in the Health structure.

Yet we note that if you look at the estimated expenditures or the forecast for March 31 of this year in Health, we see well over \$100 million less than what was projected to be spent. Could you explain why the Health minister didn't lobby your department to ensure that they could have spent the entire amount as was projected?

**Hon. Mr. Cline:** — I think it needs to be pointed out, Mr. Chair, that the member is correct that less money was spent in Health last year than had been estimated at the time of the mid-year financial report. But that does not necessarily mean that the health districts got less money because the health districts only account for part of the budget of the Department of Health. There are other expenses in there such as drug plan, physician remuneration, and a number of other things. And I do believe that the health districts got enough . . . actually more money than was budgeted last year, especially since the deficits were covered toward the end of the fiscal year. But some things were not quite as much as anticipated.

But it needs to be pointed out that overall the . . . in Health, about 80-some million dollars more was spent last year than budgeted. So we certainly can't be accused of not spending all the money that we said we were going to spend, because in fact we've spent more than we said we were going to spend. The difference was just not as much at the end of the year. But this is, I think, a good thing because you should try to, you know, spend roughly what you budget.

But I'd like to say to the member also, I mean detailed questions about the Department of Health should obviously be referred to the Minister of Health in his estimates and he'll be pleased to answer them. But I do want to say that in health care it seems to me that the question is not only how much money is spent and the answer is not only to put more money into it, it's also to make sure that it's properly spent in the most efficient and effective way to meet the health care needs of the people of the province. And that is a subject which I'm sure would be one for considerable debate between the members opposite and the Minister of Health for questioning in estimates.

**Mr. Krawetz:** — Thank you, Mr. Minister, for clarifying the health fund and its budget and I'm sure we'll have other questions for the Minister of Health as well. Mr. Minister, I will turn to an area that I believe is under your jurisdiction and that's, of course, equalization payments between the province of Saskatchewan and the federal government.

In your mid-year report you noted that because of the revenue structure in Saskatchewan and the fact that the oil and gas sector was doing well, you forecast that the equalization payments for Saskatchewan would be decreased by \$49.8 million from the original budget estimate. And I'm wondering, Mr. Minister, whether or not that projection was accurate and whether or not the fiscal year that just ended on March 31 of 2001, what indeed was transferred to the province of Saskatchewan in equalization payments?

**Hon. Mr. Cline:** — Yes, Mr. Chair. We had budgeted last year — that is the 2000 budget — to receive equalization in the amount of approximately \$336 million and in fact the forecast now for last year is \$215 million. So roughly \$121 million less equalization in the last fiscal year than we had budgeted.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, when you recognized or realized, I should say, a growth in revenue in the oil and gas sector last year of some almost half a billion dollars — 440, I think, was the estimate — I noted in your article last year, when you prepared it you indicated that the reduction of the equalization factor from Ottawa was not going to be as significant because — and I read from your document — it says that:

Strong growth of personal and business income revenues in other provinces relative to Saskatchewan offset the anticipated decrease.

We've heard a lot about growth in other provinces and how that type of growth of course controls the equalization transfers to Saskatchewan. And I recognize that, in your projection for this year, you are estimating that we're going to get an increase of about \$162 million in equalization payments.

So there are a number of factors that are playing into how equalization payments are determined for the province of Saskatchewan. And I know that it's a complicated type of calculation, but could you indicate to the people of Saskatchewan — as you have just pointed out — that in fact there was a decrease last year of nearly 100 million because of the revenue that Saskatchewan had obtained, yet that was considerably less than the windfall of nearly half a billion dollars because of the fact that other provinces were doing in fact stronger and better than what the province of Saskatchewan.

This year you project \$162 million increase. Is that because Saskatchewan is continuing to do much worse? Is it because there is a new plan between the financing from Ottawa and the province of Saskatchewan, and that new numbers are being used to determine what the amount of money the province of Saskatchewan will receive from the federal government?

(16:15)

**Hon. Mr. Cline:** — No. The increase in equalization this year will not be due to poor financial performance by the province of Saskatchewan. It is due to the fact that we anticipate that our oil and gas revenues will be much less than last year.

I want to say to the member that of all the seven provinces that receive equalization, Saskatchewan receives the least amount per capita. And the reason for that, Mr. Chair, is not because we perform badly. It's because we generate more own-source revenue through economic activity than the six other provinces that receive equalization. And so actually in relative terms we're doing quite well.

I want to let the member know that equalization is, as he says, very complex. Last year there was more money available because the Ontario economy — which is the largest economy in the country; they have 11 million people, I believe — grew at a rate of about 5 per cent. And that is the major determinant in terms of more equalization being available last year.

This year our equalization entitlement goes up. It is not because of relatively poor economic performance on our part, it's because we expect oil and gas revenues to be less than they

were last year when the prices were somewhat higher.

**Mr. Krawetz:** — Mr. Minister, as your officials and others in your department have looked across the country at the growth and/or performance of other provinces, how do you feel Saskatchewan will do in the current fiscal year that we're in relative to the other provinces that are, as you've indicated, the have provinces or those that are in the category of have not.

**Hon. Mr. Cline:** — We believe, Mr. Chair, that Saskatchewan will do, in relative terms, better in comparison to the rest of the country than we did last year. We project that our rate of growth will be closer to the national average than it has been in recent years. So if the member wants to compare Saskatchewan to the other provinces, we feel that we will do relatively better than we have been doing in the last number of years.

**Mr. Krawetz:** — Mr. Minister, one of the components of the budget that has been raised numbers of times in this House, of course, is debt servicing, and I note in your projections for this year that the debt-servicing cost for this year will be reduced somewhat. Could you indicate why you feel that there will be a significant decrease in interest of almost \$44 million from the year-end of the last fiscal year?

**Hon. Mr. Cline:** — Two parts, Mr. Chair. We reduced the general debt of the province by \$180 million during the last fiscal year, so there's less debt and therefore less interest.

The other part is we have some long-term debt that is coming due this year, which had a high interest rate, and we're going to replace that debt with debt at a lower interest rate. So partly we have less debt and partly we're negotiating some of our debt at a lower interest rate.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, on page 68 of your budget document, which is the section I've been referring to, vote no. 12, we note that the expenditure for foreign currency adjustment has increased a fair amount. And I'm wondering, Mr. Minister, if . . . We've seen the dollar, the Canadian dollar fluctuate rather significantly in the last number of months, and I'm sure the impact that it may have had in your government . . . in your budget projections.

As we see changes in the value of the Canadian dollar relative to the American dollar, does it have any projections on your interest costs or any of your other budget numbers?

**Hon. Mr. Cline:** — We believe that the impact of the lower Canadian dollar will mean about a \$3 million cost in terms of interest. And that's taken into account with respect to the estimate of the debt-servicing costs, I believe.

I should say to the member that one of the things that the Department of Finance has quite successfully done over the last five or six years is to ensure that the vast majority of our debt is payable in Canadian dollars. I think it's somewhere in the range of 80 per cent is payable in Canadian dollars. And the reason for that, of course, is if our debt was totally payable in American dollars, then as the dollar goes down it would cost us a lot of money.

And I'd like to point out to the member, Mr. Chair, that a few

years ago when this happened, it cost us 15 — that's one five — million dollars because the Canadian dollar went down.

Nova Scotia had not taken the same steps that our Department of Finance took to convert most of their debt to Canadian dollars and it cost them in excess of 50 — five zero — million dollars and forced them into deficit.

And so the point is, our Department of Finance officials have been doing a very good job, I think, protecting us from the weakness of the Canadian dollar. So we are exposed, I think, to the tune of about \$3 million but if it wasn't for the good work of our officials over there we would have a much bigger problem on our hands.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I note that there is a category that makes up the debt servicing total which is referred to as fees and commissions and that's a statutory. Who receives the payments from your department for fees and commissions?

**Hon. Mr. Cline:** — That would be the investment syndicate that sells our bonds to the retail market, Mr. Chair.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I'd like to turn to a section that's been discussed a number of times and that's, of course, the provincial debt. The auditor has raised the concerns and in his report each year the Provincial Auditor points out that . . . how government finances actually work and he indicates where the government has moved in the last 10 years. And I'm referring to the 2000 Fall Report, Mr. Minister, that was put forward by the auditor.

Mr. Minister, in the report that I just mentioned, the auditor indicates by a chart that the debt of the province is hovering right around \$19 billion as of March 31, 2000. Do you agree with that auditor's chart that indicates a \$19 billion debt for the province of Saskatchewan?

**Hon. Mr. Cline:** — Well the chart speaks for itself and, of course, I don't disagree with the Provincial Auditor. The Provincial Auditor indicates that there is \$11.1 billion in general debt, and \$3.8 billion, I believe it is, in unfunded pension liability, and \$4.1 billion in other. And I would point out to the member that the debt indicated by the Provincial Auditor has been falling generally from a high in 1994 to today. And the debt of the province is certainly going down in absolute terms.

**Mr. Krawetz:** — Thank you, Mr. Minister. When we look at the total debt of the province being at \$19 billion, we note that actually that's an increase for the first time since 1994, when we look at the total amount of debt of the province of Saskatchewan. Could you explain why you see the province of Saskatchewan starting to increase its total debt relative to that number of 1994-95?

**Hon. Mr. Cline:** — Well I think the problem the member may be having, Mr. Chair, is that this chart the member is referring to deals with two things: it deals with long-term debt and it deals with current liabilities. And current liabilities may be indebtedness that the government is going to pay off next week, and there may be money in the bank even to fund those current

liabilities.

The relevant numbers that the member would want to look at would be the numbers certainly exclusive of the category of other, which includes current liabilities. And the member, I would suggest, in terms of looking at the long-term debt of the province, should be looking . . . pardon me, should be looking at the relevant figure which is the bonds and debentures category, which is \$11.1 billion in the year 2000 and was at one time \$14.2 billion in 1994.

To mix current liabilities and long-term debt is not truly reflective of the long-term debt of the province, Mr. Chair, because to state the obvious, the member is referring to numbers that are more than the long-term liabilities of the province.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, while we recognize that the \$11.1 billion is a combination of the General Revenue Fund debt and of course Crown corporation debt, we must remember that in the province of Saskatchewan, regardless of whether that is a government Crown debt or whether that's held in debentures for, you know, the general workings of government, it is still the debt of the taxpayers of the province of Saskatchewan. And you know in Saskatchewan, that famous saying is that one taxpayer is still the only one that is responsible for the debt.

So leaving that \$11.1 billion aside, Mr. Minister, a lot of concern has been raised by a number of people about two of the other components that make up that \$19 billion debt and you've referred to both of them. You've indicated that the debt factor, which is part of the \$19 billion, the components called the unfunded pension liability is in fact up to \$3.8 billion.

And I note, Mr. Minister, that in the last 10 years that that debt has in fact increased by over \$1 billion. And the auditor indicates that in 1991 the unfunded pension liability was 2.7; and it now sits at \$3.8 billion. And that's of concern to people in the province of Saskatchewan.

I'm wondering, Mr. Minister, what your department and what you would suggest would be a solution to the fact that the unfunded pension liabilities of the various groups that make up that component continues to increase. What solution do you have in mind to address this concern?

**Hon. Mr. Cline:** — Well first of all, Mr. Chair, I'd like to point out to the member that I agree with him, that whether a debt is to the Crown corporation . . . or of the Crown corporations or the general government, it's a debt, and it's a debt of the taxpayers. There's no question about that. But both of those amounts add up to \$11.1 billion.

The point I was trying to make to the member before is when he's talking about \$19 billion in debt, he's including liability such as trade accounts payable, accrued interest in unpaid claims for government insurance and Workers' Compensation programs. That is in fact referred to by the Provincial Auditor on page 13 of his 2000 Fall Report.

And the member, when he's talking about \$19 billion in debt, is adding current liabilities to long-term debt. The current

liabilities are met on an ongoing basis; they do not comprise long-term debt. And what we need to be concerned about is long-term debt. And the long-debt of the province is \$11.1 billion as indicated by the Provincial Auditor.

With respect to the unfunded pension liability, I think the member is correct that that is \$4.1 billion. I'd like to point out that that liability has been accumulating since the 1930s. This is not something that just came along.

But I also want to say that the member should be well aware, since he is the Chair of the Public Accounts Committee, that the deputy minister of Finance and the Department of Finance, presented a report to the Public Accounts Committee, chaired by the member, explaining that the unfunded pension liability will in fact be met by the province, and explaining how.

(16:30)

That is a matter of public record before the Public Accounts Committee, but the member is certainly entitled to ask the question again. And what I will say to the member is that the unfunded pension liability is an obligation to the pensioners to meet the cost of their pensions as time goes on. That cost will be met over time. Over time, also, the liability will become decreased as people actually retire, receive their pensions, and then cease to receive their pensions at the appropriate time.

And certainly this is a long-term obligation of the Government of Saskatchewan and the taxpayers to the people that have worked in the public service. They're entitled to their pensions and they'll be paid their pensions. The liability is as indicated by the Provincial Auditor. Eventually in the long-term that liability will be reduced as time goes on, as has been fully detailed before the Public Accounts Committee.

**Mr. Krawetz:** — Thank you, Mr. Minister. And, Mr. Minister, you are correct in indicating that the Public Accounts Committee received a detailed report from Mr. Boothe regarding the request to address the concern over the unfunded pension liability. And we appreciated the comments of a representative from the Teachers' Superannuation Commission.

While we understood the report, there still has to be government commitment to ensure that the debt that we see now . . . And, Mr. Minister, in listening to the individual from the Teachers' Superannuation Commission, we've seen the growth or the increase of the unfunded liability of especially the teachers' pension plan, and it's been a significant increase.

And we are aware that the last individuals to enter that plan were about those that entered the plan, I think, in the year 1979. And the member pointed . . . or the representative had pointed out that the year 2015 approximately — give or take a year or two — is when the maximum amount of retirements will occur and in fact after that, there will be very few left contributing.

His point, Mr. Minister, I think is that . . . And it shows in your budget document when we look also in your allocation for pensions and benefits for the education sector. We note that the number that is used there is not the total amount of money that is necessary to maintain a balance in the Teachers' Superannuation Plan.

And in fact the liability, the unfunded liability, will grow again next year, and it will grow again the year after, and it will continue to grow until about 2015 when suddenly the requirement — and I use that word, you know, loosely for you to define maybe — is that suddenly we will need approximately \$200 million more than the previous year, if we continue to maintain the type of program that you've put in place.

Mr. Minister, while Mr. Boothe and the report that was prepared indicated that government was responsible and government would ensure that monies were available, it may be difficult — and I'm sure that neither you nor I will be in this House in the year 2015, and I say that with tongue-in-cheek, Mr. Minister — but it will be of concern to the people of Saskatchewan that suddenly the government of the day will now have to increase its expenditure for pension by at least \$200 million more from the previous year.

Do you see that as a workable solution or should we be addressing the need to ensure that the unfunded pension liability does not continue to grow as we move from 2001 to 2015?

**Hon. Mr. Cline:** — Well actually I should point out, Mr. Chair, that information about the Teachers' Superannuation Plan was certainly included in the discussion at the Public Accounts Committee with the member, of course this is as Chair.

And I will say that with respect to the Teachers' Superannuation Plan, our obligation is to meet the pension payments that are required to be paid to retired teachers who are a part of that plan, and that obligation will be met.

In fact I'm advised by the Department of Finance that the amount of money required on an annual basis to fund the Teachers' Superannuation Plan will in fact rise between approximately the year 2009 to 2015, but it will never actually be more in constant 2000 dollars than it was in the year 2000. So that in relative terms, it actually won't be any worse by 2015 or thereafter, than it was in 2000.

And what the member has to remember is that while it may be a certain amount of money in 2015, \$200 million perhaps, that will be \$200 million in 2015 dollars. And we anticipate of course there will be inflation between this current year and 14 years hence. There will also be growth in revenue to government, so as a percentage of government revenue in fact the obligation may be less in 2015 than today.

But to compare apples to apples, the situation will not be worse in 2015 than it is today. It will be perhaps roughly the same. Between now and 2015 the situation will actually be not as bad as it was a few years ago in terms of the cost of the . . . the annual cost to fund the Teachers' Superannuation Plan.

**Mr. Krawetz:** — Mr. Minister, could you clarify . . . It was my understanding that when actuarial studies are done, that the dollars of today, 2001, are in fact adjusted for — if we're looking at a projection of cost for 2015 — that in fact those numbers are adjusted to ensure that we are talking about relative dollars so that indeed we'll still be talking about the same kind of need, which will be about \$200 million of today's money.

**Hon. Mr. Cline:** — Well my advice from the Department of

Finance, Mr. Chair — which advice I accept — is that in terms of constant dollars the situation is, as I indicated, that the amount of money required, peaked in approximately the year 2000. It will go down until 2012; it will then rise until 2015. In 2015, in constant dollar terms, the situation will be about the same as it was in 2000. It will then go down for a while and come back up, but it will never be appreciably worse than it was in the year 2000.

To put it in another way, I'm looking at another chart that I didn't look at a moment ago — and I see by the way that this actually was, is a document that was sent from Dr. Boothe, my deputy minister, to the Clerk of the committee, the Public Accounts Committee, so the member I presume will have read this — at page 6 of that document, the problem is dealt with in terms of a percentage of GRF (General Revenue Fund) revenue. In other words, a percentage of the money we receive.

Just to put it in perspective, in the year 2000 we spent 3 per cent of our revenue funding the — both actually — the Teachers' and the Public Service Superannuation Plan. That presently, by my reading of this chart, has dropped to about less than 2.5 per cent. In 2015, it will go up to about 3.2 per cent, then it will go back down to 3. And the highest it will ever get to as I read this is about 3.8 per cent. And then after 2027, it eventually goes down to zero per cent.

But my point is this, that however you cut or slice it the answer is, I think, that the cost to pay on an annual basis the unfunded pension liabilities will be between 2.5 and 3.8 per cent between now and the year 2027. That doesn't imply to me that we'll be in any kind of crisis situation. It implies to me that we'll either be paying 3 or 2.5 or 3.2 or 3.8. It goes up and down, all within a range of 1.4 per cent of the revenues of the province. Something that I think is, quite obviously, very manageable and nobody needs to get into a panic about meeting pension obligations.

We've been doing it since the 1930s when unfunded pension liabilities began. We'll be doing it until the year 2060, approximately, when the problem will go away. And I want to say just . . . (inaudible interjection) . . . Will go away. And I agree with the member that neither of us will be members of the Legislative Assembly when this happens.

But I want to say, to put this in perspective also, that this problem actually started, I think, in 1927 someone told me once, when unfunded liabilities in pension plans of the public service started to accumulate. And the problem stopped being added to approximately in 1977-78, 24 years ago, because the then minister of Finance, Wes Robbins, and the then premier, Allan Blakeney, decided to close off entry to these pension plans, where the pension costs more than contributions, and put everybody into a money purchase plan, which I think was a very good move.

But the point is we're 25 years, approximately, later, and if they hadn't done that, the problem would probably be twice as bad. But it gives you an indication of how long it takes to get out of one of these problems when you start getting into it.

But it seems to me that there's actually a good story here in the sense that we can manage the unfunded pension liability by

either paying, this year, about 2.5 per cent of our revenue and, as I said, going into the future the maximum will be about 3.8 per cent of revenue.

We can do that; we will do it because people, whether they worked as teachers or public servants, are entitled to receive their pensions. They will receive their pensions and the cost of it is quite manageable.

**Mr. Krawetz:** — Thank you, Mr. Minister. And I think you've clarified for us the fact that some of us for sure won't be around by the year 2060.

But, indeed, everyone is concerned, Mr. Minister. We hear about mortgaging our children's future. We've heard about that and the debt of this province that skyrocketed during the '80s. And when we see a pension debt or an unfunded liability continuing to rise, of course, it causes concern as to whether or not it's going to be manageable.

And I understand, I have the document that you referred to and I've studied it and we appreciated the comments made by Mr. Boothe, but there still is concern that the anticipation is that the provinces' revenues are going to continue to grow at some projected rate and that in the end there will be a percentage that will be about 3.8 per cent of GDP (gross domestic product).

The problem though is not being addressed at the current time when we indeed see that the unfunded liability continues to grow. And as I've pointed out, and as the auditor has pointed out, it has grown from \$2.8 billion and it has grown up to the current level of 3.9 I believe . . . No, it's 3.8.

The question that people are wondering about, and I've been asked this question by many, is as we move towards 2010 and 2012 which is another decade, if we've grown by over \$1 billion, if that unfunded liability has grown by over \$1 billion in the last decade, do you expect that at the time that we'll be looking at the last group of retirements, that indeed the unfunded pension liability of the province will be somewhere in the area of 6 or 7 or \$8 billion?

(16:45)

**Hon. Mr. Cline:** — Mr. Chair, I would say this, that what the unfunded pension liability is, is a debt that was accumulated between the years approximately 1928 to 1978. It took 50 years to build up that debt — 50 years. And it hasn't, the debt, in one sense hasn't been added to — at least in terms of new members of those plans — since 1978 approximately.

And I would say to the member, Mr. Chair, through you, that it is not reasonable to expect that the taxpayers today are going to pay for this problem all at once and make it go away. It took 50 years for that debt to accumulate. It will take many years for that debt to go away. And what we will ask the taxpayers in each year to do, is to allow us to contribute 2 or 3 per cent, or 3.5 per cent of our revenues, toward the meeting of that obligation.

It is a large sum of money that is an unfunded pension liability but if we tried to make that large debt go away all at one time, we would be more than doubling income taxes, for example. I

think you'd probably quadruple them actually. And that's not reasonable.

And so yes, we have an unfunded pension liability which we've had since approximately 1928. We'll continue to have an unfunded liability in that regard for the next 50 years or 60 years; and we'll have to manage it on a year-by-year basis, as I've described. And that I think is the answer, if we don't expect people in this current fiscal year to make the problem go away.

Because I don't think anybody has a desire to pay \$4,000 per capita, or \$16,000 for a family of four, to pay for it right now, today. We'll pay for it over time, as I've described, and retire that debt over a long period of time, as indeed it took to accumulate the debt.

**Mr. Krawetz:** — Mr. Minister, I think you've misunderstood me. While I agree with you that there are no additional people entering plans that have closed, and the old teachers' pension plan is an example of that, the last people to enter that plan were in 1979, and you, I think, agree with that.

My question, Mr. Minister, is not that you should be putting in place a process to eliminate the current unfunded liability debt which now sits at \$3.8 billion and has grown by over \$1 billion in the last decade; my question, Mr. Minister — and I think it's been verified by Mr. Boothe and the representative of the Teachers' Superannuation Commission — that the unfunded teachers' liability continues to increase. It's not that you're making progress and trying to eliminate it, in fact you're allowing the debt to continue to grow.

And the question that people are asking — and that's the question that I asked you, Mr. Minister — was by the year 2015 when the last group of the current teachers' pension plan retirees are going to be retiring, will that accumulated debt be somewhere near 6 billion or 7 billion? Because you are going to allow the debt to grow.

It's not a debt that was created 50 years ago that is of concern to the people right now. It is the fact that that debt is continuing to increase and it's increasing because of the structure that you've put in place; the amount of money that's needed to pay for the requirements of the pension fund is not balanced by revenue and in fact the unfunded liability continues to grow. Could you explain your last answer in relationship to the question that I've just asked?

**Hon. Mr. Cline:** — Well, Mr. Chair, when the member says that I am going to allow the liability to grow or that I have allowed the liability to grow, what the member is implying is that I should raise taxes on people today to pay more money toward the unfunded pension liability. And this is where I have a disagreement with the member. Because if the member is saying to the public that I'm allowing the debt to grow, the member should also point out that the only way that you can make that debt grow smaller is to substantially raise taxes to people today to pay it off now or pay some of it off now.

And that's where I have a problem. I think that this is a long-term debt that took 50 years to build up, between about 1928 and 1978. The reasonable thing to ask the taxpayers to do

is to pay it off over time by paying a little bit of it each year. That's what we should do.

If, in order to make the member happy, I say well I'm not going to let it get any bigger, the member also has to point out to the people that we would have to really substantially raise income taxes and sales taxes, for example, to prevent that from happening. So I guess that's just a disagreement I have with the member.

I'm in favour of tax reform, which means keeping the sales tax at 6 per cent instead of the higher rate it used to be and also bringing our income taxes down.

What the member is suggesting may sound on the surface to be more palatable, that somehow we'll eliminate the unfunded pension liability, but it means higher taxes for the people of the province and that is not the policy of our government.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I think we're still not on the same wavelength here and I'm going to try this again.

Mr. Minister, we've discussed one very specific plan and that is the Teachers' Superannuation Plan. And you have noted, and I think we both agree, that the unfunded liability of that plan has continued to grow. And the accumulated unfunded liability of the province of Saskatchewan over the last 10 years has in fact grown by over \$1 billion. I think you agree with that. And I have not suggested that you should be eliminating the unfunded liability in one year.

The question, Mr. Minister, is that that unfunded liability is going to peak, and it's going to peak primarily because of the number of teachers that are in the plan, even though there is a legislative members' plan that makes up a component of that and a Public Service Commission component. But the largest component of the unfunded liability is the teachers' pension plan.

Mr. Minister, when will . . . according to the document that Mr. Boothe produced, could you indicate to the people of Saskatchewan what year you expect the peak to be for the amount of unfunded liability of the province of Saskatchewan for pensions?

**Hon. Mr. Cline:** — My officials advise, Mr. Chair, that they believe that the amount of the unfunded liability would peak approximately in the year 2015.

**Mr. Krawetz:** — Thank you, Mr. Minister. Do your officials in the report indicate what you expect the unfunded liability amount to be projected to in that year of 2015?

**Hon. Mr. Cline:** — The information that I have, Mr. Chair, has to do with the annual cost of meeting the unfunded liability. I don't have the global figure. And the annual cost in nominal dollar terms will reach approximately \$400 million by 2027. In 2015 it would be about \$250 million.

And as I indicated to the member before, in constant dollars we will be going down between the year 2000 and the year 2015, at which point it will be about \$175 million in constant dollar

terms for the Teachers' Superannuation Plan, I should say, and another \$90 million or so for the Public Service Superannuation Plan, which will then begin to go down. And the teachers' will fluctuate up and down until about 2027, at which point it will begin to be reduced.

And I've given the member figures with respect to the percentage of the revenue that it will take to meet these obligations. I won't repeat those numbers. Those are the numbers I have which have been provided to the Public Accounts Committee.

**Mr. Krawetz:** — Thank you, Mr. Minister, for clarifying the year and the annual amount of payment.

One of the concerns, Mr. Minister, and I'm wondering, when you talk about whether or not taxes will have to be increased or whether or not there will be reductions in expenditure, when we look at that group of teachers — and I think the Teachers' Superannuation Commission uses the number of about 450 to 475 retirements on an annual basis — that last group of retirees will occur in about 2015. And in the calculation of the pension requirement for the Teachers' Superannuation Plan, and this year I note that it's been reduced from 79 million to 50 million, the revenue from those teachers is used to offset what is required for government to pay to the Teachers' Superannuation Commission.

When that final year occurs, Mr. Minister, and there will be in the year following no retirements of 450 people because the plan basically will have, you know, 99 per cent of the teachers retired, how will the government of the day come up with the additional money that is now needed? Because the revenues from the retirees will not be there because there will be zero retirees.

**Hon. Mr. Cline:** — Well just as I've described, Mr. Chair, because I've provided the member, through Dr. Boothe at the Public Accounts Committee, with charts which show with as much exactitude as one can ever estimate, the amount of money required on an annual basis to meet the obligations.

So the answer is that after the teachers that are in the plan all retire, which is in 2015, as I pointed out to the member, the government will be required to take between 3.25 per cent and going down to 3 per cent and up again to 3.8 per cent of revenues to meet the unfunded pension liability.

How will the liability be met? It will be met by taking 3 or 3.5 or 3.8 per cent of every dollar we receive and paying that money out. I should say for both the Teachers' Superannuation Plan and the Public Service Superannuation Plan.

The obligation will be met by taking 3, 3.5 per cent of every dollar we get, that is three and a half cents on every dollar, and meeting the obligation. And that will be true before all the teachers retire; it will continue to be true after all the teachers retire. And as I said before, this is a manageable plan to take three and a half cents out of the dollar to meet the pension obligations. That leaves us with ninety-six and a half cents of every dollar to spend on other things.

The only way that we can avoid paying it off, as I've described, is if we raise taxes today. And I am . . . my position and the position of the Government of Saskatchewan is it took 50 years

to create the problem, we will pay it off gradually over time as the taxpayers can afford, and we'll pay it off by using about three and a half cents of every dollar we take in to meet that obligation.

**Mr. Krawetz:** — Thank you, Mr. Minister. One final question as the hour is drawing near to closure.

Mr. Minister, one of the other components, as you indicated, is the other liabilities. And you've indicated that accrued interest and trade accounts payable and government insurance and Workers' Compensation programs make up that other portion. And, Mr. Minister, I note that in the last six, seven years that the unfunded liability for that section has grown from 2.8 billion to 4.1 billion.

Could you indicate why we've seen such a, such a dramatic increase in the amounts that make up the other liabilities?

**Hon. Mr. Cline:** — Well, Mr. Chair, the member is not correct. These figures that he just talked about are not unfunded liabilities. It is not I that points out that they are other liabilities including trade accounts payable and so on. It is, in fact, the Provincial Auditor.

The Provincial Auditor says at page 13 that these other liabilities of \$4.1 billion are not unfunded liabilities. They are other liabilities like trade accounts payable, accrued interest, and so on.

What the member has to understand is that this chart he's looking at — graph 4 — is the government's liabilities debt as at a certain date. And as at that date, there are current liabilities at \$4.1 billion. The next week, many of those liabilities could be paid off.

So I don't know how to put it other than to say that the member is mixing up current liabilities with long-term debt. And he's talking about apples and oranges and mixing them all together.

**Mr. Krawetz:** — Mr. Minister, I don't want to leave by suggesting that, you know, I don't know the difference between an apple and an orange.

And, Mr. Minister, my question is that . . . And I used the term unfunded incorrectly. I agree. They are liabilities of the government as proposed by the auditor. My question was that the liabilities in the last seven years have increased from 2.8 billion to 4.1. That seems to be an increase of \$1.3 billion in liabilities of your government.

Mr. Minister, my question is, why do you see that increase having taken place over that period of time?

**Hon. Mr. Cline:** — Well I'll just say this, Mr. Chair, that when you're talking about current liabilities, you also have accounts receivable, cash in hand, that kind of thing that you then balance against accounts receivable . . . or I'm sorry, against current liabilities.

Current liabilities are not long-term debt, they are current liabilities. And what we need to be concerned about is long-term debt, which in our province, fortunately, is going

down rather than up. Which is the direction it should be going in.

And I don't quite know how to answer the question other than by saying to the member that current liabilities are important — one should know what they are — but one cannot mix them up with long-term debt.

**The Chair:** — Order, it now being the hour of adjournment, the committee will rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 17:00.