

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to stand today to present a petition from constituents in my area of the province who would like to voice their opinion in support of comprehensive tobacco control legislation. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to pass comprehensive provincial legislation to prevent children from starting to smoke, to protect all citizens from second-hand smoke in public places and workplaces, and to control youth access to tobacco products.

And the signatures on this petition, Mr. Speaker, are from the communities of Guernsey, Humboldt, Cudworth, St. Brieux, Lake Lenore, St. Gregor, and Lanigan, and also Middle Lake.

I so present, Mr. Speaker.

Mr. Hermanson: — Thank you, Mr. Speaker. I have a petition here about the government's report, the *Saskatchewan EMS Development Project*, which calls for provincially run and centrally operated ambulance services. 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 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 my hometown, the community of Beechy. And I'm pleased to present this petition on their behalf.

Ms. Draude: — Thank you, Mr. Speaker. I too have a petition today regarding the Fyke report:

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 Wadena 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, public health, home care, and long-term care services for the users in our district and beyond.

The people that have signed this petition are all from Wadena.

Mr. Wall: — Thank you, Mr. Speaker. I rise in the Assembly today to present petitions on behalf of the people from Swift Current and area concerned with the state of the Swift Current

Hospital. The prayer of the 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.

Mr. Speaker, the petition I present today is signed by citizens of Swift Current and the community of Ponteix, south of the city of Swift Current.

I so present.

Ms. Bakken: — Mr. Speaker, I rise today to present a petition on behalf of citizens of Weyburn-Big Muddy constituency who are concerned about their ambulance service, and 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 affirm its intent to work to improve community-based ambulance services.

And the petition is signed by residents of Radville, Lake Alma, Weyburn, Gladmar, and Vernon, BC (British Columbia).

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I too have a petition to present on behalf of citizens of the province regarding the EMS (emergency medical services) 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 services as recommended in the EMS report and affirm its intention to work to improve community-based ambulance service.

As in duty bound, your petitioners will ever pray.

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

I so present.

Mr. D'Autremont: — Thank you, Mr. Speaker. I too have a petition to present today. 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 and southwest Manitoba, and beyond.

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

These petitions, Mr. Speaker, come from Bellegarde, Redvers, Storthoaks, and I know that I've seen the name of Gainsborough on these also, Mr. Speaker.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also arise today to present a petition from citizens concerned about poor cellular telephone coverage in their area. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to provide reliable cellular telephone service in the districts of Rabbit Lake, Hafford, Blaine Lake, Leask, Radisson, Borden, Perdue, Maymont, Mistawasis, and Muskeg Lake.

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

Signed by the good citizens from the Blaine Lake town and area. Thank you, Mr. Speaker.

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

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 the good citizens of Davidson, Radville, Regina, Saskatoon.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have a petition signed by folks of the province. And the prayer 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 gas and oil revenues to provide a more substantial energy rebate to the Saskatchewan consumers.

Mr. Speaker, this petition is signed by folks from Unity, Evesham, Cut Knife, and also Senlac.

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I rise again with a petition to stop further cuts at Assiniboia Pioneer Lodge. 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 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, this petition is signed in total by the citizens of Mossbank and Mazonod.

I so present.

Mr. Hillson: — Thank you, Mr. Speaker. I present a petition. The prayer of relief reads as follows:

That your Hon. Assembly may be pleased to call on the provincial and federal governments to provide immediate financial assistance to the city of North Battleford in order to facilitate necessary improvements to the North Battleford water treatment plant.

Your petitioners come from the communities of Battleford and North Battleford.

I so present.

READING AND RECEIVING PETITIONS

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

These are petitions of citizens of the province requesting that services be maintained at the Weyburn General Hospital, the Bengough, Radville, and Pangman health centres.

And 11 other petitions that are addendums to previously tabled sessional papers.

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Estimates

Clerk Assistant (Committees): — Ms. Harpauer, Vice-Chair of the Standing Committee on Estimates, presents the second report of the committee which is hereby tabled.

The committee has adopted the estimates of the Legislative Assembly and recommends as follows:

That upon concurrence of this report by the Assembly, the sums as recorded and approved shall be included in the next Appropriation Bill for consideration by the Legislative Assembly.

Ms. Harpauer: — Mr. Speaker, I move the motion, seconded by the member from Regina Northeast:

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

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Wartman: — Thank you, Mr. Speaker. Mr. Speaker, I'm very happy to introduce to you and to members of the legislature today, 28 students from MacNeill School in my constituency. And they are accompanied by their teacher, Ms. Cindy Nelson. And parents who are accompanying them are Ms. Shay, Ms. Hustak, and Ms. Brightman.

I would like you to all join together with me in welcoming them to this legislature.

Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Thank you, Mr. Speaker. I would also like to introduce a school group visiting today from St. George School, from my riding in Saskatoon Northwest. They are 34 grade 7 students accompanied by teachers, Ms. Troesch and Ms. Koller; and chaperones Ms. Holt, Ms. Sadoway, and Mr. Perrin.

And they are here obviously to observe the proceedings and I'm sure will be heightened by question period. I have had the opportunity to visit St. George School a couple of years ago and to address the grade 7 and 8 class at that time.

And I would ask all members to welcome the grade 7 class from St. George School. Thank you.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Assembly, 15 grade 6-to-8 students from the Gainsborough School, seated in your gallery, Mr. Speaker. They are accompanied by their teacher, Pat Wolensky, along with chaperones Kim Murray, George Howden, and Rod Murray.

I would ask that everyone welcome them here today and hope they enjoy the proceedings.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Saskatchewan Party Meeting

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, last night was a big night in Saskatoon for the Saskatchewan Party. Speaking to a packed house, the Leader of the Saskatchewan Party laid out his vision for rebuilding our great province.

And I say rebuilding, Mr. Speaker, because after a decade of NDP (New Democratic Party) mismanagement, Saskatchewan has been driven to the bottom of the economic ladder.

The Saskatchewan Party message was very well received by more than 750 community, business, and education leaders in Saskatoon, many of whom expressed the desperate need to get rid of this tired and arrogant NDP government.

Mr. Speaker, the most commonly asked question last night was, how soon before the next election so we can have a chance to get rid of this NDP government? Mr. Speaker, it's clear the people of Saskatchewan are ready for a change.

And apparently the sentiment is even held by some prominent members of the NDP. The NDP member from Regina Qu'Appelle Valley was so interested in how to fix the mess his government has created, he drove all the way to Saskatoon to hear the Leader of the Saskatchewan Party first-hand.

Former NDP presidents, NDP leadership candidates also took in the event in Saskatoon last night and by all accounts, Mr. Speaker, even these long-time supporters of the NDP liked what they heard.

It's great news for the Saskatchewan Party and the people of Saskatchewan but for the NDP I'm afraid the forecast is for more rain.

Some Hon. Members: Hear, hear!

Opposition Checklist for Growing Saskatchewan

Mr. Thomson: — Thank you, Mr. Speaker. Up until yesterday I couldn't understand what all this fuss about these so-called brown envelopes was about. But you know, Mr. Speaker, yesterday I too got a brown envelope. Contained therein was the opposition leader's speech for that night.

I never thought I'd live to hear it, Mr. Speaker, but the first words in that speech were Saskatchewan . . . is booming. Well, Mr. Speaker, I couldn't agree more.

But I knew it was too good to be true and alas, Mr. Speaker, it was. It wasn't long before the opposition leader launched into that same old checklist for growing Saskatchewan.

But let's look at the checklist. Number one was cut taxes. Well that's really new. I can only imagine why they didn't bother to support the budget that did just that.

Number two: reduce the public debt. Now let's just say that this time I hope when the opposition promises it that they offer us a money-back guarantee. Actually we'd just be happy to get the money back from the 1980s.

Number three, number three: the opposition leader says stop propping up dying industries. I'm waiting for the list as to what those dying industries are, Mr. Speaker, but I'm sure it's coming.

Rounding up the list, what else: welfare reform. Mr. Speaker, it seems it's those pesky poor people that are holding us down.

This is clearly, Mr. Speaker, the same old recipe for economic success. It's voodoo economic, trickle-down, snake-oil formula that we saw in the '80s and we want nothing to do with it.

Some Hon. Members: Hear, hear!

(13:45)

Congratulations to Graduating Students

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I would like to take this opportunity to recognize the thousands of post-secondary education students in Saskatchewan who are taking part in convocation and graduation . . .

The Speaker: — Order, order.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to take this opportunity to recognize the thousands of post-secondary education students in Saskatchewan who are taking part in convocation and graduation ceremonies over the next few days.

Mr. Speaker, all of the students who have completed their education at one of our universities or technical institutes are undoubtedly excited and perhaps even a little nervous as they leave this relative safety of the post-secondary education system to enter the workforce.

I hope that they feel very proud of the work that they have put in earning their degrees and diplomas. Finishing a post-secondary education program, whether it be at the university or one of our technical schools, is no easy task, Mr. Speaker. And I want to congratulate each and every one of those students for their major accomplishment.

I also want to recognize the faculty and administration at the various post-secondary institutions who work very hard to provide Saskatchewan students with their best education possible, sometimes under very challenging circumstances.

Once again, Mr. Speaker, congratulations to all those taking part in the convocation and graduation ceremonies this month.

Some Hon. Members: Hear, hear!

Swift Current Business Awards Banquet

Mr. Yates: — Thank you, Mr. Speaker. There was a fine awards dinner last night in the great city of Swift Current. The third annual Swift Current Business Excellence Awards banquet. There are three things that need to be said about this event.

First of course, on behalf of the Assembly, I want to congratulate the winners as well as all the nominees in all seven categories.

The winners were Etcetera, Etcetera for property appearance; Standard Motors for heritage; Boston Pizza for new business; Best Western Inn for customer service; McElheran Woodworks for young entrepreneur; Wheatland Machine Shop for business choice; and Pharmasave for business of the year.

Second, it is worth noting that the sponsors of the event were the chamber of commerce, the credit union, the city, the Royal Bank, our Department of Economic Development, the Business Development Bank of Canada, two area development corporations, and SaskTel.

In other words, Mr. Speaker, a generous mix of private, public,

Crown, co-operative, and service organizations, the same mix which enriches our province, Mr. Speaker.

Finally, Mr. Speaker, the Minister of Economic Development was in Swift Current to bring greetings and share in this celebration of business success in Saskatchewan. The member from Swift Current and his colleagues were not. Pity.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

West Central Pelleting Limited

Mr. Peters: — Thank you, Mr. Speaker. I'm pleased to rise in the House today to inform members of West Central Pelleting Limited, a community-based company located in the town of Wilkie that processes grain screenings into quality-assured livestock feeds.

Mr. Speaker, the board of directors of West Central Pelleting recently announced a \$10 per share dividend paid to shareholders. This means more than \$82,000 will be returned to shareholders under declared dividends.

Mr. Speaker, I'm also pleased to say that West Central Pelleting Limited has completed a profitable year of operations with retained earnings of \$22.45 per share. Although it's a relatively young company, West Central Pelleting has already expanded at the Wilkie site and is planning future development.

According to director Paul Marshall, the company is looking at future growth in two areas: a second plant at Wolseley, and improving the service and encouraging growth of the cattle industry in its region.

What makes this West Central Pelleting Ltd. so special, Mr. Speaker, is the fact that this company has realized success without government subsidies, intervention, or bail out. This kind of business success, the members on this side of the House are all too happy to talk about, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

Special Needs Transit Vehicle

Ms. Higgins: — Mr. Speaker, we all know how important transportation is. It enables a person to access services, to work and to live independently within the community. For people with special needs, access to reliable and safe transportation is important and it can be hard to obtain at times. This is why I was pleased to be in Moose Jaw last Friday when the member from Moose Jaw North and I had the pleasure of presenting a cheque to Mayor Schwinghamer.

On behalf of the government, we presented \$55,000 to the city of Moose Jaw to go towards purchasing a new special needs transit vehicle. A new special transit vehicle will ensure that all residents of Moose Jaw are able to fully participate in and contribute to their community.

The money for the province's contribution comes from the Centenary Fund. And as we know, the Centenary Fund was

established to leave a legacy for Saskatchewan's centennial, and for future generations. It is used to fund projects that are of provincial or regional interest and that develop municipal infrastructure.

Moose Jaw is one of 78 communities to receive funding through the transit for the disabled program, which supports both the operational and capital costs.

I want to congratulate the city of Moose Jaw for its dedication to providing this important service to its citizens. The addition of a new special needs transit vehicle will surely better the lives of many residents in Moose Jaw.

Some Hon. Members: Hear, hear!

Melfort Mayor Inducted into Saskatchewan Baseball Hall of Fame

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, and members, the esteemed mayor of Melfort will be inducted into the Saskatchewan Baseball Hall of Fame this summer.

Mayor Dub Henderson started playing ball while attending school in Simmie, Saskatchewan. He went on to teach in several rural communities in Saskatchewan and continued to play ball wherever he went. His Worship usually played in the outfield as centre fielder, but in the later years of his baseball career he switched to catcher.

Over the years, Dub enthusiastically supported the sport he loved not only by playing, but coaching all ages from the youngest ball players to midget teams.

Dub was often found acting as an umpire at sports days and exhibition games. He also helped to organize games, sell tickets, prepare ball diamonds, and held positions such as team manager and president of the local athletic association.

Mr. Speaker, and members of the Assembly, I ask that you join me in taking our baseball hats off to His Worship Mayor Dub Henderson for his induction into the Saskatchewan Baseball Hall of Fame.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Inquiry Into North Battleford Water Problems

Mr. Kwiatkowski: — Thank you, Mr. Speaker. My question is for the Premier. Yesterday a \$5 million lawsuit was launched on behalf of victims of the North Battleford tainted water scandal. The lawsuit names three provincial government departments as well as the Saskatchewan Water Corporation and the Battlefords Health District.

The Justice minister has also announced the appointment of Justice Robert D. Laing to lead an independent public inquiry into the tainted water scandal.

Will the Premier make the commitment today that the lawsuit filed yesterday will not delay or postpone the investigation and

final report of Justice Laing's independent public inquiry.

Hon. Mr. Calvert: — Mr. Speaker, a very similar question was put to me by the media this morning and I answered that no, there will be no delay in the inquiry that we've asked Justice Laing to conduct. There will be no delay as a result of the launch of the lawsuit.

Some Hon. Members: Hear, hear!

Termination of Employee of Saskatchewan Liquor and Gaming Authority

Mr. Heppner: — Thank you, Mr. Speaker. I'm sure you're glad to see the enthusiasm for question period today.

Mr. Speaker, yesterday in this House I asked the Minister of Justice if he felt a special constable has a duty to uphold the law, co-operate in police investigations, and provide any evidence of illegal activity to the proper authorities.

The minister agreed with that statement. Then, moments later, we heard that the NDP fired a special constable for doing exactly that, Mr. Speaker.

My question is to the Minister of Justice. Given the statements the minister made yesterday, how can he support SLGA's (Saskatchewan Liquor and Gaming Authority) decision to fire the supervisor of investigations for providing evidence to the RCMP (Royal Canadian Mounted Police)?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Thank you, Mr. Speaker. Mr. Speaker, yesterday in response to the member's questions, I wasn't aware that he was raising a case-specific matter. Today it is quite clear that it is a case-specific matter, that this matter will be before the courts and plainly — and the member would know this — it would be inappropriate for me or indeed any other minister to comment any further on it.

And I'd ask the member to indeed respect the roles of the Legislative Assembly and the courts and to respect that the process is one which we should not interfere with. And indeed, Mr. Speaker, I'd remind the member that these very matters that he's asking will be addressed in that very court proceedings.

Some Hon. Members: Hear, hear!

Mr. Heppner: — We had the effort of waffling made yesterday, Mr. Speaker, by a different minister. This is not before the courts as of today, and if this government wasn't so inept it would never have gone before the courts.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, the NDP has a very disturbing view of the relationship between government and the criminal justice system. The NDP says that cabinet documents should be withheld from the police even if they are crucial to the investigation. The NDP says the cabinet — the cabinet — not the police should decide what evidence is turned over to the police. In short, the NDP believes that the cabinet is above the

law.

Mr. Speaker, the NDP's action in this matter constitutes political interference in a police investigation. Does the Minister of Justice believe that the cabinet, not the police, should decide what information is passed on to the RCMP and what information is withheld from the RCMP?

Does the Minister of Justice support this kind of political interference with our police investigations?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Thank you, Mr. Speaker. Mr. Speaker, I'll restate my answer to the last question. This matter is a matter which will be addressed — which will be addressed — in due course in the normal proceedings that these matters follow, i.e. before the courts.

It would be inappropriate for me to respond and indeed, Mr. Speaker, I think it's inappropriate to continue this line of questioning.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Out of respect for the people of this province, we will continue this questioning until we get some answer out of one of those two ministers.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, in his affidavit, RCMP Mike Morrissey says, and I quote:

I requested (requested) a copy of this document. I wanted the document so I could accurately complete a crime report on my continuing investigation into SIGA (Mr. Speaker) and the SLGA's knowledge of any criminal activity.

Repeat, Mr. Speaker:

... and the SLGA's knowledge of any criminal activity.

Mr. Speaker, the RCMP officer requested a copy of this cabinet document. He thought it was important for his investigation. To the Minister of Justice again: what was Joe Dosenberger supposed to do at this point?

Yesterday the minister said that a special constable has a duty to co-operate with police investigations. Doesn't he have a duty to turn over this document to the RCMP once it was requested?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Well, Mr. Speaker, it is kind of interesting, sometimes the opposition likes process and sometimes the opposition doesn't like process.

It just so happens, Mr. Speaker, that the process that is appropriate for this instance is that the issue will be resolved in the normal court proceedings. And, Mr. Speaker, the varying questions the member is answering will be at the core of that very court proceedings.

I would just ask the member to respect the process that our courts follow and respect the process, which makes it impossible for me to respond to those specific questions dealing with the administration of justice.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Isn't it shameful, Mr. Speaker, that this government is so inept they have to have their own dirty laundry taken care of by the justice system through the courts when they should handle it themselves.

Mr. Speaker, this document was specifically requested by the RCMP as evidence in an ongoing police investigation. Joe Dosenberger complied with the RCMP request and, for that, he was fired, Mr. Speaker.

Does that Minister of Justice believe that Joe Dosenberger should have complied with this request? He can answer that. Or does he believe, as the Gaming minister does, that he should have taken his request to cabinet and let cabinet decide what information should be given to the RCMP?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Well, Mr. Speaker, what I can say is that this matter will be pursued in the normal course of justice. This matter will be addressed in that way.

The member should know, and the member indeed does know, I'm sure, that this line of questioning is inappropriate. It is not ... Mr. Speaker, the questions that the member is raising will indeed be addressed in the proceedings that we know will be taking place. And I would ask the member to simply respect the role of this Legislative Assembly and respect the role of the courts.

I am respecting the rights of this Assembly and the role of the Assembly, and I am respecting the role of the courts, and he should do the same thing.

Some Hon. Members: Hear, hear!

(14:00)

Mr. Heppner: — Mr. Speaker, how can the minister stand there and thumb his nose at the people of this province by not answering a question asked by the opposition?

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, yesterday we heard both the NDP minister of Liquor and Gaming and her hand-picked CEO (chief executive officer) — who is just getting her notes — so that the cabinet document contained absolutely no information of value to the RCMP.

Who are they to make that judgment? Here we have a veteran, 31 years with the RCMP, requesting a document from a 28-year veteran of the RCMP as part of an ongoing police investigation, but the NDP says they know better, Mr. Speaker. They will decide when to hand over a document to the RCMP.

Mr. Speaker, the minister and her CEO are neither qualified or not impartial enough to make that decision, yet the NDP wants to take criminal justice decisions made by the police and turn them into political decisions.

Mr. Speaker, does the Minister of Justice believe that ministers should be making ongoing political decisions about police investigations?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — What I believe, Mr. Speaker, is that we should follow the normal course here. We should await the court's decision. Mr. Speaker, we shouldn't try to interfere, we shouldn't try to interfere with the way in which the courts will conduct their work and we shouldn't try to prejudice a case which will come before the courts.

The member knows how difficult it is for courts to resolve these matters in the first place. He should not be trying to push his own political agenda on this question. It's a serious matter, Mr. Speaker. It will be addressed by the courts. The member knows that and the member should not only appreciate that but he should respect that.

Some Hon. Members: Hear, hear!

Mr. Heppner: — This, Mr. Speaker, has absolutely nothing — absolutely nothing — to do with where the courts are at today.

The question again for the minister is: does the Minister of Justice, very simply put, believe that ministers should be making political decisions about police investigations?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, what I believe is that we should respect the system, we should respect the process, and we should await the decision the court will arrive at.

Mr. Speaker, the member knows this. It is not this side, Mr. Speaker, which is playing politics with this issue. It's the member opposite.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Well, Mr. Speaker, the interference with police investigation didn't stop there. The government not only fired its lead investigator in the SIGA (Saskatchewan Indian Gaming Authority) case, and then it went to considerable efforts to retrieve that cabinet document from the RCMP.

According to RCMP Mike Morrisey, SLGA took an extreme step of going outside its own organization and hiring a private investigator who demanded the cabinet document back from the RCMP.

Mr. Speaker, why is the government interfering in a police investigation by demanding that document back from the RCMP?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, I'll try again. As the member knows, this . . . the Liquor and Gaming Authority is being sued by a former employee. He's making it quite clear that he's talking about this specific case. The matter will be before the courts and the member knows that I can't comment any further.

Some Hon. Members: Hear, hear!

Mr. Heppner: — I will ask the minister, Mr. Speaker, a question that has nothing to do with the courts, is not before the courts. It is this question: why is the government interfering by going back to the RCMP and asking for documents to come out of the file the RCMP has so they can hide them in the cabinet? That's the question. Nothing to do with what's in front of the courts.

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Well, Mr. Speaker, the member can huff and puff as much as he wants. This matter is before the courts. He knows that and I can't comment any further.

Some Hon. Members: Hear, hear!

Mr. Heppner: — This minister better be praying for rain, Mr. Speaker. It'll be a long, hot, dry summer for him as he continues trying to answer these questions by avoiding it.

Again, nothing to do with the court case; with you and with your cabinet . . .

The Speaker: — I think the member knows what I'm going to say.

Mr. Heppner: — As he very well knows, it has something to do with his cabinet and how his cabinet operates. And here's the question: why was the government interfering in a police investigation by demanding documents back from the RCMP?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, I suppose I could try and say this longer and more fully and in simpler language. The member knows that this matter is . . . this matter, Mr. Speaker, will be addressed before a court.

The member knows that the surrounding circumstances of all that he raises will be addressed. Mr. Speaker, I ask him to respect that court process and I ask him to respect, Mr. Speaker, his role in asking questions which are important to this House. It does not help, Mr. Speaker, when the opposition does not respect the courts of the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. It's a great cop-out. He's going to answer the same question, the same way — maybe in simpler terms. It has nothing to do with the courts. It has to do with his cabinet and he's avoiding the question.

Mr. Speaker, Kathy Langlois went one step further in interfering in this investigation. On June 22, 2000, SLGA

investigator, Ron Ferguson, was assigned as the new lead investigator in this case. He received the case file from Joe Dosenberger. We've discussed that for a while. But even before he had a chance to look at it, Kathy Langlois came barging into his office, Mr. Speaker, took two pieces of paper out of that particular file — presumably the cabinet information item — and then left.

Why was the government interfering in that investigation by taking information out of that file, Mr. Speaker? Why is the government making such a concerted effort to recover that document that both the RCMP and its own investigator saw as being pertinent to the case?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, all these issues will be resolved in due course before the courts, and I would ask the member, as I have asked him before, to respect that process. There is nothing that will be clearer than once a decision is made by the courts. I would ask him to have a little patience and to respect the process.

Some Hon. Members: Hear, hear!

Mr. Heppner: — The only one that hopes for patience on our side is that minister hoping that we'll drag this on till it does go before the courts, where it isn't today, Mr. Speaker.

Mr. Speaker, on June 22, 2000, Joe Dosenberger was removed from this investigation and it was reassigned to Ron Ferguson. The SLGA then went out of its way to ensure its new lead investigator knew absolutely nothing about the case.

Listen to this, Mr. Speaker. They took the cabinet document away from him. Then when he asked a senior SLGA executive to be briefed on the alleged wrongdoings of SIGA and the nature of the investigations conducted to date, his request was denied for reasons of confidentiality.

Mr. Speaker, that's incredible. They turn the job over to someone else and say but we're not going to tell you what to investigate or what to do or what to find. Then they refuse to brief their new lead investigator. Is the NDP trying to get to the bottom of this matter or are they just trying to bury it?

Mr. Speaker, to the Minister of Justice. Don't these actions constitute interference with a police investigation?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, the more the member asks the questions, the more he confirms the point that this is a matter that is before the courts. The SLGA has been sued by a former employee.

Mr. Speaker, the member talks about police investigations and so on. I ask him, once again, to respect the process. This matter will come, this matter will come out. All the facts, Mr. Speaker, before the . . . will be before the judge, and the judge will make a decision on the very questions the member is asking.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, I also have some questions for the minister of Gaming and about what she knew and when she knew it.

The minister maintains she knew nothing about the problems with Dutch Lerat and SIGA until June 2000. Yet — yet, Mr. Speaker, SLGA's own former lead investigator says, and I quote:

Since 1997 Sgt. Morrisey and I had shared highly confidential information and intelligence about the various illegal activities of Dutch Lerat.

Mr. Speaker, Dutch Lerat has been under investigation by the RCMP and the SLGA since 1997. Yet the minister claims she knew nothing about it until June 2000. How is that possible, Mr. Speaker?

And if the minister is telling the truth, why was the SLGA withholding this vital information from her?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — The member continues to raise questions about the specific case that he began addressing yesterday. And I can tell the member that this matter is before the courts; it would be inappropriate for me to respond. The member knows that, and I ask the member to respect that process.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. This has nothing to do with the courts. This has to do with what the minister knew and when she knew it. That's the important part. And I don't think she's in court as of today.

So the question again for the minister of Gaming, and if the minister was telling the truth yesterday, why was the SLGA holding this information from her?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, the member opposite would know that I have answered this question very often in the past and would continue to answer the question that he poses.

As a regulator, Mr. Speaker, SLGA is involved in many ongoing investigations. There wouldn't be anything that would come to me unless a wrongdoing had been verified.

I would tell the member opposite I was not aware of any investigation in the nature that he's talking about. What I became aware of was the information that had been verified, Mr. Speaker, verified by the external auditor in early working papers. Once it became a matter of verifying that information, it was given to me on June 14. I acted quickly to take action on the matters that were placed before me, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. The minister has a very mixed-up view of her job description. She thinks it is her

job to interfere with police investigations but it's not her job to keep informed about SLGA's ongoing investigations about SIGA.

Mr. Speaker, the minister's explanation doesn't pass the smell test. The RCMP and the SLGA have been investigating Dutch Lerat since 1997. In the spring of '99 the Provincial Auditor identified the concerns. Mr. Speaker, it's pretty hard to believe, but if it's true, then someone at Liquor and Gaming was extremely negligent in keeping the minister briefed on her own department.

Mr. Speaker, why was the minister unaware of the problems surrounding Dutch Lerat when he was under investigation in 1997?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. It's interesting on one hand that I would be interfering and on the other hand that I should have somehow known about innuendo or allegations.

Mr. Speaker, I am not to know those kinds of things. Mr. Speaker, what I do know is that once an investigation verifies information — not innuendo or speculation or gossip — when information has been verified on an individual, that information is brought to me, Mr. Speaker, in my role as minister responsible by the Provincial Auditor. That information came to me June 14 in a verified manner by a letter from the Provincial Auditor. Once that became a matter of knowledge to myself, we took action very swiftly, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Heppner: — How, Mr. Speaker, can things be verified when this cabinet goes around pulling papers out of files and documents that the RCMP have collected?

Mr. Speaker, I want to go back to a statement by RCMP, Sgt. Mike Morrisey. He said and I quote:

I wanted the document so I could accurately complete a crime report on my continuing investigation into SIGA and the SLGA's knowledge of any criminal activity.

In other words, he wanted to know what did the government know and when did they know it. That's why he asked for that cabinet document. That's why Joe Dosenberger gave him the cabinet document, and for that he was fired.

Mr. Speaker, why is the SLGA trying to cover up its knowledge of the SIGA scandal?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Well, Mr. Speaker, we're back to the issue of the investigator and the case before the court, Mr. Speaker. And I would just remind the member that this matter will come out at the court . . . these issues will come out at the court proceedings. The member will know that, and the member should respect the fact that all these questions will be answered, Mr. Speaker, by the judge, as the judge decides the very issues

that the member is raising.

Mr. Speaker, whether or not these matters should be . . . whether these matters are privileged, Mr. Speaker, all those matters will come out before the court.

Some Hon. Members: Hear, hear!

(14:15)

Youth Planning to Leave Province

Mr. Hillson: — Thank you, Mr. Speaker. Canada West Foundation has issued a report which reveals that a staggering 40 per cent of Saskatchewan people aged 18 to 24 anticipate moving out of the province within five years.

That's 42,000 young people voting with their feet because they see no future here. The expectation of moving is even higher among those who say they are students.

In effect, Mr. Speaker, we are paying to educate our young people to leave. Saskatchewan's future is in jeopardy. This is a matter of urgency, but I frankly don't sense any urgency on the part of this government; I hear yawns over there.

Are they asleep at the switch? Mr. Premier, are you aware of this ticking time bomb of our best . . .

The Speaker: — Would the member kindly just restate his question through the Chair, please.

Mr. Hillson: — Mr. Speaker, I ask what is the Premier going to do to defuse this time bomb of 42,000 of our best young people planning to leave us?

Hon. Mr. Lautermilch: — Mr. Speaker, with respect to the Saskatchewan economy, I want to say that this government, and the people of this province, frankly, have a lot of faith in the future, and job opportunities for Saskatchewan's young people.

This economy has grown for eight consecutive years. The GDP (gross domestic product) has been leading the country, with the exception of Alberta on occasion.

Now, Mr. Speaker, having said that, I want to say that the biggest opposition to young people staying here and working and raising their families, is the attitude . . . the negative attitude of those members opposite.

Mr. Speaker, the job index . . . well, if they will listen . . . well, Mr. Speaker, I can't . . . if they won't listen, there's no sense me trying to . . .

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Energy Conservation and Ethanol Production

Hon. Mr. Calvert: — Thank you, Mr. Speaker. Mr. Speaker, we all know that two of the serious challenges we face here in Saskatchewan are the rising cost of energy and the revitalization

of our rural economy. These issues affect all of us and they demand, in my view, careful thought and long-term solutions.

That's why, Mr. Speaker, our government today made a very exciting announcement on energy conservation and ethanol production.

Over the next several months, two MLAs (Member of the Legislative Assembly) will be working on special assignments. The member from Saskatoon Greystone has been named Legislative Secretary to the Minister of Energy and Mines. He will coordinate a greenprint for energy conservation.

As you, Mr. Speaker, and all members will know, this particular member has great expertise and passion for energy conservation. And he will be a great asset to the people of Saskatchewan in this area.

With the market price for natural gas and oil rapidly escalating, we must develop practical initiatives to help Saskatchewan people save money. And each step we take to reduce energy consumption is also a step in reducing harmful greenhouse gases.

Mr. Speaker, the member from Saskatoon Greystone will combine the ideas of Saskatchewan people and interested stakeholders with his own good sense to come up with a plan that will help us save energy and save money.

Mr. Speaker, the member from Regina Qu'Appelle Valley has been named Legislative Secretary to the Minister of Economic and Co-operative Development. He will be also working closely with the Minister of Agriculture and the Minister Responsible for Rural Revitalization.

This member will coordinate a greenplan for ethanol production in Saskatchewan. The member has demonstrated a keen interest in the possibilities for expanded ethanol production in our province. There could be, Mr. Speaker, significant benefits to developing a vibrant ethanol industry in the province. Ethanol production could allow us to boost the rural economy, stimulate economic investment, and improve our environment at the same time.

Mr. Speaker, I'm just going to pause in the statement to note that members of the opposition do not seem to have an interest in ethanol production, in the potentials for rural Saskatchewan, in the protection of our environment. And I'm sorry to hear that this afternoon, Mr. Speaker.

Now, Mr. Speaker, I'm also going to observe off-text here that the member from Regina Qu'Appelle was so enthused about this assignment, I'm told that he was in Saskatoon just last night looking for the raw material to produce ethanol and he tells me he may have found some.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, the member from Regina Qu'Appelle Valley will provide the hard analysis that we need to decide whether expanded ethanol production offers real benefits for Saskatchewan people and for our environment.

Mr. Speaker, over the next several months these two members will be analyzing issues surrounding energy conservation and ethanol production in our province. They will consult homeowners, farmers, environmental organizations, and business people, working with them to design green plant . . . greenprints for energy conservation and ethanol production. Focused action plans for each of these areas will be ready by the fall.

Mr. Speaker, these members have agreed to take on these extra duties with no extra remuneration.

Mr. Speaker, as they complete their work, I know that the input of Saskatchewan people will be of great value. Mr. Speaker, there will be e-mail opportunities, Internet site opportunities, and phone numbers; and those will be publicized and advertised, Mr. Speaker.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to thank the Premier for sending over a copy of his statement prior to question period.

Mr. Speaker, this current government is heading down the same slippery slope of the last administration — the appointment of legislative secretaries to fulfill political debts, Mr. Speaker.

Mr. Speaker, if the government was serious about the current energy costs, they would pass some of their windfall profits back to the people, back to the homeowners of Saskatchewan. This would provide more . . . And provide more, Mr. Speaker, than their miserly \$25 per household.

Saskatchewan needs to look at all potential energy sources, Mr. Speaker — wind, solar, gas, coal, and nuclear, Mr. Speaker. Nuclear is very environmentally friendly. You don't have to dam any rivers; you don't have to dig up any mines, any coal, Mr. Speaker; and you don't have any CO₂ emissions, Mr. Speaker.

Mr. Speaker, the ethanol program is certainly a valuable one. The program was started, Mr. Speaker, in Lanigan in the 1980s, Mr. Speaker, and it's taken the members opposite, the NDP government, 15 years to recognize that it has some value, Mr. Speaker. Value that the people of this province and the businesses of this province recognized a long time ago, Mr. Speaker. They have built a successful ethanol plant in Saskatchewan at Lanigan.

What we need now though, Mr. Speaker, is the government to get out of the way and allow more of these types of construction to take place. Unfortunately though, Mr. Speaker, the newly minted Legislative Secretary is one who wears his philosophical blinders very tight and believes that only government should be allowed to progress and to prosper in this province.

I ask the government, Mr. Speaker, take off those philosophical blinders, allow private enterprise to build the ethanol production in this province. Government, get out of the road and get off of the back of the people. Let them be free to prosper.

Some Hon. Members: Hear, hear!

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

Mr. Hillson: — Leave to respond to the statement, Mr. Speaker.

Leave not granted.

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

Hon. Ms. Crofford: — Ministerial statement.

CommunityNet Telecommunications Network Launched

Hon. Ms. Crofford: — Thank you very much, Mr. Speaker. Yesterday, Saskatchewan took a giant leap forward in Internet access and performance. Premier Calvert and several of my colleagues, along with a large group of educators and students, officially launched CommunityNet, the new broadband telecommunications network which was announced in the spring budget.

You may not know, Mr. Speaker, that Saskatchewan, through SaskTel, was the first — the first — in North America to offer commercial high-speed service in 1996.

Now, Mr. Speaker, CommunityNet will bring high-speed Internet access to schools, health centres, government offices in 366 Saskatchewan communities, the majority of which will be in rural and remote areas.

Now currently, 54 per cent of the population has high-speed service but, on completion, the majority of the population of Saskatchewan will be covered. Over the next three years, we'll connect 834 educational facilities, 310 health facilities, 86 First Nations schools, and 256 government offices. And one important point to note is that none of these facilities will incur increased costs for receiving a great enhancement in their services.

Mr. Speaker, CommunityNet will help us bridge the gap between rural and urban, north and south. And it means that location, for the first time possibly in history, won't dictate the type of quality of education that children receive. Location won't limit the kind of health care provided and it won't be a barrier to accessing programs and services.

It's important to note that CommunityNet will enable SaskTel to deploy high speed commercial service sooner and cheaper than would have been otherwise possible because we are combining resources for mutual benefit.

Mr. Speaker, with CommunityNet, the government is making an investment in the future, \$71 million to ensure that we have accessible, top-notch education, health care, and government services. And one of the important points to note is that the infrastructure in telecommunication service is enabled by SaskTel and the Saskatchewan Communications Network allowing us to make these connections and bridging the digital divide through provision of affordable Internet service. CommunityNet will ensure that Saskatchewan remains

competitive.

In fact once CommunityNet is operational, some of the smaller communities like Tisdale and Meadow Lake will have a higher level of connectivity than some parts of downtown Toronto.

Mr. Speaker, starting in June of this year we'll begin linking communities. Over the next year, more than 700 facilities and 100 communities will be connected. In the following two years, the remaining schools, health centres, and government offices — roughly 800 in number — and I'm sure that there are many anxious people wondering when their community will be connected.

Well, Mr. Speaker, the answer to those queries can be found by logging onto the special Web site, www.communitynet.ca. And I encourage all members and the public to visit the site to learn more about CommunityNet and the exciting way that it'll connect schools, health facilities, and government services.

Mr. Speaker, yesterday Saskatchewan took a giant leap forward in Internet access and performance. And I want to tell the legislature that I'm very proud to report that to the legislature today. Thank you.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, thank you very much. It's a privilege to rise in the Assembly to respond to the minister's statement. And through you, Mr. Speaker, I'd like to thank the minister for providing an advance copy of the ministerial statement that she presented here in the Assembly today.

On behalf of the official opposition, it is a pleasure to offer some comments as it relates to CommunityNet, which was originally announced in the budget and now reannounced more recently.

Mr. Speaker, I think it's very important for members on both sides of the House and the public of Saskatchewan to know that they will find little disagreement, I think, in this place about the importance of connectivity in every part of the province — rural and urban, north and south. Clearly, this is absolutely essential for the future . . . for our economic future in this province. If we are to take advantage of the new technologies in the global economy, we need connectivity.

But as is the case in so many initiatives of this government, currently and in the past, they've taken a concept, a solid and a positive concept, and they've clouded it, Mr. Speaker, with what I think people will agree are poor decisions as it relates specifically to CommunityNet. And I'll touch briefly on them in this response to the ministerial statement.

The first one, Mr. Speaker, and one that has the entire information technology industry in this province talking. And by the way, Mr. Speaker, we met with many of them last night at the dinner that was mentioned earlier for the leader, the member for Rosetown-Elrose . . . Biggar. We met with many of these IT (information technology) companies. They're very concerned about CommunityNet specifically because it is a sole source project for SaskTel.

(14:30)

Here was an opportunity for the government to use \$70 million that they're prepared to invest in a worthwhile concept. They were prepared to invest it in a worthwhile concept, but they completely shut out the entire IT industry in the province of Saskatchewan, Mr. Speaker.

And I want to tell you today and, through you, tell the minister, the IT industry in this province has taken note of it. And I think we'll be hearing more from them in this Legislative Assembly and in the media of the province of their concerns that SaskTel has completely shut them out of this particular project. They are the sole source benefactor of this IT investment that the government has made.

Mr. Speaker, I'd like to point out a couple of other concerns that we have with the initiative. Although we agree with the concept in general, I can tell you, Mr. Speaker, that we have some concerns. And we're concerned, Mr. Speaker, specifically we're concerned with the technology that's being used here, because if they were listening to the IT industry instead of yelling from their seats, as the member for Regina South is doing, if he listened to the small-business IT industry in this province, he would hear clearly that they have a concern about this technology in particular.

In fact, Mr. Speaker, again yesterday at the dinner I attended in Saskatoon, I was in receipt of this document prepared by Robert Kavanagh, who's a Ph.D. (Doctor of Philosophy) from the University of Saskatchewan. He spent 29 years working at the University of Saskatchewan. He's currently retired, Mr. Speaker, but he spent some time as the vice-president at that university in charge of IT issues at the University of Saskatchewan.

And I won't go into detail, Mr. Speaker, but let me just sum up my comments by paraphrasing what he had to say in a document I received last night from an IT firm. He says recently announced plans to spend — and he had the number; he was light on the number, he has 50 million here; it's 70 million — to spend 70 million on CommunityNet has the potential of being a highly visible failure of stewardship of public funds and service of public interest if Saskatchewan chooses to spend more money for much less capacity than is available in other parts of our country.

These are the concerns we have. We appreciate the concept but we will be watching for the details. It's our job, and we'll be working on behalf of the IT industry in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, please. Order. Order. Order.

INTRODUCTION OF BILLS

Bill No. 39 — The Occupational Health and Safety Amendment Act, 2001

Hon. Mr. Trew: — Mr. Speaker, I move that Bill No. 39, The Occupational Health and Safety Amendment Act, 2001 be now

introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

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

Hon. Mr. Melenchuk: — Mr. Speaker, I would request leave to make a brief statement with regard to World Catholic Education Day.

The Speaker: — Order. Order.

Leave granted.

STATEMENT BY A MEMBER

World Catholic Education Day

Hon. Mr. Melenchuk: — Thank you, Mr. Speaker. It gives me great pleasure to rise in this Assembly to highlight a special event being celebrated in countries throughout the world. Today is World Catholic Education Day, a day when Roman Catholic schools engage in activities to recognize their contributions to education.

Since 1860, Roman Catholic schools have played an important role in our province's K to 12 system. Mr. Speaker, I would like to acknowledge the contributions made by Catholic education and Catholic schools to our province's system of publicly funded education. I want to commend the Canadian Catholic School Trustees' Association and the Catholic section of the Saskatchewan School Trustees Association for their tremendous dedication in preparing young people for their responsibilities as caring and respectful citizens.

Mr. Speaker, I would also like to extend a warm thank you to all the teachers in Catholic schools throughout the province of Saskatchewan for their commitment to their students and to the excellence that is education in this province.

In closing, I ask that all members of the House join me in recognizing the significance of World Catholic Education Day.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: —Mr. Speaker, with leave to respond to the minister's statement.

Leave granted.

Ms. Draude: — On behalf of the official opposition, I am pleased to join with the minister to highlight World Catholic Education Day, and I thank him for the notes he sent over previously.

A publicly funded Catholic education system is considered an integral part of the growth of our province and has been recognized since the mid-1800s. The trustees of the Catholic school system spend many hours dealing with the issues involving the religious aspect of educating children and we

commend them for their dedication. We'd also like to thank all the educators in the Catholic school system who are committed to preparing our children to be responsible, caring citizens.

The significance of World Catholic Education Day is of the utmost importance for a large percentage of the children and parents in this province. And I ask all members to join with me in congratulating everyone involved in this very special day.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I'm very pleased today to stand and respond on behalf of the government to written questions no. 193, 194, and 195.

The Speaker: — Responses to questions 193, 194, and 195 have been tabled.

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 12 — The Water Corporation Amendment Act, 2001

Hon. Mr. Osika: — Thank you, Mr. Speaker. I'm very proud to introduce this amendment to The Water Corporation Act to all of you here today. Though few in words, this amendment is a very important matter for all of Saskatchewan residents and, in fact, for all Canadians.

In summary, the amendment says, and I'll quote:

Saskatchewan remains opposed to the bulk export of water.

Mr. Speaker, it's important to note the words, remains opposed. Sask Water, and indeed the provincial government, has always been opposed to the notion of bulk export of water. I'm proud to say that Saskatchewan was one of the first jurisdictions in Canada to formally recognize the risks associated with bulk water removal and developed . . . in 1992 also adopted a policy prohibiting bulk water export.

Mr. Speaker, this amendment we are talking about today is also a matter the government introduced a few years ago in a document called the *Water Management Framework*. The framework is essentially a blueprint to guide the province in future water management activities.

An important part of drafting the framework came from a public consultation process with a variety of stakeholder groups. From this process Saskatchewan people clearly — clearly — indicated their wish to be more involved in water management decision making and nearly all who responded were opposed to the export of water. To reflect this, action 30 of the framework calls for the provincial government to develop legislation to strengthen current policy preventing the bulk export of water.

That's a bit of a background about why we are talking about this today. This amendment solidifies our position on this very important issue by including it not only as policy, but including it in the very legislation that governs water management in Saskatchewan, The Water Corporation Act.

By definition, bulk water removal or export means transporting water by rail car, tank, or truck, canal or pipeline, or by using a structure such as a dam to divert the natural flow of water in a river system to a new location. In most, cases bulk water removal is considered to mean moving or exporting raw and/or treated grounds or surface water out of the country.

To date, Mr. Speaker, I am happy to report Sask Water has not received any requests for large-scale bulk water removal. At the same time, we are not content to wait until the day we might get such a request because we believe that water demands from beyond Saskatchewan's boundaries could jeopardize water supplies for the future use of our provincial residents. We will not let that happen.

Mr. Speaker, I'd like to inform you of the province's right to make this amendment. It was the Natural Resources Transfer Agreement that gave Saskatchewan ownership of its water when the responsibility for natural resources were transferred from the federal to the provincial government. By doing so, Saskatchewan assumed total authority to manage the province's water resources. This is being done by Sask Water.

And because the province owns the resource, we believe that provincial legislation to prohibit bulk water removal is the best available option to control the movement of water in bulk quantities.

Currently, six other provinces in Canada have water export legislation either in place or pending.

Mr. Speaker, I'd like to recognize the efforts of a number of government agencies who have worked on this particular issue. Sask Water officials together with their counterparts from Intergovernmental and Aboriginal Affairs, Saskatchewan Environment and Resource Management, and Saskatchewan Justice have been working diligently to bring us to this day. It's an issue important to them, and I know it's important to all of you here today and, indeed, to all of Saskatchewan and other Canadians who don't want to see our most precious resource being shipped to the United States or other countries.

How do I know it's important? Well, Mr. Speaker, it's a topic that's been in the news quite a lot lately and garners much attention each time. In fact, when the issue of bulk water hit the national news stage about a year ago, more than 500 people in Saskatchewan took the time to write to Sask Water to let us know where they stand on this issue. And they told us in no uncertain terms, they are against bulk water export.

In closing, Mr. Speaker, I'd like to emphasize again the importance of this amendment being discussed here today. It's something the Saskatchewan government supports. It's something many Saskatchewan citizens have told us they want. And it's something we have the authority to do.

Mr. Speaker, water is our most precious resource and we here in

Saskatchewan are fortunate to enjoy large supplies of good quality water. This amendment to The Water Corporation Act will help us to retain this resource.

Let me assure you that, as the province's water manager, Sask Water will continue to work, to manage, protect, develop, control, and administer the province's water and related land resources for the benefit of all Saskatchewan people today and tomorrow.

Mr. Speaker, I am pleased to move second reading of Bill No. 12, The Water Corporation Amendment Act, 2001.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Well, Mr. Speaker, this Bill, as the minister outlined, deals with the transfer of water between watersheds. Nowhere in reading this, Mr. Speaker, do I see the term bulk water sales. Rather, it talks of the transfer of water between watersheds.

The minister, I listened carefully, didn't explain what he meant in the transfer of water between watersheds. Is he talking about, Mr. Speaker, the transfer of water out of one creek, one watershed, to another watershed?

Because, Mr. Speaker, right now we're suffering a drought across the western half of this province. If we're to be denied, Mr. Speaker, the opportunity to transfer water between watersheds, that means that it would be impossible to transfer water from one creek across into another watershed area, Mr. Speaker.

(14:45)

Mr. Speaker, in Saskatchewan we need the ability to store water and to transfer water in times of drought. And perhaps, Mr. Speaker, this very legislation that the minister is presenting today will deny us that opportunity, Mr. Speaker. If, Mr. Speaker, the minister had wanted to deal with bulk water sales outside of this country, then why doesn't the legislation say so? But no place in here, Mr. Speaker, does it talk about bulk water sales. But it talks about the transfer of water between watersheds, Mr. Speaker.

It says yes, there are exceptions. If you load up your 5-gallon water can to go camping and put it in your vehicle and drive up to La Ronge from Regina, that is allowed, Mr. Speaker, even though it is a transfer of water between watersheds. That's permitted. Or if the Boy Scouts load up their canteens to go for a hike from the Wascana Creek to the Moose Jaw River, that would be acceptable, Mr. Speaker.

But no place does it say anything, Mr. Speaker, about bulk water sales. This really reminds me, Mr. Speaker, of the NDP cry in the 1980s against the Rafferty-Alameda project. Mr. Speaker, those dams were for storage. They claimed that they were for storage and for the sale of water to the US (United States).

Well, Mr. Speaker, the Chicken Littles in the NDP didn't realize that without those dams in place the Americans were already getting all of the water for free, Mr. Speaker — for free.

Mr. Speaker, this is another simple example of that, that this government is hollering the sky is falling, the sky is falling, when there isn't even any proposals for any bulk water sales outside of this province, Mr. Speaker.

Mr. Speaker, I'm glad though to see that the government is not going to have Sask Water involved in a commercial enterprise dealing with the sale of water. Because, Mr. Speaker, we simply cannot afford to have any more losses of money through SaskPower's inept — no, excuse me, not SaskPower — Sask Water's inept and this government's inept business acumen, Mr. Speaker.

Mr. Speaker, as I stated earlier, there are no prospects in the near future for any bulk water sales, but Chicken Little continues to claim the sky is falling.

Mr. Speaker, I move we adjourn debate on this Bill.

Debate adjourned.

Bill No. 31 — The Saskatchewan Heritage Foundation Amendment Act, 2001

Hon. Mr. Osika: — Mr. Speaker, I rise today to move second reading of The Saskatchewan Heritage Foundation Amendment Act, 2001.

Mr. Speaker, this Bill introduces amendments to The Saskatchewan Heritage Foundation Act that will, first of all, respond to several task forces, including the interim heritage council, whose recommendations speak to the creation of a strong, arm's-length heritage agency. Secondly, achieve some internal administrative clarification for the Heritage Foundation and assist in responding to the heritage community's wish for a redefinition and clarification of the government's heritage involvement, leading to the provincial centennial celebrations in 2005.

We bring these amendments forward, Mr. Speaker, because we are sensitive to the concerns and issues in the heritage community. We wish to clarify and strengthen the foundation as the province's lead heritage agency.

Since its inception in 1991, the Heritage Foundation has effectively used cost-sharing grant assistance programs. These assist individuals, municipalities, communities, and non-profit organizations across Saskatchewan to identify, research, conserve, and promote a diverse array of heritage assets.

Mr. Speaker, the changes proposed in this Bill are ones the Heritage Foundation Board has sought for some time. It is appropriate and timely that they proceed now. Mr. Speaker, the following are the key provisions of this particular Bill.

We will expand the maximum term for board members' appointment from two consecutive two-year terms to three consecutive two-year terms. Amendments will expand the foundation's funding authority beyond the current restriction to tangible heritage property. And we will raise the ceiling for financial commitments requiring order in council approval from \$10,000 to \$50,000.

In summary, Mr. Speaker, this Bill responds to concerns in three areas. The heritage community's wish for a strong, arms-length agency to fund and support heritage initiatives.

Secondly, the need to broaden the agency's funding authority in fairness to Aboriginal applicants whose heritage is less likely to be associated with tangible resources. And thirdly, the need to achieve more consistency in the relationship between the Department of Municipal Affairs and Housing and the agencies which have a reporting relationship with it.

The provisions within this Bill, Mr. Speaker, address each of these concerns and warrant support from all members of the legislature. They are in the best interests of the province's heritage community as well as the municipalities and individual heritage property owners.

Mr. Speaker, I move second reading of Bill No. 31, The Saskatchewan Heritage Foundation Amendment Act, 2001.

Mr. Weekes: — Thank you, Mr. Speaker. It's a privilege for me today to speak on Bill No. 31, An Act to amend The Saskatchewan Heritage Foundation Act. It appears a number of the areas in the Bill are housekeeping Bills concerning extending the length of membership on the board up to six years — three two-year consecutive terms.

And also the area where the minister has outlined concerning the First Nations. And I think this is a very important area that the Bill addresses. And it's too bad that the government hasn't addressed this, because the Native people of Saskatchewan need to be and are a full participant in the province, and they need to become more engaged in the province's economy.

And they have a very rich heritage, and that needs to be addressed and promoted in this province to help not only the Native community in this province, but the whole economy of the province where we can have increased tourism and economic activity in, on, and in and around the reserves.

And, Mr. Speaker, also the area where the minister has spoken about raising the ceiling from 10,000 to \$50,000 for financial commitments. This is an area where we will as an opposition need to talk to the stakeholders, and our critic will be doing that in the future.

It brings up a number of concerns when we talk about increased financial commitments; a number of things arise.

First is the financial accountability concerning areas of funding. And with the history of this government in SIGA and the Saskatchewan Liquor and Gaming committee, and also the Crowns, how there is a lack of accountability and a lack of proper audits done in those areas, it gives me some pause to wonder what is going on in this particular Bill.

So at this time I'd like to take this Bill and let our critic check with the stakeholders of the province concerning this area. And at this time I'd like to move to adjourn debate.

Debate adjourned.

**Bill No. 32 – The Queen's Bench Amendment Act, 2001
/Loi de 2001 modifiant la Loi de 1998 sur
la Cour du Banc de la Reine**

Hon. Mr. Nilson: — Mr. Speaker, I'm pleased to rise today to move second reading of The Queen's Bench Amendment Act, 2001.

This Act authorizes regulations establishing a mandatory parent education program. Under the new regulations, the parties involved in a family law proceeding where custody, access, or maintenance of children are an issue, will be required to attend a parent education program at the beginning of the proceeding.

The parent education program provides an opportunity for parents involved in these disputes to learn of the detrimental effect on the children of continued conflict between the parents. The government expects that this will result in a decision-making process respecting custody, access, and maintenance that is focused on the best interests of children.

During the past two years the government has undertaken broad-based consultations throughout the province to determine the issues in custody, access, and maintenance disputes as well as the options that are available to address these issues.

One of the suggestions that was frequently made during these consultations is that parents should educate themselves about the impact of separation and divorce and the needs of the children in these situations.

This legislation requires attendance at such a program at the beginning of the family law proceeding so that the parents will approach these issues in a less adversarial manner.

Initially the parent education programs will be established as pilot projects in Yorkton and Saskatoon. The judges of the Court of Queen's Bench who deal with family law matters are very supportive of this initiative. Family law lawyers in Yorkton and Saskatoon have been consulted and are also supportive of this program.

The government believes that the parent education programs will help divorcing and separating parents to cope with the emotional effects of separation and to work together in making parenting arrangements for their children. We are confident that this will have positive results for everyone involved in these disputes, especially the children.

Mr. Speaker, I am pleased to move second reading of an Act to amend The Queen's Bench Act, 1998.

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to rise and join into the debate on the second reading of Bill 32, an Act to amend the Queen's Bench . . . or Queen's Bench Amendment Act, I guess is the proper way of saying it.

I was interested to hear and read a little bit of the Bill in the short time that I've had the opportunity to, but read and also hear the minister talk about mandatory courses for parents that are entering into . . . going through the courts for a divorce. And the mandatory of having . . . forcing parents to go through these courses regarding . . . And I guess the whole point of the course

is regarding the whole issue of child custody and that issue which is, of course, can be very, very difficult for both parties and also very difficult for the court too.

And I guess if the courses that are going to be offered, obviously with consultation with some of the groups in the Yorkton and Saskatoon area, they feel that this would be a benefit, that may help the parents on each side cope, and also the kids to understand what the impact will be on the kids involved. You know, we could think that would be a . . . it sounds on the surface like a real good idea.

I do know though, from my experience in adult education in the number of years that I spent, and that is it really depends a lot on the course and what type of courses. Are there courses out there already? Is it being done in other provinces?

And we have a lot of questions on that. I would be very interested in seeing the whole outlay and the design of the course and what will be discussed and what will be talked about in that program — the length of the program, who pays for the program, what is the cost of the program, and who is to pay for it.

Because quite often I think a lot of times in these cases, when you see the various sides battling in court with custody, finances is a big issue. And now they have to take this course.

And you know I was quite interested that that was never mentioned when the minister spoke to this Bill and I'd be very interested in finding out some of those questions, Mr. Speaker. Because when we're forcing people to take courses and especially when no doubt emotions are frayed, to say the least, dealing with child custody, I can think of a number of cases where, you know, it's just . . . it's really been a mess. And I guess, as I said, if this goes to help the process work better, that is good. But until we are able to move this Bill along, we'd like to see a little bit more of the information as to the content of the course and the price and those things.

(15:00)

It'll be very interesting to see how the pilot project works in Yorkton and Saskatoon and whether you'll be looking at expanding it across the province because, well I guess with the trial basis we'll be able to find out how effective this was, as I said. And quite often when you deal with adult education, you're dealing with ideas and frames of mind that have been developed not just in the last year or two but over a real long period of time. And to change I guess the way a person thinks on any one issue in a short course, and again with my experience through adult education is that that's a very tough task to do. I mean the best you can maybe have them listen and if the information is good enough they'll take it, but to change the way a person feels, to change the way a person thinks on a specific issue is going to be very, very tough.

So I'm glad that they're rolling it out in a pilot project process to begin with. And as I said, Mr. Speaker, until we have a few more of the questions answered that we feel are necessary to be answered, we would like to move adjournment of debate on this Bill until those questions are answered.

Some Hon. Members: Hear, hear!

Debate adjourned.

Bill 34 — The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Amendment Act, 2001

Hon. Ms. Lorjé: — Thank you very much, Mr. Speaker. It's my pleasure today to rise in support of Bill 34, The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Amendment Act, 2001.

Clearly, Mr. Speaker, this Act is technical in nature. At the same time though it protects the interests of the people of Saskatchewan by ensuring recognition of the fulfillment of its legal obligations to Canada for First Nations with which the province has negotiated treaty land entitlements — settlements.

This legislation accomplishes two important objectives, Mr. Speaker. First, it will provide constitutional certainty that Saskatchewan's obligations to the Government of Canada to assist with the fulfillment of treaty land entitlements are met with respect to the Cowessess, Carry The Kettle, and Kawacatoose First Nations.

Secondly, it will also provide constitutional certainty that Saskatchewan's obligations to the Government of Canada are met for First Nations that conclude treaty land entitlement or TLE settlements in the future. Treaty land entitlement agreements, Mr. Speaker, ensure that First Nations receive land promised to them by the federal government under treaties but which they have not yet received.

In 1992 Saskatchewan and the Government of Canada entered into a major treaty land entitlement agreement involving 25 First Nations in Saskatchewan, and a separate agreement with the Nekoneet First Nation.

Since 1992 the province of Saskatchewan and the Government of Canada have successfully concluded agreements to settle outstanding TLEs with the First Nations of Cowessess, Carry the Kettle, and Kawacatoose.

Saskatchewan is a party to those agreements because of its legal and constitutional obligation to assist the Government of Canada in the fulfillment of outstanding treaty land entitlements.

This obligation is clearly set out in paragraph 10 of the Natural Resources Transfer Agreement or the NRTA. Paragraph 10 of the NRTA requires that the province of Saskatchewan set aside unoccupied Crown land as requested by the Government of Canada in order for Canada to fulfill its TLE obligations.

In the TLE settlements, the province of Saskatchewan is meeting this obligation by a cash payment to the federal government that is to be used to enable the entitlement First Nations to acquire land, either from the province or from other willing sellers.

Paragraph 26 of the NRTA provides for this variation in meeting the province's obligation by agreement between

Canada and Saskatchewan. Saskatchewan and Canada, Mr. Speaker, entered into agreements to vary the NRTA in the 1992 TLE Framework Agreement. That was signed with 25 Saskatchewan First Nations, the province of Saskatchewan, and the Government of Canada, as well as in all subsequent TLE settlement agreements.

To be fully effective these variations must also be confirmed by concurrent federal and provincial legislation. The amending agreements for the 1992 TLE Framework Agreement and the Nekoneet TLE Settlement Agreement were confirmed by both federal and provincial legislation.

The provincial legislation that provided this confirmation is The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Act, which was enacted in 1993. However, the 1993 legislation does not confirm subsequent First Nations specific TLE settlement agreements. This means that the Canada/Saskatchewan agreements to vary the NRTA, which form part of these TLE settlement agreements, have not been confirmed by provincial legislation. As a result, The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Act needs to be amended, and that is what this second reading is all about.

As I said at the beginning of my remarks, Mr. Speaker, the proposed amendment will recognize and provide constitutional certainty that Saskatchewan's NRTA obligations with respect to Cowessess, Carry the Kettle, Kawacatoose First Nations and First Nations that enter into TLE agreements in the future have been met.

It is also noteworthy to add that there is also a need for the federal government to amend its legislation in a similar fashion to the Act before us today to confirm the NRTA amendment agreements for Cowessess, Carry the Kettle, and Kawacatoose and for future First Nations that conclude TLE settlement agreements.

The federal government, I understand, Mr. Speaker, has drafted a Bill for this purpose. Indian and Northern Affairs Canada expects to introduce the Bill in the fall of 2001. It is our intent to proclaim our legislation concurrently with the passing of the companion federal legislation.

Mr. Speaker, in closing, it is important to focus briefly on the benefits of TLE. Many of my colleagues in this House have articulated the vision of the government in the past. Our vision is one where all Saskatchewan people enjoy prosperity and a high quality of life, where we seize the future with confidence and a spirit of innovation.

Mr. Speaker, Saskatchewan's changing demographics are well known. We have an aging workforce. We have a decreasing size of the current workforce. We have a young, rapidly growing Aboriginal population and unacceptably high levels of unemployment within the Aboriginal community. This government recognizes that the economic and social status quo for Aboriginal communities in Saskatchewan is simply not acceptable.

I have worked, Mr. Speaker, with many Aboriginal individuals and organizations since assuming my responsibilities as

Minister of Aboriginal Affairs. Without exception, the Aboriginal people with whom I have spoken share this government's vision for a brighter future. And they want to work with this government to improve their current circumstances.

Mr. Speaker, treaty land entitlement is an important component in the larger provincial goal of advancing First Nations initiatives and improving the economic, social, and political circumstances for First Nations people. This government believes that First Nations people cannot achieve sustained self-sufficiency, sustained economic and social well-being without access to a range of economic development opportunities.

The treaty land entitlement process gives the First Nations involved the resources to develop economic opportunities for their members. TLE gives First Nations a firm foundation on which to build economic well-being for future generations, both economically and socially.

TLE is a practical, sustainable, successful means of making the future vision of Saskatchewan come true for everyone in Saskatchewan, including members of the First Nations within our province.

Thank you for the opportunity to speak to this legislation today, Mr. Speaker. With that, I move second reading of Bill No. 34, The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Amendment Act, 2001.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to rise today on this Bill because it was not a proud day, Mr. Speaker, when our forefathers failed to meet their obligations under the treaty agreements. And we, their descendants and beneficiaries, Mr. Speaker, need to meet those commitments, and this does go in that direction, Mr. Speaker.

And the fact is, Mr. Speaker, there were two new reserves formed in my own constituency over the last 15, 20 years or so from agreements that were signed back in the 1980s. Pheasant Rump and Ocean Man are both new reserves in my constituency, Mr. Speaker, and are doing very well.

As well, Mr. Speaker, in my constituency the White Bear First Nation completed their treaty land entitlements, Mr. Speaker, and it certainly had a positive impact on the members of that band, Mr. Speaker. And one of the areas that it's had an impact was the development of a casino on the reserve between White Bear and Kenosee, Mr. Speaker . . . (inaudible interjection) . . . Yes, and a very beautiful golf course as well.

Mr. Speaker, one of the problems though that has arisen with the treaty land entitlements and the specific land entitlements is with the arrangements with the federal government and the agreements between the federal government and the municipalities and school boards involved. And I would certainly encourage the minister to do all she can to move that ahead.

Under the treaty land entitlements, the federal government

compensates the school boards and the municipalities, I believe, at 20 times the taxed value for those lands because they can no longer collect taxes once they become reserve lands.

The problem isn't in that particular area, Mr. Speaker. It's on the specific lands that the First Nations collect their revenues from the federal government as compensation, then go out and buy land in the general public, general venue, Mr. Speaker, and those lands become . . . treaty lands become reserve lands and the federal government only compensates the municipalities and the school boards at five times.

You know, you have to ask yourself why, on one hand, is a piece of land compensated at 20 times when the next piece of land right beside it is only compensated at five? And, Mr. Speaker, it was changes made by the federal Liberal government, when they formed government in 1993, that brought those changes into place.

And as a province we need to do all that we can to push the federal government to recognize that there is a discrepancy in place there. I know in discussions with the previous minister for Aboriginal Affairs, the current Minister of Labour, that she was very much in agreement, Mr. Speaker, on that: that the federal government needed to live up to their obligations as well; that this was not the way things should be done, Mr. Speaker. And we support that, Mr. Speaker.

I do have one bit of concern on this Bill though. On clause 2(2)(d), Mr. Speaker, where it says that this Bill applies to "any agreement between the Government of Canada and the Government of Saskatchewan," but it doesn't describe what these agreements might be or in what field they might be, Mr. Speaker.

And that's troubling because it shouldn't apply to any agreement, Mr. Speaker. It should apply to agreements dealing with treaty land entitlements.

And so perhaps, Mr. Speaker, the minister should take a very serious look at that particular subclause to ensure that it applies to agreements dealing with treaty land entitlements and not to just any agreement at all, Mr. Speaker.

So I'd certainly like to talk to the minister about that particular area and see if some change can't be made to the clause that would make it more specific, so that it wouldn't just be any general agreement, Mr. Speaker.

Therefore I would like to move adjournment of debate at this time.

Debate adjourned.

(15:15)

COMMITTEE OF FINANCE

General Revenue Fund Municipal Affairs and Housing Vote 24

Subvote (MG01)

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

Hon. Mr. Osika: — Thank you, Mr. Chairman. I'm very pleased to introduce this afternoon Brij Mathur, who's the acting deputy minister. Peter Hoffmann, who's here — Peter is the assistant deputy minister of housing. John Edwards — John is directly behind myself — he's the acting assistant deputy minister, municipal and community services division.

Lana Grosse is here as well, Mr. Chairman. She's the executive director of protection and emergency services. And I also have Doug Morcom, who's director of grants administration; and Marj Abel, who's the director of finance and corporate planning.

Mr. Brkich: — Mr. Chairman, I have a few questions I'd like to direct to the minister. I'd like to welcome him here today, and his officials.

I know you've talked about grants and going out to municipal governments. But I've had some concerns brought forth by my constituents. I'll read one letter from the mayor of Craik, and it kind of summarizes of what a lot of them have come to me, have phoned. And this is pretty well the gist of most of the towns in my constituency:

Recently I read a letter to the editor in my local paper that concerned me. The letter was from Mr. Osika, the Minister of Municipal Affairs. The gist of the article was that the provincial government has not only been holding the line on unconditional grants, but they have been increasing the grants to municipal governments. Hogwash!

The town of Craik in 1997 received \$34,000 in unconditional grants. In 1997 this grant was reduced to 17,000 and has stayed at this level since, at the same time increasing our share of the policing costs 14,000 in the last three years. We have lost elevator after elevator in our town, reducing our tax base. This year our provincial government's great wisdom they eliminated the business tax — another \$5,000 of lost revenue.

Where are we supposed to make up these shortfalls? He also mentioned that there was a variety of conditional grants available. But what we would like to know is for whom? As this provincial government continues to press us for economic development in rural areas, we have tried numerous times to access money from the WEPA (Western Economic Partnership Agreement) fund, Centenary Fund, and other grants supposedly earmarked for rural governments.

The WEPA mandate was, we'll direct 40 million over the next four years towards initiatives and encourage new jobs, support new economic infrastructure, tourism products, export and marketing initiatives, and new economic opportunities including rural, northern, and Aboriginal economic development.

The last time we asked for detailed information on where the money had been spent, over \$30 million had been spent with absolutely none going to any rural areas. This is unacceptable. The provincial government keeps raising

energy costs and not increasing our funding so as we can maintain our recreational and cultural facilities.

I realize that our provincial government was not serious about rural Saskatchewan when they sent the then minister of Municipal Affairs, Mr. Serby, to meet with the SUMA delegates at Lanigan. Clay said, it is time for you as municipal leaders to look at yourselves and say that maybe I am the one who should save the taxpayers' money. It's easy to point fingers at everyone else, but now is the time for municipal governments to take responsibility.

I know that our provincial government has forgotten us in municipal government. I hope that you in the Sask Party don't do the same. As my MLA I would appreciate you raising these questions for me. Thank you for your time and concern. Remember that if you want to know what municipal leaders are thinking, the easiest way is to just ask them.

This was submitted by the mayor, Ron Haugerud, from Craik.

And I'll just read this one letter, but I have many from different towns that run along the same theme — grants being dropped over the last few years, revenue-sharing grants.

I would like to . . . I guess the question I want to ask you on that is, I know in the budget you've said that you've increased or you're holding the line, but yet I'm getting letters and calls from mayors saying no, our grants have been cut over the last few years.

Hon. Mr. Osika: — Thank you, Mr. Chair. To the member opposite, the revenue sharing has remained stable. The revenue sharing has remained stable and perhaps that's where some of the confusion lies, unfortunately.

And the same-cheque policy for revenue sharing, at the request of SUMA and SARM (Saskatchewan Association of Rural Municipalities), has been maintained. Where the grant, the additional monies have come from, from the provincial government, are through the targeted programs, such as grants in lieu of and infrastructure programs.

So the financial assistance in transfers to the municipalities has remained strong from two years ago with the introduction of \$10 million of provincial funding for provincial-municipal infrastructure. Those were the years when the federal government was no longer participating in this type of a program. The province introduced a municipal-provincial infrastructure program to assist municipalities in attending to some of their needs.

It was just now recently that the federal government has returned to participate in what they finally recognize as being very important to rural infrastructure and to our province for sure and to our rural communities.

So I hope that there's not that confusion. And the responses that have been sent to inquiries from a variety of communities — I have received a number of them — we've tried to explain very succinctly how the revenue sharing, albeit it's recognized, it's remained stable; it's remained the same. But considerable

amount of additional monies have gone out for targeted programs through the provincial-municipal programs, through the Centenary Fund, through grants in lieu of.

So there has been an ongoing effort, despite the maintaining the stability of the revenue sharing, there has been a serious effort made in recognition of municipal needs, to funnel money in a different way and make it accessible to rural municipalities throughout the province.

Mr. Brkich: — Thank you, Mr. Minister, and Mr. Chairman. Well like I say, you've received numerous letters and I think the gist of them was that even if funding is holding at the same for towns, that they need more money coming up with the loss of the elevators, stuff like that.

So it's something I want to impart on you for next year. Even in this year, if you find extra money, to increase grants. And just with some of the things that were brought up in this particular letter is towns losing elevators, losing some of their tax base, along that line.

But also move on to, there's a question I have about the education portion of the tax. This was faxed to me from the Saskatoon East School Division, and what it is is it breaks things down here, but I have 25 different villages, RMs (rural municipality), and towns in it. And out of them 25, there's only two towns that the percentage is going to be going down.

And what I'll break it down to is percentage increase in dollars and what they're going to be is what the school division is taking more in tax this year when it was sent out. I'll just read some of the higher ones out of the 25. Out of 25, there's 23 that they're raising. Village of Clavet is going up 39 per cent; village of Elstow, 38 per cent; town of Aberdeen, 28 per cent; town of Dundurn, 57 per cent; town of Vonda, 65 per cent; the hamlet of Thode, I believe, 32 per cent; RM of Corman Park, going up 26 per cent; the RM of Grant, going up 102 per cent; RM of Morris, going up 20 per cent; the RM of Rudy, going up 27 per cent. This is on the school tax of it.

Could you address that?

I've got a few letters. They're just starting to come in now because the assessments have gone out, the mill rate has gone out, it's been set. And this is the percentage of tax that's going to be collected from these towns.

And I have an individual that wrote from Dundurn that:

Please be advised that 57 per cent increase in the school portion of the property tax rate is unacceptable.

He says basically, I can't afford it; I'm on a fixed income.

Hon. Mr. Osika: — Mr. Chairman, thank you for the question. That is a question that's raised as well from time to time and asked of myself and my department, our department.

But the only answer I can offer in that respect is that the education portion, there was an increase in operating grants of \$33 million. And that money going out to school boards, the decisions rest with those boards as to how they set their mill

rates.

So the money is provided through education, and the mill rates that are set and how that money is applied may vary. Some school boards have increased, have raised their mill rates and others have reduced them. So it's a choice that the school divisions make.

Mr. Brkich: — Thank you for that. Another point I guess I just want on that end of it, it's also the way SAMA (Saskatchewan Assessment Management Agency) was assessing a lot of the property. So it just wasn't the school division raising it; it was the way . . . the total taxable assessment — I could also read it, but for all these ones I read — has gone up dramatically really. And it was SAMA doing the reassessment from total taxable assessment 2000 to 2001 has jumped quite considerably with it.

In fact, I think the school division even dropped the mill rate as part of a percentage point.

Hon. Mr. Osika: — Yes, in some instances some of the assessments did go up. I know for agricultural land the assessment, instead of 75 went down to 50 . . . or 55, pardon me. So that offset or should have offset. But in some cases, no question, as a result of the reassessment some properties went up, others went down.

For agriculture there were some . . . for example, the buildings were not . . . were exempted. So there were some concessions given to recognize the effects that the economy was having on agriculture. There were some targeted attempts to ensure that the results of assessment would be minimized as much as possible or lessened.

Unfortunately, in some cases in some areas, the assessments went up as opposed to going down.

(15:30)

Mr. Hart: — Thank you, Mr. Chair. Mr. Chair, I'd like to bring to the minister's attention a copy of a letter I received from the village of Kelliher, which is in my constituency, expressing some very grave concerns with the revenue-sharing grants this year. The letter starts out . . . And I won't read the whole letter; I'll read portions of it. The letter starts out that:

The 1986 revenue-sharing grant appears to be the highest for Kelliher at \$32,000. The 2000 grant was \$11,662. For a village of 340 people, only 191 taxable properties, this \$20,000 difference has a high impact. Even with the higher assessment changes in '97 and 2001, this loss was not recoverable through taxes. The recent infrastructure grants cannot, and do not, make up for the unconditional monies as the provincial government often tries to make us believe. One-third of the money must be available before applications can even be considered. This results in aging infrastructure, repairs, maintenance, and being . . . and maintenance being allowed to continue to deteriorate. Not because of poor management, but the necessity to cut back just to survive in general.

And then the letter goes on to say in another . . . outline some of what the reduction in revenue-sharing, the effects of it. And it

states:

For Kelliher, the reduction in this revenue-sharing grant has meant unfinished street paving. Not all our citizens enjoy the same paid services. A \$50,000 debt for repair to our water treatment system. Emergency repairs don't follow infrastructure grant dates and deadlines.

And I know in speaking to that town council and to their administrator, this was a major concern of theirs — that they have these emergency repairs, it doesn't fit the grant application deadlines, and therefore they have to just assume the total cost. Because they can't plan far ahead enough to do the regular maintenance as needed because they don't have the funds, and so therefore they're faced with these emergency repairs that they just cannot ignore.

It goes on also to state:

A doctor's clinic that is dreary, dull, and in much need of a facelift must continue to be put off. A library that leaks and requires a new roof; books and computers that are in danger of damage. A leaking lagoon in 2000 requires immediate action that was not budgeted for and again, will not wait for infrastructure approval.

Again another example of because they are living from hand to mouth, they can't plan well in advance and therefore they are faced with these emergencies and must deal with them, are forced to deal with them.

Environmental concerns are always looming — lagoons, landfills, abandoned fuel tanks, condemned houses. These are potential costs that all small communities face and are very unprepared to tackle.

And then further on in the letter, they state:

Kelliher has had to take a line of credit to cover three or four months before new tax levies are available.

Over the last 15 years with all the decreases to revenue-sharing grants, an approximate average of \$15,000 per year which makes up a total of \$225,000 over that time frame, that would have been the equivalent of three years of total tax levy for their village.

So there's some real concerns with the underfunding and forcing them to live on a hand-to-mouth basis.

And as another note, I realize that this area does not fall within the minister's responsibilities, but I think it's worth noting at this time. The express concern about the number of dollars that are leaving their community from the VLTs (video lottery terminal). There was, initially when that program was introduced by government, there was a proposal to return at least a small percentage of the dollars collected through the VLTs back into the community and this is what they deal with. And I'll just read that paragraph.

On another note, what about the promised 10 per cent of the lottery revenues being returned to the communities. It is estimated that as much as \$3,000 per week leave Kelliher

through VLTs and up to \$150,000 per year. Ten per cent of that number would be a great help.

These are just some of the comments from this letter, Mr. Chair, and I'd like the minister to respond to some of the concerns raised by the community of Kelliher.

Hon. Mr. Osika: — Mr. Chairman, I appreciate the concerns that the member has expressed on behalf of the community of Kelliher and it echoes the concerns of communities that have the same types of issues and concerns.

And as I mentioned earlier, the revenue-sharing grants have remained constant. But in order to try and assist communities, there were targeted programs put in place. And as a matter of fact, that was at the request of SUMA and SARM that we look at infrastructure programs, which the provincial government did in 1998-99, '99-2000.

And I hear what you're saying. And your comments with respect to the VLT sharing of revenue, I recall that. And it came to the point where SUMA, SARM and SAHO (Saskatchewan Association of Health Organizations) could not agree on how those revenues should be equally shared, or adequately shared, or how they should be targeted.

The one thing that I can assure the member, Mr. Chairman, is that I've had considerable dialogue with both SUMA and SARM and these issues are serious concerns and we will be communicating and discussing perhaps how we can alleviate some of the situations that the member has brought to the attention of the House here and to our department with respect to their situations.

The targeted programs are still two-thirds of the money being supplied for those communities that need assistance with some of the projects that they have underway.

And I guess if there's any consolation for the monies not being reduced, and has not been reduced in any given years outside of the revenue sharing, the revenue sharing has remained constant. It has not been reduced. The monies through these targeted programs and grants has continued to increase each year. And that's a positive thing.

But I can appreciate what the member is expressing on behalf of the community of Kelliher and other similar communities. And those are issues that I'm very anxious to continue to meet with SUMA and SARM to discuss and see if there may be some other ways of assisting in the future.

Mr. Hart: — Mr. Chair, the minister stated that the revenue-sharing grants have remained constant. But in effect with the increased utility costs and other additional costs that municipalities are facing, with freezing the number of dollars that municipal governments receive in revenue-sharing grants, with the increasing costs, the net effect is that there is less dollars for these municipal governments to operate with because of the higher costs.

I should quote one additional paragraph from the letter that I think summarizes the tough position that many municipal governments find themselves in. The letter states:

Tax increases are inevitable, but only to survive and continue to provide the basic services. Rural urbans have the right to these services. There are no big wages, expense accounts, or benefit packages here.

So what these people are saying is that, just in order to survive, they're going to have to increase their own tax rates. And because of the nature of the infrastructure grants and so on, as they'd indicated earlier, they don't always have the capacity and they don't know when they're going to be facing some of these major expenses dealing with water and sewer and those type of things.

And so therefore when they're faced with a situation by . . . they have to come up with all the costs. And if there was some mechanism whereby that problem could be addressed, I think it would help solve some of their problems.

Hon. Mr. Osika: — Mr. Chairman, in 1997, recognizing that revenue sharing had been reduced, in 1997 it was SARM and SUMA that had asked for grants in lieu of programs, and infrastructure programs and some assistance in the areas of education funding. And that's all been attended to; that's all been addressed.

So there has been an effort to acknowledge and respond to needs of communities in that respect. And those associations came to government and said, look, let's have the same-cheque policy for revenue sharing, however, what we do need is some money in education so perhaps that can ease some of the burden and some of the effects of education funding.

They asked also for infrastructure money. In 1998-99 — that's the province on its own — put up \$10 million in that first year and \$10 million in the second year. Grants in lieu of was something else that the SUMA and SARM had asked for, and that was put into place.

Prior to 1998, prior to 1998, there was zero dollars — zero dollars — for grants in lieu of from the government — zero dollars. This fourth and final year of that agreement, that amount's gone up to \$13.1 million, which is a significant and substantial amount.

To the member from Last Mountain-Touchwood, Mr. Chairman, in reviewing our records, there's not been an application from Kelliher for any assistance under any of those programs. So I would just suggest that if there were some of those programs that are announced, it's open and I recognize . . . and there needs to be — and I'm sure the member will appreciate — that there needs to be a process to follow. There needs to be applications filled out and priorities of projects and their importance. And there needs to be timelines and deadlines for these applications to be submitted.

As the member will appreciate, there are numerous, numerous communities that do participate and submit applications for some attention for some assistance. And there needs to be priorities. There needs to be evaluations and priorities of these projects put in place in order to qualify for monies under these different targeted programs.

Mr. Hart: — Mr. Chair, the minister stated that there was no

applications received from the village of Kelliher. In conversation with those folks from Kelliher, they indicated that when some of these emergencies arose they were in contact with Municipal Affairs and we're told that you hadn't applied . . . you missed the deadline as such, and therefore you won't be eligible.

At the time that the deadline was in effect . . . or in that time frame, they didn't have an emergency. It happened after that. And so therefore if they . . . I believe that some of the deadlines are in the early part of the year as I understand it. And if they had their water problems later in the year, they had missed the deadline, so what was the point of applying.

And the minister mentioned last year the \$10 million in infrastructure programs. I know there was numerous communities in my constituency complained that in some cases they received notification after the deadline. There was such a short time frame that the money was all used very rapidly by I would assume the larger centres and so on, and that very few if any of them were able to receive any granting or any funds under that particular program.

So I would urge the minister to look at these programs. It seems like the small communities, as they stated in the letter, in order to apply for some of these infrastructure programs, have to have the money in place. Because they've had these emergencies in past years, quite often they don't have the funding to put their one-third up.

And so therefore they say, well we'll take a chance for a year or two that nothing's going to happen very seriously in our community, that we can get by so we can get some funds in place. And what quite often happens, another emergency arises and they're left holding the bag entirely on their own.

And I think that whole area has to be addressed, so where there perhaps could be some retroactive applications and that sort of thing. And I would simply urge the minister to look at that.

Hon. Mr. Osika: — Thank you, Mr. Chair. The retroactivity, again as I mentioned, the numbers of applications that are received, it's difficult then, after deadlines, to accept applications for projects.

However what I have encouraged municipalities to do, and I know perhaps that it's frustrating, and they say well, we were refused this year — I suggest, well apply again. In the event that the monies as you say have run out . . . the Centenary Fund was one that people were encouraged to reapply if in fact they had missed the initial deadlines. I know that that had happened.

So I appreciate it's frustrating. You bring up some very valid points. And I continue to look forward to discussing with the leaders of those associations, leaders of communities, how do we perhaps overcome some of those very important issues that you've brought to our attention here. I sincerely mean that.

Mr. Bjornerud: — Thank you, Mr. Chair. And welcome, Mr. Minister, and your officials.

Mr. Minister, I hope what you're seeing today is a trend. And we have responses so far, over 200 municipalities, and that

includes cities, towns, villages, RMs, the whole slate right across, and we're seeing a trend that's pretty near, I would bet, 97 per cent in these things.

(15:45)

You talked to the member from Last Mountain-Touchwood about the government increased education funding and addressed that problem. But if that had addressed that problem, then how come we're also seeing that most school divisions are actually taking in more dollars of tax dollars than they were last year. The assessment may have gone up, the mill rate may have gone down, but there's actually more dollars going in because one never matched the other and the school division still needed more money.

So number one, the money that was put into education certainly has not addressed the whole problem. In fact I think the problem we're seeing is it didn't even adequately hold the status quo. So the school divisions needed more money.

Now what we're seeing from the municipalities of all sorts, the member from Last Mountain-Touchwood, the member for Arm River, every member on this side from rural Saskatchewan has got feedback like this. We've got replies from these people that said, we've done everything within our power; we cannot hold the line.

And there's some exceptions. There's a few that we've had that have actually . . . the assessment's gone up, they've lowered the mill rate, and they're actually taking in less dollars. But that's the exception to the rule, Mr. Minister.

And I think why we're doing this today, Mr. Minister, is trying to bring to your attention and your department's attention just how serious this problem is.

Revenue sharing we know was not increased. And I believe you said that SUMA and SARM had asked for infrastructure money. And I agree with you, they did. But if I remember right, SUMA alone also called for an extra \$20 million this year to hold the status quo.

We saw the struggle in the city of Regina. And I have to commend the new mayor and the council at present in the city of Regina for finding ways of holding the line. They did just a magical job of finding ways of holding the line.

But many communities in this province had no way of doing that because they had been trying to do that for a number of years, Mr. Minister. They had no choice but to take in more tax dollars.

I know in question period and times like that we hear from the Education minister — I think we've heard from yourself — that mill rates are dropping in the province. But that's a misconception. You know that as well as I do, that mill rates may drop but if the assessment goes a way up, the amount of tax dollars taken in have increased.

And I think, Mr. Minister, my question probably to do with this, does your department follow what's happening out there when mill rates are set according to the assessment? Do you follow

... are you getting the same message we are? Do you follow out there as municipalities of all kinds set their mill rate? Are you getting the same trend out there that we are — that in most cases taxes are actually increasing?

Hon. Mr. Osika: — Mr. Chairman, I thank the member for that question. There is a survey of mill rates that is carried out, in response to that last question. But those results we do not have yet. I'm told we do not have those results as yet. But there is a survey carried out.

The question that the member started out with, with respect to education, with all due respect, that's an area that the Minister of Education may perhaps be able to better address than I.

When you talk about the revenue sharing and the direct funding, the city of Regina — and I can very much appreciate the comments from the member — but they perhaps are in an enviable position as well, Mr. Chair, that with all the ... with the revenue sharing, the grants in lieu, which includes the money for school boards and Canada infrastructure, provincial/municipal infrastructure, transit for disabled, Centenary Fund for this coming year, are in an enviable position for receiving or expecting to receive \$17.2 million. So that will ease some of their concerns.

But with respect to the communities that the member has alluded to, and the municipalities and small villages and communities, yes, I hear from them. And again, I want to just underline that I'm very anxious to continue to speak with the people in those communities, with SUMA, with SARM, and consider what we might be able to do differently in the future that will address some of those issues that are recognized as being situations that had been dealt with as a result of perhaps the programs not being in place or emergencies occurring and the funding not being available because the programs have already come to their end.

So these are very important issues that will need to be addressed and discussed, and I plan on doing that.

Mr. Bjornerud: — Thank you, Mr. Minister. And I understand, you're right that you aren't responsible for the education tax portion of that. I understand that.

I think why we're relating that along with the municipal tax is that, as you know, they're so closely related. Number one, it's the same taxpayer paying both. In most cases the municipalities are the collection agency for those taxes, and I think quite often the burden falls on those administrators who feel the heat for this because the taxpayer has nowhere to turn.

Mr. Minister, we have so much stuff to go through here, but I have some of my colleagues that would also like to get in today, so I want to thank you for your answers to this point, and I'll pass off to the member from Shellbrook-Spiritwood.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, welcome to your officials. A while ago I asked some questions, some written questions to SERM (Saskatchewan Environment and Resource Management) minister regarding forest fringe land. And I asked another question regarding — to the Minister of Finance — regarding forest fringe land in regarding taxation.

And it came back to me that these questions have to be addressed to the Minister of Municipal Affairs, so I would like to address the question to you.

How are municipal and education taxes on forest fringe land determined?

Hon. Mr. Osika: — Mr. Chairman, I'm told that there is an assessment of the land by SAMA and then the assessment of tax by local governments on that land. Now if I understand the question correctly, that's the process that SAMA would use to determine the value of the land, and then the local governments would apply its levies.

Mr. Allchurch: — Thank you, Mr. Minister. As you know, forest fringe land is government owned by SERM, the government itself. So one of my questions was, how come the RMs have the right to tax another jurisdiction, which is forest fringe land which SERM owns?

Hon. Mr. Osika: — Mr. Chair, I understand that it's mostly leased out for grazing, and when it is in someone's hands, leased out in that fashion, then it's subject to taxation.

Mr. Allchurch: — You're right, Mr. Minister. The taxes on that land are taxed to cattle-grazing operations only. But there's many other operations of that said land, they utilize that land, that are not taxed. Why is the RM allowed to tax forest fringe land for cattle operations, which SERM owns?

Hon. Mr. Osika: — Mr. Chair, that can be a technical issue. What I'd like to do, with the member's concurrence, is on that particular issue give him a specific response to this whole issue surrounding that question, if the member would concur to that. And I'll supply that to you in writing, rather than perhaps my being confused with the questions and not giving you the proper answers. I'd much rather give you the proper answer to your questions.

Mr. Allchurch: — Well thank you, Mr. Minister. I would appreciate that. I think we need some clarification on SERM land, forest fringe land which is owned by SERM, and the role that municipal government play regarding that in allowing RMs to tax that portion of land.

I have a couple of more questions though. In regards to the forest fringe land which is owned by SERM, which the municipality or RMs have the right to tax that, who was responsible for collecting the said taxes and who did they make them payable to?

Hon. Mr. Osika: — Mr. Chair, it's the rural municipality that collects the taxes and that's who the taxes are paid to.

Mr. Allchurch: — Okay. One more question, Mr. Minister. What happens if the taxes are not paid on that land in that year? Can they still obtain a permit from the SERM department for that land to be used for cattle grazing operations? Can they still get a permit?

And if the taxes aren't paid, can the permit holder be taken to court for not paying his original taxes on SERM grazing land?

Hon. Mr. Osika: — Mr. Chairman, to the member, the RM can enforce the payment of those taxes.

However, the question with respect to the permits, to continuance of a permit or the issuance of a permit, with all due respect, that's not something I'm familiar with, and that officials from SERM or the Minister of SERM may be able to respond to that more directly. And perhaps I can include that in the letter of response to you for your previous question as well.

Mr. Allchurch: — Thank you, Mr. Minister. The second part of my question that you failed to answer, which I wouldn't mind getting an answer if you don't mind, can the permit holder of that grazing permit be taken to court for not paying his education and municipal tax on cattle-grazing operations?

Hon. Mr. Osika: — Mr. Chair, we're talking . . . and I know where the member's asking. Here is Crown land that is being leased, the person has a permit, and he doesn't pay the taxes that the RM has assessed. Where do we go from there? Do we throw him in jail or not?

I must apologize again. I don't have the definitive answer, Mr. Chair, for the member, but I will include it in the response. I'll determine exactly what the situation might be. And it sounds like it could be quite complicated. Here's a permit holder, doesn't own the land but he has the rights to the land that's assessed taxes, refuses to pay them. I'm really not certain at this point, but I will determine what the outcome of such a situation might be if that sort of thing happened.

Mr. Allchurch: — Thank you, Mr. Minister. I won't ask the question. I will just end off in regards to with the amount of education tax and municipal tax that's being charged to the cattle-grazer owners of that permit. By the time they pay their permit fees, their education tax portion, their municipal tax portion, it's more than actually if they take the cattle and put them in the community pastures. And that's why they have concerns. And that's why I've been raising questions regarding SERM land, which is forest fringe land.

So I welcome the fact that you and the minister from SERM and I can sit down and come up with some solution to this because one operation in forest-fringed land, which is a cattle operation, are being taxed year round for the use of the land for a maximum of 145 days. They're paying taxes on the whole thing for a whole year, and yet there's many users of that land that don't get taxed at all.

So we have to address this problem. And I welcome the fact that we can sit down together and come up with a solution to this. Thank you.

Hon. Mr. Osika: — Mr. Chair, I appreciate that that appears that it might be a complex situation, and an individual situation that we certainly, very definitely, should address.

If the member would have those specifics that we've discussed back and forth this afternoon, if I could receive those in some detail by way of a question form, I will ensure and I give my assurance that there will be a response in the very near future to those very concerns that the member has raised. Thank you.

(16:00)

Ms. Draude: — Thank you, Mr. Chair. Mr. Minister, and to your officials, welcome. I have a number of questions to ask. I'm not sure how far I'll get this afternoon, but I'd like to ask questions first of all on the infrastructure funding and then the centenary funding.

A number of times you've mentioned about all the money that's been given to the small localities from these funds. And can you give me a list? Is there a list that can be provided to us for the money that was spent from the infrastructure program and from the Centenary Fund to allow us to know who got the money this year?

Hon. Mr. Osika: — Mr. Chairman, I welcome the question. The final list for some of those projects will not be in place until July. But for those projects that have already been approved, yes, we can certainly supply a list of those. But please understand that there are some that are still in the approval process or will not be finalized until probably the end of June or beginning of July.

Ms. Draude: — Mr. Chair, Mr. Minister, thank you. We'd appreciate the information that you have to date. And also at the same time, maybe you could let us know how much money has been spent to date so that we would have an idea of how much money has yet to be allocated. There might be some hope for some of our communities yet.

Mr. Minister, I know that Porcupine Plain, the town of Porcupine Plain had applied for funding under the infrastructure program for this water treatment plant. And they were concerned because of the ongoing problems with water in this province, that their treatment plant was maybe not up to standards or that it would maybe be falling behind.

I know that they've told me they were denied, but they would like to know when they could expect to get assistance for this project.

Hon. Mr. Osika: — Mr. Chairman, to the member. The Porcupine Plain, I . . . we can't just locate their application or any particulars with respect to their application at this point.

What I can say though is that there are communities that may have applied, and if they received a letter of denial, have contacted us and asked why or asked for a reason. The individual ones, we're pleased to respond to and explain where they might be, at what point of their application.

But at this point I'll continue to see if we can determine exactly what the situation is with Porcupine Plain. And that was for water treatment? Water treatment? Okay.

Ms. Draude: — Thank you, Mr. Minister, I'd appreciate that, and I'm sure that if you don't have the application I can get a copy of it for you from our town administrator.

Mr. Minister, I know that we had discussed one day the town of St. Gregor and their project which was denied. Maybe you could give me some further information on that as to where its status may be for next year. I understand that we have to apply

every year, but is there some kind of priority list where they could feel that they would be looked at? And again, the town of Anaheim the same thing. So that's St. Gregor, Porcupine, and Anaheim.

Mr. Minister, I also would like to talk to you about the town of Wadena. I know that you received a copy of a letter from April 17 from the town of Wadena, where they discussed their concerns about their site, their landfill site. It cost them \$263,000 and they didn't receive one penny of grant money for it.

At the same time they talked about their revenue sharing. If they would have been allowed or if they would have been given the same amount of money in revenue sharing every year that they did in 1990, they would have received \$1,176,000. Because of the cutbacks in funding, they actually received less . . . received \$615,000 less. So a small town of 1,300 . . . or 1,480 people has seen a decrease of just about 50 per cent in the funding that they required.

So, Mr. Minister, this concern is something that has to be addressed not only when it comes to providing the needed services, but also the capital projects as well.

And one of the problems they're having right now, even though they have the new landfill site, is they have to decommission the other site and there's not one penny of funding for that. There's some very stringent rules and regulations on decommissioning, and yet there is . . . So there is input from the government on how you're supposed to do the decommissioning but no money to actually do the work.

So I'm wondering if you look at this, if your department is concerned about the work that these small towns have to go through, and if there's any thoughts towards helping them to meet the rules and regulations your government has put in place.

Hon. Mr. Osika: — Mr. Chair, again I appreciate those concerns. And I just want to point out that dealing with landfills, they are eligible under infrastructure for some assistance under infrastructure programs, however, not given as high a priority as sewage and water at this point.

So I guess I'd encourage Wadena to apply once again for help under that program, as I would encourage other communities that perhaps find themselves in similar situations. As well as have those communities that perhaps felt that they've been turned down and encourage them to reapply specifically if it has to do with sewage and water treatment, landfill sites. I'm told that those do fall into category of being eligible under the infrastructure programs.

Ms. Draude: — Mr. Chair, Mr. Minister, I do understand that they are eligible, but when the towns that have applied for funding through the infrastructure for water and sewage can't even get their applications approved because there isn't enough money, the chances of getting it approved for a landfill site is probably zero to nil. So I don't think they have very much hope at all.

I just have one other short question I want to ask you about

today and that is under Sask Housing. There's a concern also about the placement of people, how the determination is made as to who will receive a position in Sask Housing.

In one of my areas, the local authority told a resident that they don't have the authority to place people — it's the region that has that authority. And they went to the region. The region said no, no, it's not us; it's the local authority. Can you give me some clarification on this?

Hon. Mr. Osika: — Mr. Chair, the local boards make the decisions based on a point rating system. The applications go to the boards and they have apparently a point rating system that they use to determine the eligibility of applicants for those units.

Ms. Draude: — My question was, is this the local boards or the regional boards that make the decision?

Hon. Mr. Osika: — Mr. Chair, it's the local boards.

Hon. Mr. Lautermilch: — Mr. Chairman, I move the committee report progress on Municipal Affairs and Housing.

General Revenue Fund Economic and Co-operative Development Vote 45

(Subvote EC01)

The Chair: — This is the fourth time the minister has been before the committee for a total of 2 hours and 37 minutes. I recognize the minister and invite him to introduce his officials.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. To my right is deputy minister of Economic and Co-operative Development, Larry Spannier; to his right is Denise Haas, executive director of investments and corporate services.

To my left is Bryon Burnett, assistant deputy minister of community economic and business development. Directly behind me is Cam Pelzer, director of policy and strategic planning. To his right is Lynn Oliver, the chief information officer for the IT office. And to her right is Robert Hersche, executive director of policy planning and telecommunications information technology office. And that is quite a title. Welcome.

Mr. Wakefield: — Thank you, Mr. Chair of Committees. And to the minister and his officials, welcome this afternoon. I guess, as the Chair mentioned, I think this will be fourth time . . . is it the third or fourth time?

We've covered quite a bit of territory already, and up until this point we've kind of talked about the vision and the objectives of your department, Mr. Minister. And there are times when we agreed and disagreed on some of the direction of the items there.

I'd like to proceed a little bit further down that road before we move into some of the other things like the investment opportunities and so on.

The question I would have leading off, Mr. Minister, would be . . . and I'm reading from the annual report, Saskatchewan Economic and Co-operative Development annual report, 1998 . . . I'm sorry, 1999-2000. And I think that is the . . . is that the most current annual report that we have?

(16:15)

Reading from that document, I wanted to just review the objectives again that are listed on page 3 of that document, the 2000-2001 objectives. Of course that's what we're in now. And one of the objectives that was declared then, and in fact the very first one is:

Advance a new economic development strategy for the province.

Can you give me an outline as to what the new economic development strategy for the province was and how it's being displayed in this particular year that we're in now?

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. And to the member opposite, we've gone through extensive consultations with the business community in the province. That process has been completed.

We've done a couple of drafts and we're doing just some small amendments to what we hope will be the final draft. The document should be going to cabinet shortly and hopefully we'll be releasing the document within the next short while.

Mr. Wakefield: — Thank you, Mr. Minister. We'll be anxiously awaiting that particular strategy because I think the strategy is going to be very key in the signal that is being sent out to Saskatchewan people, and also people outside of Saskatchewan, in terms of where we want to go from your perspective in this province.

But on that vein of economic development strategy, from the year earlier, there was an objective in your annual report earlier that said to begin work on a new economic development strategy building on the successes of . . . *Partnership for Renewal* is one document and the other one was *Partnership for Growth*. Those two documents that were published and circulated much earlier both talked about economic strategy. So this has been in place for a long time and I'm not sure what the results of those two particular initiatives were.

From my recollection and my brief reading, I can't see anything that has evolved directly out of those two publications. Can you direct me as to what was a direct result from those two publications that were circulated earlier?

Hon. Mr. Lautermilch: — Sure, I'd be pleased to. I think year after year of economic growth in this province is a pretty strong indication that the documents work.

Mr. Wakefield: — Mr. Minister, I guess that leads me then to where I wanted to go and that was the document that was published just in last year or a year ago called the Partnership for Prosperity. That was brought forward in a gala manner in Saskatoon with a press release. Partnership and prosperity talked about what was going to be happening in terms of this

province; very few details though in terms of how prosperity or economic development was going to occur. It was a very glossy publication but short on detail, if I remember.

Can you tell me what has happened to that particular document? This is kind of the third in a series now. What has happened to that document, where you've gone with it, and is there anything concrete at all that has come out of that publication?

Hon. Mr. Lautermilch: — Mr. Chairman, and to the member opposite, I would just want to say that the documents that were released — the two previous ones — hopefully this document will build on what we have done in the past. The documents have, and this one that we're about to release will as well include targets and objectives and actions that will help us to achieve our targets and our objectives. But one document builds on the other. As economies grow and as the business community works in partnership with government to achieve the targets and the objectives, it would be hoped that one would build on the success of the previous one.

Mr. Wakefield: — Mr. Minister, part of the program for partnership and prosperity was a consultation process. The details were kind of left vague, if I remember correctly, with the response from the then minister that consultation was going to occur, the details were going to be filled in by the industry, and because of that you should be able to build on it.

Can you tell me if consultation that you referred to earlier in that strategy was part of this consultation or is there another consultation? Where are we with consultation? It seems like consultation kind of gets kind of a broad-brush approach. Has it been achieving what you need it to? In other words, getting the specific details for developing the economy under this program.

Hon. Mr. Lautermilch: — Mr. Chairman, I think it's fair to say that the member opposite is questioning the consultation document that was released in September of 2000. I think that would be the document that you were referring to.

And with respect to that document, what it was was a document that was put before the people of Saskatchewan to stimulate discussion, to stimulate ideas and thoughts with respect to the development of the document . . . the final document that we will be releasing that stems as a result of that.

I mean we were talking about targets, economic indicators. Are they ambitious; but are they achievable? What those targets should be, what they might be, what areas we could be working on, and targets for economic performance. You know and it says, I'll just quote from the document. On page 1 it says:

Partnership for Prosperity is a consultation document, not a final document. The final document will be written once we receive input from the people of this province.

Now with respect to input from the people of this province, there were 7,200 copies of Partnership for Prosperity distributed. There was a Web site. It had approximately 3,600 hits. There were about 400,000 newspaper inserts with a summary of the strategy and targets that were in newspapers all through the province. There were seven public meetings held with approximately 500 people in attendance. There were 30

stakeholders' meetings with approximately 1,400 people, and almost 5,000 surveys were completed. Seven briefs, representing several thousand people, were received. Eighty people participated in focus groups. Economic development questions were included in a November omnibus poll of approximately 1,000 residents.

So I guess what I'm saying to you is the consultation was broad, it was wide, it was meant to be because the document that we're crafting is based on the input from the business community of the province.

I would like to say as well that I was quite interested to see the chamber of commerce's document that was released just recently, and I think you and I have had some discussion about that.

What you will find in the document that will be put before the people of Saskatchewan will have very many similarities — very many goals, targets, objectives — so I'm saying that the government strategy that we'll be producing will be very much in sync with what the business community themselves, through their chamber of commerce, has produced and what we heard during the consultations in the past year.

Mr. Wakefield: — Thank you, Mr. Minister. What has been the cost of that process so far? I think that's a real concern of the taxpayer. I know if we're going to get adequate consultation to get the appropriate responses, there is a cost factor. Could you let me know how the cost thing has gone so far in this particular Partnership for Prosperity, and what do you anticipate the total cost will be of this economic strategy that was envisioned a year ago?

Hon. Mr. Lautermilch: — Mr. Chair, I want to say that while my officials are looking up the approximate cost numbers for the document, I think that the people of Saskatchewan are really very much less interested in the cost of consultation than they are in the fact that consultation will happen.

This process cost about \$250,000. Now that's an awful lot of money but I think if you will recall the number of meetings that took place, the number of documents that were presented to the people of Saskatchewan, \$250,000 is not a lot of . . . it's a lot of money, but in terms of what this document and what the people of Saskatchewan are wanting to do with respect to working with their government to achieve, it isn't an awful lot of money.

I want to say, Mr. Chairman, that as the minister now responsible for Economic and Co-operative Development, I will make no apologies for consulting and listening to the people with respect to developing a five-year economic development strategy or longer, any less than I will apologize for consulting the people of Saskatchewan with respect to their desire to have input on the Fyke report, which is a document that was commissioned by the government to determine the future of health care in the province.

So one can argue that consultation may be a waste of money. I tend to believe that the people of Saskatchewan want to be consulted. More than want to be consulted, I would suggest, Mr. Chairman, that they need to be consulted because it's their ideas and their thoughts that will help build a healthy future for

the province of Saskatchewan and help to give government direction to ensure that that happens.

Mr. Wakefield: — Thank you, Mr. Minister. I maybe disagree a little bit about the importance of the dollar figure, the approximately quarter of a million dollars involved in this particular process and consultation. I think people are interested in that and certainly here, under the Committee of Finance, we are interested in knowing what it's costing out of taxpayers' dollars. And I would agree that 250 or a quarter of a million dollars is in fact a fairly significant amount. That's why the question and I'm looking forward to what you're expecting out of this.

Has the view, as the new minister of the department, changed a great deal from earlier commitments, from what you've heard in this process so far? I guess what I'm referring to here, Mr. Minister, is one of the objectives in 2000-2001 was, and I quote:

Continue strong support to Saskatchewan's co-operative sector and in particular promote new generation co-operatives . . .

I'm wondering if that is a continuing strategy, if that is part of your focus in developing the economic strategy of this province.

Hon. Mr. Lautermilch: — Mr. Chairman, the history of this province is one that is rich with the co-operative movement and economic development through our co-operative sector. We've got the strongest co-operative sector, I would argue, anywhere in Canada.

We've the headquarters of The Co-operators which is a very large insurance company. We have a strong retail sector. And I want to say that our grain transportation system has been well served over the past decades by the Saskatchewan Wheat Pool.

So will the focus and will the support for the co-operative sector continue? The answer is yes.

With respect to new generation co-ops, one can only point to the successes that have happened — \$40 million of investment, part of it a new generation co-op in the Leroy area with respect to hog production. One could only assume that it would be prudent, indeed it would make some sense to have neighbours band together, work with the credit union — by the way who, as I understand, financed part of that operation — to build an economic development opportunity in rural Saskatchewan.

So with respect to support for the co-operative movement, and in particular new generation co-ops, the answer is we very much support that initiative as it's been outlined on page 3 of that document.

(16:30)

Mr. Chairman, I guess it's fair to say that the economy of this province has been hinged very much on a number of different cylinders in the engine of operating and building this economy. The public sector, through our Crown corporations, has played a major role historically. The co-operative sector has played a

very important role.

But I think even more important than that is that there's a recognition that the private sector is, I would argue, as important an engine of growth as any of the sectors that we have used in this province over the years to build our economy.

Private sector are very much supporters of co-operatives. And when I look at rural Saskatchewan I would want to say that the role that is being played by the co-operative sector . . . and I'm speaking now the credit unions.

As you will know, the chartered banks, the large banks are consolidating their operations. They're leaving the small communities all over this province, indeed all over this country. What we are seeing, in no small way, is the credit union stepping in and backfilling in areas where the banks have chosen not to deliver service.

Now if one goes back through history, you see it repeating itself because there were times when neighbours and communities banded together to ensure that there was capital and to ensure that they shared the capital so that there can be investment opportunities for individuals and small businesses in those communities. They competed over the years with the banks.

The banks have chosen to move from those small communities, but still our co-operative sector, through the credit unions, is playing a very, very major role in terms of economic development and support for Saskatchewan's rural communities.

That's why when you ask if under my stewardship will this department continue its support for the co-operative sector, that answer is unequivocal and it's absolute. The answer is very, very much so; they mean so very much to our province.

Mr. Wakefield: — Mr. Minister, the focus that you've just outlined on the co-ops and the co-operative movement and so on, how would you rate your department's support for that part of our sector as opposed to private sector? Would you be equally encouraging private and the co-operative sector to develop together, work together, or is your focus more on one or the other?

Hon. Mr. Lautermilch: — Oh I think with any department, under the mandate of the department, the officials within that administration will be charged with doing the best that they can to forward the groups that they're responsible for working with.

I would want to say that it's not a matter of private sector or co-operative sector, and it's not a matter of balance on one side or on the other. A job is a job, whether it's in the co-operative sector or whether it's in the private sector.

A dividend or a profit, a share profit, means money back into the community and it means money back into the Saskatchewan economy. So to be choosing one over the other wouldn't make much sense. Because ultimately the responsibility of this department is to work with businesses, whether they're the co-operative sector or whether they're the private sector, to create jobs and create wealth.

So to . . . I guess to say we would want to have a fair balance in terms of the activity within the department, would be what we would be striving for.

Now sometime there will be activities in the co-operative sector that will demand more person-power, and certainly we try to adjust to that. There may be times when the forestry sector — which is a private sector and I don't know of any co-operatives to speak of in that sector at this point — but that the private sector would command more of the department's attention.

Our job is to facilitate wealth; it's to facilitate job creation; it's to facilitate and to work with the private sector and the public sector and the co-operative sector to develop a stronger economy.

So we're looking for a balance and we'll put our resources where the need is.

Mr. Wakefield: — Mr. Minister, when we talk about wealth creation and maybe what is needed in this province, again I go back to an earlier comment that we talked about and that was the signals put forward to try to develop what our objectives are here. And the objectives, in my view and I believe you would agree, is to create jobs so that we can in fact have more people here, not the same amount of people reorganized in a different way.

We've got to attract new people. To do that we need to have the right signals. We have to get new businesses. And I'm not sure developing different kinds of co-operatives, which are really based on the people that are here . . . We have to try and signal to get the new people.

So if we want new businesses to create those new jobs, we've also got to have the signals. We've also got to have . . . we also have to have the confidence that the plan is in place and the objectives of the economic development are in fact real, so that they will come with confidence to invest, to create the businesses to create the jobs. To me that's the idea of what your department should be doing.

And somehow I see that that's failing because I don't see an increase in businesses. In fact businesses by recent surveys are certainly stagnant at the best, in terms of numbers. Some indications are up but others are down. It's certainly not a booming part of our economy. Jobs are not here in the province as they are in other provinces; stagnant at the best, again. And investment is the same story.

What we need is something to re-trigger the direction for investment and economic development. And somehow I'm missing that part of where your department is going to go with this new vision and new signals. Could you comment on that, please?

Hon. Mr. Lautermilch: — I'd be more than pleased to comment. But I want to begin by talking a little bit about the history of economic development in the last decade. We've had GDP growth year over year since 1991. It's been far above the national average. And I think GDP is what you measure growth, it's the real measurement of growth. So you and I may agree to disagree that that has taken place.

When you do a survey of the business community, you'll find that they're very optimistic about the future. They're talking about employing more people. As a matter of fact, the trends with respect to businesses seeking employees will show you that Saskatchewan leads in terms of the number of job requirements that businesses are seeking and applicants that they're seeking to support their businesses, which have been growing.

I want to say to the member opposite, and I, with all due respect — you are one of the members of the opposition who I do have a lot of respect for, because you are someone who has a lot of experience not only in Saskatchewan but in Canada — but I can't agree with your analysis of the province. I think it's perhaps a little more politically biased than the reality of the numbers would indicate.

This province has some very difficult challenges. And you know that and I know that. You and your caucus represent rural ridings; rural ridings in which jobs in agriculture have been decreasing because of the change of agriculture, because of the international subsidies that we can't as a province compete against with no support from the federal government.

But in spite of that, the economy continues to grow in other areas. And in spite of that, our GDP grows. And in spite of that, business people across this province are creating jobs and job opportunities for Saskatchewan's young people.

And I want to quote from a newspaper article for you, because I think it's instructive of what people other than the official opposition are saying about this province. And the headline says, "Youth gaining in job market; prospects improve for third straight year."

And I'll just do a little quote because I think it's instructive:

Saskatchewan moved up one place to third in the ranking system that considers 10 indicators. For example, the employment rate here grew by 3.4 per cent, and the unemployment rate for Saskatchewan's youth is 10.2 per cent, the second lowest in Canada.

Goes on to say:

Saskatchewan showed some positive growth for jobs. It's a lot better place for youth than a lot of people make it out to be.

You have the agricultural statistics which hide what's really happening. Saskatchewan has had to create some 30,000 jobs elsewhere in the economy just to make up for the losses that many in . . . of that in agriculture. The province has managed to do that and more.

And this is from Mr. Sauvé, Roger Sauvé, from People Patterns, who monitors what happens in this province in an ongoing basis.

Now I want to say, Mr. Chairman, the member opposite talks about the number of businesses that are closing and leaving and not opening. New business incorporations in January of 2001 total 247. And that's an increase of 6.9 per cent over the same

month last year.

Now we can sit here and we can banter figures back and forth, and maybe that's what we need to do. You and I will have a, maybe, perhaps a philosophical disagreement as to how you grow an economy and how you make a stronger Saskatchewan. But I want to say that this government, and I as part of this government, will stand on the record of development since our election in 1991.

I want to remind you that we took over an annual deficit in the neighbourhood of 1.2 billion. It was growing every year by about a billion two. The total provincial debt was \$16 billion, the highest per capita debt anywhere in Canada.

And what we've been able to do is whittle down that debt, which was part of the economic strategy we started with in 1991, and we were able to balance eight consecutive balanced budgets, which was part of our economic strategy so that we could spend more money on programs, which we did this year on highways and on health care and on education. So that we weren't serving the needs of the international banking community but serving the needs of the people of Saskatchewan.

Now the business community have picked up on that. They said that this government has been very adept in managing our financial circumstances in the province. They're comfortable with the fact that we balance the budgets. They're comfortable with the fact that we've been paying the debt down.

But I think what's even more important, they understand what we're trying to achieve on behalf of competitiveness with other jurisdictions across North America. We've introduced the largest tax decreases that this province has ever seen, part of which took effect this year. Some more will take effect next year, which ultimately gives the average family in Saskatchewan a thousand dollars more in their pockets.

In this budget, we decreased the small-business income tax rate by 25 per cent — 25 per cent. We increased the threshold which will allow a small business to claim small-business status from 200,000 to \$300,000.

Now, Mr. Speaker . . . or Mr. Chairman, I want to say that these are not small challenges this province faces. This has been done at a time when the agricultural community and the agricultural industry is under unprecedented pressure. But in spite of that, we've seen growth in other areas. We compensated for 30,000 job losses and we've made . . . created more.

This year you've got a 6 per cent increase in January, 6.9 per cent increase in terms of the number of business that have incorporated in the province — not zero, not three, not one.

If it was only inflation, maybe two and a half, 3 per cent. But we've had just under 10 per cent growth.

You look at the economic forecast. The Toronto Dominion Bank, the Conference Board of Canada, the Royal Bank, all indicate that the strength and the diversity of the economy will result in continued expansion.

Now, Mr. Speaker, as I said, we can go through numbers and we can talk about the quotes by the people who deal with statistics and economic indicators and look at our province and other jurisdictions.

And I want to say, Mr. Chairman, we can as well compare ourselves to Alberta. But you know, we aren't Alberta. We aren't ever going to be Alberta. And we didn't put the border between Alberta and Saskatchewan where it was, not the people of Saskatchewan. We didn't put it here this year. It was put there a long time.

And I tell you what's more. We didn't put the fossil fuel that Alberta is blessed with — and good for them — we didn't put the fossil fuel that is there, the natural gas and the oil, we didn't put it on that side of the border. That was something that was decided a long time ago when Confederation happened.

(16:45)

But I tell you, Mr. Chairman, in spite of that, Saskatchewan has been able to develop a strong economy. We've got a bright future in terms of developing this economy for our young people. The only thing that we don't have, I would argue, is a positive attitude about the strength of this economy and the strength of Saskatchewan's people and the strength of the future of this province.

And I would suggest, Mr. Chairman, that members opposite could serve this economy well by turning up a little positive attitude just once in a while and speaking highly about the good things.

The member from Swift Current bantered. I was in his community last night — too bad he wasn't there — at their small-business awards. And do you know what they're saying out there? I'll tell you what they're saying out there, Mr. Chairman. I'll tell you exactly what they're saying out there — that things are good, we need a little rain, but things are well in my community. That's what they're saying.

So, Mr. Speaker, I would . . . Mr. Chairman, I would only say that just a little dose of attitude, turn up that attitude just a little bit, will build more faith in this economy, more faith by the business community, and more faith in our young people who want to stay here and create businesses, create job opportunities, and raise their families.

Mr. Wakefield: — Mr. Deputy Speaker, and Mr. Minister. I'd like to talk a little bit about this attitude thing that you have brought up, because I think we will probably agree on the fact that you and I both want to see this government . . . or this province move ahead and this province prosper. To do that you have to send the right signals and here's where we're having some problem.

You said we could never be competitive with Alberta because of you think they're . . . (inaudible interjection) . . . We'll see that. And the fact is that we will and we can be very much competitive with places like Alberta, and I'll tell you why. Because when we want to, when we want to move this province ahead, we want to make sure that we can be positive, but for the reasons . . . for positive reasons.

All I've heard from this government is to say things like this: you should have a Saskatchewan dream. And I know that Saskatchewan dream was just rolled out recently. In other words, feel good about ourselves and maybe things will turn around.

Well, Mr. Minister, when we talk about the Saskatchewan dream — Saskatchewan ever since we had people settle this province — they've had a dream. But they've had reasons and they've been able to work those reasons to develop the opportunities and make their dreams come true.

You haven't given us anything, Mr. Minister, in way of please, be happy, things will get better if you have a better attitude. Well let's put things in place that will give the province a better attitude so that we can, in fact, achieve a better province.

Now you talked about the glowing reports that you've read in different quotations. Well you're right, maybe you can read some and I could read some. But very recently it was reported by Canada West that our young people, in fact, are leaving this province and particularly that young group of people between 18 and 24 that we need to keep in this province and attract. What are the signals that they're getting to stay here? I'm afraid that that report is showing that they're not staying.

StatsCan just recently has come out with their reports and again, for the second year in a row, the numbers of businesses are down, not up. Now what is the reason for that? The reason is that there is no confidence from the signals that you've been putting forward. That's the problem.

And when you come out and talk about the long-term debt that we've had, I can agree that something has to be done about our long-term debt. And moving it in the direction that your government has is a positive thing. But you got to remember that when you're talking about debt, you got to think of it in terms of what the Provincial Auditor is talking about.

The Provincial Auditor is talking about not just the General Revenue Fund debt; he's talking about that plus the Crown corporation debt, which is increasing, and also the unfunded pension funds. When you look at all that, the total debt is higher now than it was in 1991.

And the budget that was put forward this time is actually showing a lower income, higher spending, and the debt is higher, the gross debt is higher this year than before.

Those are the signals that are not creating the positive attitude that we need in this province, even though you think that we should be putting forward a positive spin. That is the problem that I have with what your proposal is about turning up the positives a little bit.

When you talk about reduction in taxes, and I agree we're going in the right direction and I commended the Minister of Finance in his budget last year and I commend him again this year for the reduction in taxes.

But I didn't commend him for expanding the PST (provincial sales tax) last year. I criticized him for that. And this year when he talked about reducing the small business corporate tax, I

commended him for that.

But the fact is that we're still a follower; we're not a leader in that. Why not eliminate the small business corporate tax, because corporations will have to recover that from the people anyway and it's not a major factor to overcome.

Again it's signals and attitude that people see from the action of the government and not from some program called Saskatchewan dream that's supposed to be, let's be happy, and everything will be fine.

I would like to ask this question now, Mr. Minister. This question in terms of Strategic Investment Fund, Innovation and Science Fund. Can you tell me what those particular funds are? And I'm really looking in your subvote (EC07) on page 39 of the budget this year. These are the sub-programs: the Strategic Investment Fund, Innovation and Science Fund, Economic Partnership Agreements, Small Business Loan Associations. That's on page 39.

Aren't those redundant from other programs that are in place? Can you tell me what specifically those are for, if we're trying to invest . . . trying to attract new people into this province?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, first of all I want to speak to the member's comments with respect to the signals that we're sending the people of Saskatchewan, the business community, and our young people.

And it was all in this budget: personal income tax reductions; corporate taxes down; a focus on research and development; a focus on information technology; developing high-speed Internet, moving it out into rural Saskatchewan so that economic development can happen there; manufacturing and processing tax credit; an R&D (research and development) tax credit; labour-sponsored venture capital corporation tax credit; support for REDAs (regional economic development authority); support for co-operatives.

Mr. Speaker, I can go through the list of what this budget delivered, but I want to tell you what it also delivered was balance. No debts.

Now yesterday the Leader of the Opposition spent \$170 million in one speech. One speech. Today you eliminated the small-business tax, in one speech.

You add up what you're talking about and it takes you back to the people who sat on this side of the House in the 1980s. And I'll tell you who they were. They were a group of men and women who belonged to a political party that now hides its name. And it was deficit budgeting year after year after year because they had ideas just like you and your Leader of the Opposition have — spend, spend, spend. Never mind where the revenue is going to come from to pay the bills — just spend. He spends a 170 million in Saskatoon last night and how much do you spend? What's six points on the small-business tax worth? How much is that worth this year? What is that worth? Must be 50, 60 million but it doesn't matter, it's only money. It'll fall from the sky and good ideas will happen.

And get rid of all the taxes and everything will be fine in this

province. And you can spend hundreds of millions of dollars in universities, you can spend hundreds of millions of dollars on the school system. You can spend hundreds of more millions on the highway system, and it doesn't matter. It doesn't matter. Leave it for someone else to pay, leave it for some other generation to pay.

And I want to say to you and every one of your colleagues that people see through you, they know your history, they know who you are, they know who you're affiliated with. They know who you worked for in the 1980s, and that's why they don't trust you. And that's why this Premier, this opposition member, this Leader of the Opposition has taken a 10 percentage point drop in the polls in the last little while.

The Chair: — Order, order, order. Order. I'm very interested in all of the debates that are going on in the House. Unfortunately I cannot hear the one that we are supposed to be listening to. So would the House please come to order. Thank you very much. Would the member from Kindersley please come to order. Thank you.

Hon. Mr. Lautermilch: — Mr. Chairman, I want to get back to the question that the member asked today, the same one that he asked the last time we stood in estimates here, about the strategics on page 39 of the budget document — strategic initiative fund, the Innovation and Science Fund, the Economic Partnership Agreements, and the Small Business Loans Associations. Well the Strategic Investment Fund is for economic development initiatives. The Innovation and Science Fund is to match the federal CFI (Canadian Foundation for Innovation) funding with respect to R&D. The Economic Partnership Agreement is part of the WEPA agreement, a \$40 million shared agreement with the federal government. And the Small Business Loans Associations is to provide loans to small business in the province. But it's the same answer that I gave him the last time we were here.

Mr. Wakefield: — Okay, Mr. Minister. I appreciate it. Those particular, those particular investments, I think, are running in a redundant, in a redundant way to some of the other . . .

The Chair: — Order, order. Order. Thank you. I recognize the member for Kindersley . . . I recognize the member for Lloydminster.

Mr. Wakefield: — Thank you, Mr. Minister, for the response on those particular funds. The reason that I was asking for a repeat of that because those are, those are funds that I think can be targeted for probably the right reasons to give the right signals. And I want to get into some of the funding that I, that I really have some trouble with, and that is involved in some of the Saskatchewan Government Growth Funds — I think that's under your department — and some of the ones in Saskatchewan Opportunities.

I think, Mr. Minister, would that be better to delay those kinds of questions for another day or are we prepared to move later on . . . (inaudible interjection) . . . Okay, I would agree. I think, I think we will move into that area at another time.

And I would like to take this opportunity to thank you and your officials for being here to be part of the exchange. Because I

think that's the kind of exchange that we need to have to, to make sure that everybody understands clearly our view and your view and where the differences are. Because I think it's important for people to understand that. Certainly it helps me. Thank you, Mr. Minister.

Hon. Mr. Lautermilch: — Mr. Chairman, I want to thank the member for the exchange today too. I think it's important as well.

And I would want to suggest, Mr. Chairman, that the hour being near 5 o'clock that the committee rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 17:01.