

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. My petition today again is 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 Kelvington health care centre be maintained at its current level offering 24-hour acute care, emergency and physician services and that laboratory, physiotherapy, public health, home care, and long-term care services be readily available to the users from Kelvington and district.

The people who have signed these petitions are from Kelvington and Fosston.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the condition of Highway 339 and the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 339 in order to facilitate economic development initiatives.

And this petition is signed by individuals from the communities of Avonlea, Bengough, and Regina.

I so present.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of residents of southwest Saskatchewan who are concerned about the hospital situation in the city of Swift Current, the regional centre, and I bring today a petition bearing names from across the region and the prayer of their 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 petitioners today come from the city of Swift Current, as well as the communities of Simmie, Herbert, Pennant, Cabri, Tompkins, Abbey, Wymark, Mankota, as well as the Wheatland Hutterite Colony near Ponteix.

I so present.

Ms. Bakken: — Mr. Speaker, I rise today to present a petition on behalf of citizens of Weyburn-Big Muddy who are concerned about the proposals in the EMS (emergency medical services) report. 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, Ceylon, and Regina.

I so present.

Mr. D'Autremont: — Thank you, Mr. Speaker. My supply of petitions was getting down but the good people of the Southeast have replenished it. Mr. Speaker, my petition 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 intention to work to improve community-based ambulance services.

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

These petitions, Mr. Speaker, come from the good people of Storhoaks, Fairlight, Redvers, Wakaw, Carlyle, Manor, and Antler.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I rise again today to present a petition for improved cellular telephone coverage. 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 of Rabbit Lake.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition from citizens that are concerned with the centralization of ambulance services. 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 to affirm its intent to improve community-based ambulance services.

As in duty bound, your petitioners will ever pray.

And signatures to this petition come from the communities of Leslie, Wynyard, and Mozart.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, again I rise in the Assembly to bring forth a petition signed by the citizens of . . . (inaudible) . . . And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Spiritwood, Medstead, Glaslyn, Leoville, Chitek Lake, Big River, Canwood, Debden, Shellbrook, Parkside, Shell Lake, Duck Lake, and Macdowall.

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

The signatures, Mr. Speaker, on the petition are from Spiritwood . . . (inaudible) . . . Lake, Medstead, Shellbrook and . . .

Mr. Hillson: — Yes, Mr. Speaker, I rise to present petitions from residents in the Southwest who are concerned that when it rains the ambulance refuses to use Highway 43. And the prayer of relief reads as follows:

That your Hon. Assembly may be pleased to call on the Saskatchewan government to repair Highway 43 from Vanguard to its junction with Highway 4 in order that area residents may have access to necessary services without endangering life and property.

Your petitioners come from Vanguard, Pambrun, and McMahan.

I so present.

Hon. Mr. Hagel: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition in support of comprehensive tobacco control legislation in Saskatchewan, which comes from the cardiac rehabilitation program at the Moose Jaw-Thunder Creek Health District. Mr. Speaker, the petition reads:

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 as in duty bound, your petitioners will ever pray.

Mr. Speaker, these petitioners are from the cities of Moose Jaw and Regina.

And 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 the

Assembly to consider a number of matters that are addendums to previously tabled petitions.

INTRODUCTION OF GUESTS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly, Ms. Lisa Quiring; and I'll have Lisa stand and be recognized. Lisa officially joined my office as a part-time staff today, and she is from the Carrot River area. Her and her husband, Lyle, farm and operate a leafcutter bee business. They have two children, Kade, six years of age; and Kennedy, five years of age.

And while I can assure you that this is not the Lisa in that promotional video *Lisa Visits the Legislature*, I can tell you that this is Lisa's first visit not only to the legislature but to Regina. So I would ask all members to warmly welcome her.

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, it's my pleasure to introduce to you and to all members of the legislature, three guests who are sitting in the west gallery. The person on the far right is my sister-in-law, my brother's wife, Dr. Suzanne Marcia Nilson. She's a professor of biology at the Saskatchewan Indian Federated College here in Regina.

And with her today are her parents who are visiting from Sandwich, Massachusetts. Sandwich is located on Cape Cod, not too far from Hyannis Port and some other places that we've heard about. Ed and Irene Marcia are visiting here from that area. They're also, as some of my guests last week were celebrating, they are celebrating their 50th wedding anniversary this fall. And they're here because their granddaughter is graduating from Campbell Collegiate later tomorrow.

There's one other piece of information that's quite important about these people. All three of them have gone to visit the restaurant near Hartford, Connecticut, that the member from Cannington's sister-in-law is the owner of and they are here to give very good reports about a very good restaurant in the West Hartford, Connecticut area.

Hon. Members: Hear, hear!

The Speaker: — Members of the Assembly, you may have noticed that we are having some technical audio problems so please bear with us as our technicians try to keep up with getting things going. But I do believe that all the remarks will still be recorded in *Hansard*.

It's my pleasure now, members, to introduce to you some people seated in the Speaker's gallery. These are members of the Legislative Assembly staff who today received long service awards in this very room. These individuals are part of the legislative service that enables this House to run smoothly and assists MLAs (Member of the Legislative Assembly) in performance of their work.

I would ask the individuals to stand as I call their name. Three individuals are recognized for 15 years of service: Marilyn Kotylak from Journals; Greg Putz, who's on the floor here daily

— stand, Greg — and Pat Summers from *Hansard*, who's not present. Also four individuals were recognized for 20 years of service: Ben Block, supervisor of sessional security is in the gallery today; Keith Foster from *Hansard* is in the gallery; Janis Patrick from financial services is in the gallery; and not present is Irene Sotropa from *Hansard*.

Please join me in congratulating these members of the legislative staff on their achievement of receiving long service awards.

Hon. Members: Hear, hear!

The Speaker: — I also want to recognize Barb Lindenbach, who is seated in the gallery, who has completed 21 years of service. Barb has primarily worked as the *Hansard* indexer, although she has also worked in reference and collections of the Legislative Library.

Barb's work as an indexer has required her to read every word spoken in this Chamber and then to analyze and categorize these speeches for the *Hansard* index. It may be possible she has analyzed more MLA's speeches than anyone else in this province. Her work is a tremendous aid to researchers and historians doing retrospective research.

Barb is retiring at the end of the month. Please join me in thanking Barb for her 21 years of service to this institution and wishing her much happiness in her retirement.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Legislative Assembly Employees Long Service Award Ceremony

Hon. Mr. Hagel: — Thank you, Mr. Speaker. It's obvious from the remarks you just made that one of your personal joys is presiding over the annual Legislative Assembly Employees Long Service Award Ceremony as you did this morning with these employees.

And we're all pleased that apparently the clouds moved aside — at least partially — so everybody could enjoy their lunch in the park after the ceremony.

We in the Assembly, Mr. Speaker, do not publicly acknowledge it often enough, but we know that in this exercise in democracy in which we are involved, we could not begin to function if it were not for the excellent and deliberately inconspicuous Assembly employees who do so much for us — from preserving our words in *Hansard*; to guiding us through the maze of instructions to deal with our expenses, allowances, and remunerations; to guiding visitors through this wonderful, majestic old building.

Mr. Speaker, Saskatchewan's legislative services I know are held in high regard across the nation. And of this morning's ceremony, I join with you, Mr. Speaker, in paying tribute to employees who received long service awards.

I too want to acknowledge 20 years services from Ben Block in

Security; Keith Foster and Irene Sotropa and their magic fingers in *Hansard*; and Janis Patrick in Financial Services.

Thanks as well for 15 years to Marilyn Kotylak in Journals; Pat Summers in *Hansard*; and our Clerk, Greg Putz, whose arrival I remember but it just doesn't seem like 15 years ago.

Mr. Speaker, I know all members will join in congratulating and thanking these seven, as well as Barb Lindenbach, retiring after 21 years of fabulous service at *Hansard*.

We thank them all and — all members of the Assembly — for serving us so well. Thank you.

Some Hon. Members: Hear, hear!

(13:45)

NHL Legend Eddie Shore Honoured in Cupar

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, Saturday evening over 250 people gathered in the Cupar town hall to honour NHL (National Hockey League) legend and Hall of Famer Eddie Shore. The occasion marked the reunion of senior hockey spanning a time period starting in 1906 to the present.

Players, coaches, team officials, and fans were invited to attend the weekend reunion which included barbecues, a golf tournament, pancake breakfast, and of course a banquet. The highlight of the evening was the renaming of the Cupar sports grounds which will now be known as Shore Recreational Park.

A number of Mr. Shore's family were in attendance including Eddie Shore Jr. from Springfield, Massachusetts.

Mr. Speaker, Eddie Shore's long hockey career began in Cupar and ended up as a Hall of Famer defenceman with the Boston Bruins. Eddie Shore's father, T. J. Shore, financed the first hockey arena in the community so that his sons Eddie and Aubrey could start playing the game.

Mr. Speaker, we all know that events like this reunion are only made possible by the hard work of many volunteers in the community. And I would like to thank Kevin Bonish and his committee for making the senior hockey reunion a resounding success.

Some Hon. Members: Hear, hear!

New Mill Development in Northern Saskatchewan

Mr. Addley: — Thank you, Mr. Speaker. To paraphrase the old question, if a tree is harvested in the forest, does anybody notice? Well, Mr. Speaker, for years in northern Saskatchewan the answer has been yes, and as of a very significant announcement last Friday in northwestern Saskatchewan the answer is now a resounding you bet. An already healthy industry is going to grow even stronger through a \$200 million development of a new mill and through enhanced community-based wood allocations.

And, Mr. Speaker, in the tried-and-true Saskatchewan tradition, this development is the result of a partnership between a private

sector firm, Tolko Industries, which will finance and own 75 per cent of the project; the Meadow Lake Tribal Council and Northwest Communities Wood Products, who will each own 10 per cent; and Crown Investments Corporation, which will own 5 per cent.

By the way, Mr. Speaker, that's an investment in a Saskatchewan project by CIC (Crown Investments Corporation), just for the record.

Two more reasons why this is more good news for Saskatchewan: one, building the mill will create 200 jobs. Operating the mill when it is complete will employ 130 people, with an additional 130 jobs in related woodland activities. Those are jobs for northerners, Mr. Speaker — most of them First Nations and Métis people.

Two, this project is environmentally sustainable with the best forest management science being applied.

Two years ago we announced our plan to expand Saskatchewan's forest industry for the benefit of all Saskatchewan people. This, Mr. Speaker, is one big step in fulfilling that plan.

Thank you very much.

Some Hon. Members: Hear, hear!

Kinistino Couple Celebrate 60th Wedding Anniversary

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker and members, it gives me great pleasure to extend warm congratulations to Mr. Keith Jackson and Mrs. Linda Jackson on their 60th wedding anniversary.

Mr. and Mrs. Jackson were married in Kinistino where they were both born and raised. They soon started farming in the Kinistino area and Linda taught piano for over 40 years. They are now retired and live happily in Kinistino in their senior years.

Linda and Keith remember the hard work it took to run a farm and to raise their three sons. They are also fondly remembering of the fun they had in the community, and the social life in Kinistino and area.

Mr. Speaker, it is with delight that I ask the Assembly to join me in congratulating this special couple on their 60th wedding anniversary. Thank you.

Some Hon. Members: Hear, hear!

ACTRA Honours Regina Constituents

Hon. Mr. Nilson: — Mr. Speaker, I want to bring to the attention of the Assembly recognition that was recently given to three long-standing and outstanding citizens of Regina. Two of these recipients are constituents of mine and the third is a constituent of Regina Centre.

At the recent annual meeting of ACTRA Saskatchewan — that's the Alliance of Canadian Cinema, Television, and Radio

Artists — Jean Freeman, Steve Arsenych, and Lyn Goldman were honoured for their more than 30 years of service by being proclaimed life members. In fact, Mr. Speaker, Jean and Steve were the first members to join the Saskatchewan branch, and were instrumental in establishing it. They hold numbers 1 and 2. Lyn, by comparison, is a relative newcomer with number 44. Membership today sits at 650.

Long-time residents of Saskatchewan will recognize the voices of these three artists if not the names, because for years they were fixtures on CBC (Canadian Broadcasting Corporation) radio. Jean and Steven were working on a radio show for kids called *Mr. Pen* when they joined ACTRA. Steve says:

Prior to ACTRA working at the mother corp was a little loosey-goosey when it came to signing contracts and being paid.

Imagine that, Mr. Speaker, unfairness at the CBC. All three members are known as well for their work with Regina Little Theatre as directors, spokespersons, and spear carriers.

Congratulations to Lyn, Steve, and Jean, my friends and constituents, and especially Steve, who is my former law partner.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Youth Soccer Windup in Swift Current

Mr. Wall: — Thank you, Mr. Speaker. Mr. Speaker, on Saturday, my family and I had the opportunity to attend the windup picnic and the windup games that mark the end of the youth soccer season in Swift Current. It was a great afternoon. There were over 500 young soccer players and their parents in attendance at the Southside park for the event.

Mr. Speaker, soccer's a very popular sport in my home community. This year there were approximately 950 players from ages 4 to 18 competing in a variety of leagues and tournaments.

My wife coached one of the five-and-under teams, Mr. Speaker, and I can tell you, having made it to most of the games, that in addition to coaching these five-year-olds, there's also a lot of herding that goes on, and it's a lot of work for the parents and volunteers that get involved.

Mr. Speaker, Swift Current produces some very talented soccer players such as the Under 12 Girls' Soccer Team which won the Division 2 Provincial Indoor Championship earlier this spring. They've also won back-to-back silver medals in recent outdoor soccer tournaments.

I'd like to congratulate the executive of the Swift Current Soccer Association for all their hard work: president, Dean Wilson; vice-president, Anita Evans; secretary, John Lashon; treasurer, Lavern Warner; and the directors, Dale Perry, Dave Fong, Dan Amsted, John Potter, Ron Elkington, Mike Cusin, Kate Adams, Brenda Muddel, and Robert Chapman. And a special recognition to Pat Perry, who won the first ever Ken

Billows award given in memory of Mr. Billows who was himself involved in soccer to the person . . . to someone who has contributed much to Swift Current soccer in my home community.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Saskatchewan Advantage

Mr. Wartman: — Thank you, Mr. Speaker. Over this past decade our government has worked hard to reduce child poverty in Saskatchewan. We have committed to helping those children who are in most need because we believe that a strong and healthy society is one in which no child has to worry about shelter, clothing, or hunger. And according to the Canadian Council on Social Development, Saskatchewan has done a better job of supporting its poor and working poor than any other province in Canada.

Now groups and individuals in other jurisdictions are starting to take note of Saskatchewan's progress. One example of this is the June 18 editorial in the *Western Catholic Reporter*, a paper based in Edmonton. The title of this editorial is "The Saskatchewan Advantage" and it's about the idea that a wealthy province like Alberta could take some lessons on the issue of child poverty from Saskatchewan.

The editorial points out that in 1998-99, Saskatchewan spent \$37 million on child benefit programs while Alberta spent \$6 million. The editorial goes on to state and I quote:

. . . we [Albertans] likely still have a long way to go to match the record of a province with far fewer economic resources than Alberta. The Canadian Council on Social Development study provides further contrary evidence to the belief that a wealthy society will trickle some of that wealth down to the poor. What is more likely is that governments that put a priority on ending poverty achieve that end more readily than those that believe in the trickle-down myth.

Our government has placed a priority on ending poverty and we call on others to follow our lead, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Saskatchewan Liquor and Gaming Authority Conflict of Interest Guidelines

Mr. Heppner: — Thank you, Mr. Speaker. My question is for the liquor and gaming minister. Mr. Speaker, the minister seems to have quite a double standard when it comes to the employees and discipline.

One Liquor and Gaming official is caught violating the law and yet no disciplinary action is taken. Meanwhile Joe Dosenberger was trying to uphold the law and he gets fired, Mr. Speaker.

Mr. Speaker, why the double standard? Why was Joe

Dosenberger fired for upholding the law while now the minister is prepared to look the other way after a senior official is caught breaking the law, Mr. Speaker?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, I would urge the member opposite to quit playing cheap politics with this issue.

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — The member from Rosthern knows full well that a Justice Kyle determined what the instance was in one instance; that Justice Wakeling has now recommended to me another circumstance and other instances, outlined his reasons for that to occur, that the Justice department had a chance to look at that and certainly said that they support those recommendations.

With that in mind, Mr. Speaker, the member opposite knows that I would support a Justice Wakeling who's looked at thoroughly all of the instances with these issues in mind.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, I would suggest that it's a bad plan for that minister to try and hide behind Justice Wakeling.

Mr. Speaker, in 1995 the Liquor and Gaming Authority brought in conflict of interest guidelines that violated their own law. Justice Wakeling states these guidelines were therefore invalid. He states these invalid guidelines amounted to, and I quote, Mr. Speaker:

An attempt to amend the section in question, when the authority to amend rests solely with the legislature.

That's right here in this room, Mr. Speaker. In other words, Liquor and Gaming officials clearly overstepped their authority. They had no business contradicting their own Act, but they went ahead and did it anyway, and then used these invalid guidelines to justify breaking the law.

Mr. Speaker, who prepared the 1995 guidelines that encouraged Liquor and Gaming officials to break the law, and who approved them?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, as the member opposite states, the Authority does have conflict of interest guidelines in place, which Justice Wakeling says reflect modern industry and community practices and are described as quite reasonable, Mr. Speaker.

I would ask the member opposite, is he agreeing with Justice Wakeling's recommendations or is he not? We have a respected member looking at all of the ins and outs of this issue and recommending to us that just this, Mr. Speaker, is very acceptable to modern-day practices. An employee should never accept gifts, rewards, gratuities, or favours, which could be viewed as payment for services rendered or influencing a business decision. Tokens of appreciation exchanged as part of

protocol or the exchange of hospitality between persons doing business together are acceptable.

Mr. Speaker, Justice Wakeling then asked us to move to put amendments to this House to be discussed in this forum that would make that consistent with modern-day practices, Mr. Speaker.

I'd ask the member, is he going to support those or not?

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, two questions, no answers.

Again, Mr. Speaker, who wrote those guidelines? Who approved them? And specifically, were they approved by the Minister of Liquor and Gaming at that time? Three questions.

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, in discussions with all of the members of the authority and how they would conduct their business and trying to reflect in modern-day practices what the intent of section 133 was, Mr. Speaker, they would have crafted what I have just read to this Assembly to be the practices of the authority which Justice Wakeling says reflect modern industry and community practices and are quite reasonable, Mr. Speaker. With that in mind, they've been following those guidelines.

Now, Mr. Speaker, I was not there in 1995 and I have not looked into the specific question the member is asking and I could do just that.

I think the important point here, Mr. Speaker, is we've had Justice Wakeling give us recommendations and we intend to take actions on those recommendations. We support Justice Wakeling's review.

What do you do, Mr. Speaker?

The Speaker: — Just remind the member to address her questions through the Chair.

Mr. Heppner: — Thank you for the help, Mr. Speaker.

Mr. Speaker, this is simply unacceptable. We can't have the legislature here passing laws and then have civil servants running around drafting guidelines and break those laws. This speaks clearly to a government that has lost control of its civil servants. Not only is the NDP (New Democratic Party) now defending these illegal guidelines, they are using them as an excuse for government officials to break the law.

Mr. Speaker, how can the government expect other people to uphold the law when senior government officials are allowed to ignore and break the law?

Some Hon. Members: Hear, hear!

(14:00)

Hon. Ms. Hamilton: — Mr. Speaker, Justice Wakeling's report is a thorough assessment of specific concerns and the larger

issues that he has raised by the allegations with respect to authorities approached to dealing with conflict of interest.

Justice Wakeling makes the following recommendations. No charges should be laid and no further investigation by police is required. No discipline should be initiated. Section 133 of The Alcohol and Gaming Regulation Act is much too restrictive in light of existing industry and community practices. The Authority should make the appropriate regulatory amendments to The Alcohol and Gaming Regulation Act, Mr. Speaker.

On one hand this member says that we should be following modern-day practices and we should be on top of things, Mr. Speaker. And now he's saying we should be inconsistent with every other jurisdiction across the country and in fact inconsistent with the guidelines that he himself would be judged by, Mr. Speaker.

Mr. Speaker, I will support Justice Wakeling's findings.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Mr. Speaker, there are lots of laws in this province that some people don't agree with. They still have to follow those laws, whether you like them or not, whether they're antiquated or not. I don't particularly like paying all the taxes the NDP charges; I still have to pay them.

I don't get to write my own tax code and pay just as much as I wish. But that's exactly what the NDP is allowing its Liquor and Gaming officials to do. If you don't like the law, just write your own.

Mr. Speaker, nobody else in Saskatchewan gets to ignore the law. No one else gets to unilaterally change the laws they don't like. Why do Liquor and Gaming officials get this unique privilege, Mr. Speaker? Why is the NDP allowing its officials to ignore the law?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, Justice Wakeling in this issue has recommended a balanced and a reasonable approach as has been taken by other government agencies in other jurisdictions consistent with industry and community practices.

A long bow would have to be drawn before the example he used could be used in any way, shape, or form. And it's the kind of practice he continues to play on issues like this, Mr. Speaker, who impact on people within the Authority.

In light of Mr. Justice's recommendations, the Liquor and Gaming Authority will tell their employees immediately, until we are able to make regulatory changes, no solicitations will be done. He does not condone them himself and we will not condone that, Mr. Speaker.

What we say is we'll make the propitiatory regulatory amendments to have our conflict of interest guidelines consistent. And in the meantime we'll prepare amendments that that member will have an ample chance to discuss and to make consistent with his guidelines and those across the country, Mr. Speaker.

Some Hon. Members: Hear, hear!

Swift Current Health District Bed Shortages

Ms. Bakken: — Mr. Speaker, my question is for the Minister of Health. Several weeks ago the doctors in Swift Current publicly expressed concern about a shortage of acute care beds at the regional hospital. They said the situation was critical; they said it was compromising patient care and resulting in the cancellation of surgeries.

The Health minister at the time said there was not a bed shortage. There had only been an outbreak of bronchitis and it was all just a temporary problem. But the local association of family physicians says the recent loss of 14 acute care beds has had a serious negative effect and the chief of family medicine at the hospital says there is a major crisis in the hospital that is getting worse on a daily basis.

Mr. Speaker, can the minister tell us what he is hearing from the Swift Current Health District, and specifically, the regional hospital there about the bed shortage situation?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Thank you, Mr. Speaker. We continue to work with all of the health districts across the province as they make their bed plans for the summer because they often end up having reduced numbers over the summer to deal with the summer hours.

But what we know in the Swift Current area is that they are continuing to discuss between the local medical staff and the health district administration around the kinds of bed numbers that they need in that particular community. And that process is ongoing. They also have some other issues that are included in the discussion, but we'll continue to work with the district and also listen to the medical staff as they raise their issues but it's a problem that will be sorted out in the Swift Current area.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this situation started in January, it is not about summer closures.

Mr. Speaker, we can tell the minister that the bed shortage in the Swift Current Regional Hospital is definitely affecting people. Scott and Michelle Taylor of Swift Current are very angry about their recent experience when their three-year-old son ended up in emergency with severe tonsillitis. They had to wait two and a half hours, as there was only one doctor available. While waiting his temperature went to 40 degrees and he had a small seizure. The doctor wanted to admit their son but couldn't because the beds in the children's ward were full of elderly patients. There were no beds available in the hospital for this very sick little boy and they had to take him home and administer care themselves.

Mr. Speaker, to the minister. How is it that your government claims that there is no bed shortage . . .

The Speaker: — Would the member please restate the question through the Chair?

Ms. Bakken: — Mr. Speaker, to the minister. How is it that this government claims that there is no bed shortage at the Swift Current Regional Hospital, yet very sick children cannot be admitted?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, as I stated previously, the department has been working with the district at looking at the numbers on the beds as it relates to this particular area. As the member from Swift Current knows, that particular district has been talking about coming up with a new facility. So they're also watching very carefully what are the requirements in that particular area.

What we know is that when there are particular problems like the member raises, there are directors of quality care who will respond and deal with individual problems. And so I would suggest to the member that that particular family should raise the issue with the administration so that they can sit down and sort out what's gone wrong in this particular case, if that's what in fact has happened.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this is an ongoing problem which is compromising patient care. It is not something new in Swift Current.

Mr. Speaker, Scott and Michelle were forced to take their three-year-old son home that night. They had to administer all the medications the doctor prescribed for their son themselves. They had to take turns watching him, taking his temperature, and checking his throat in case his condition deteriorated. And all the while knowing he would have normally been admitted for professional health care but there was not a bed available.

Mr. Speaker, will the minister explain why people who are not health professionals and who feel they are not qualified to provide the care their children need, be forced to treat their own child at home because there are no beds available in hospital?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I would reiterate that this particular family should raise their concerns with the administration.

Patients are not admitted or discharged from a hospital without the advice of medical staff. And so what we have to do as non-medical people, we have to rely on the professional advice that's there.

Now what we do know is that in each particular area the hospital administration working together with the district medical staff have appropriate ways where complaints can be raised. I would suggest that this particular issue should go there for further review.

What we do know in that particular area is that the bed census, as far as the report has gone over the last number of years, is that they have sufficient beds in that community.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this little boy was attended by a physician and he was sent home by the physician because there were not any beds available.

Mr. Speaker, Scott and Michelle are very angry with their experience. They do not believe the minister's excuse that the bed situation in Swift Current is only temporary and that bed usage is not high. They write, and I quote:

I don't blame any one person for what happened — not the overworked doctor, not the overworked nurses — but the unavailability of children's beds in a children's ward, the lack of staff, and mostly the archaic health care system we are forced to live with in Saskatchewan. This has to change.

Their son got through this serious infection, but is now on a waiting list for tonsillectomy in Saskatoon. Despite that, the couple cannot forget their experience.

Mr. Speaker, the physicians in Swift Current are calling the bed shortage there a crisis, a crisis that is getting worse daily. Mr. Speaker, to the minister: will the minister immediately review the hospital bed situation in the Swift Current Health District?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, in all of these communities the bed numbers are being reviewed regularly. They do have an annual report as to the number of beds available, and also the census in that particular situation. And so what we know is that we're continuing to monitor that.

What I would like to say to this House, Mr. Speaker, is that if we had followed the plan that those people had set forward in September 1999, we wouldn't even be talking about the number of beds that are available, we'd be talking about a system that would not have money at all. They proposed zero dollars increase; we have increased the budgets by 11 per cent. What the people in this province want is a government that is sitting on this side, who has a plan for the future, who is going to work together with the local people to make sure that everybody has the health care that they need.

Some Hon. Members: Hear, hear!

Out-of-Scope Positions Transferred to the Saskatchewan Government and General Employees' Union

Mr. Weekes: — Mr. Speaker, my question is for the minister responsible for the Public Service Commission. On May 25, the Public Service Commission e-mailed 673 management staff at the Department of Economic Development. The NDP's message was simple: you've got 30 days to join the SGEU (Saskatchewan Government and General Employees' Union) and start paying union dues or you are fired.

Mr. Speaker, a large majority of these management level staff had no interest in joining the SGEU, but the NDP has threatened them with dismissal if they didn't sign a union card by June 23.

Will the minister update us on the NDP's latest forced-unionization initiative. How many management employees at Economic Development has signed union cards to avoid being fired by the NDP?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you, Mr. Speaker. Now this is a matter that the union representatives in the Public Service Commission have continued to discuss whether they needed to go for a ruling at the Labour Board or whether they could work out a mutually acceptable arrangement.

In the instance of an organization that's newly certified, all the employees that are there at the time of certification normally become part of that bargaining unit. Here we have a different situation because the employees have been here for a long time after that bargaining unit was established.

That aside, Mr. Speaker, it is clear that they do have to pay union dues. They do not necessarily have to be a member of the union.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Mr. Speaker, apparently the minister isn't briefed on the intimidation tactics the NDP is using to force almost 700 managers into government union.

Maybe this e-mail sent by the Public Service Commission on May 25 to 673 out-of-scope management employees will jog the minister's memory and I quote:

Employees must initiate direct payment of dues to the SGEU no later than June 23, 2001.

The e-mail goes on to say:

Should they fail to pay union dues, the employer will have no choice but to terminate their employment.

Mr. Speaker, the deadline for being forced into the union was last Saturday. Did the NDP's intimidation tactics scare all 673 out-of-scope Economic Development managers into the union or did the NDP have to follow through on its threat and start firing people?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Mr. Speaker, the member might be interested to know that these rules are no different than the Saskatchewan Medical Association who . . . Doctors do not have to be a member of the Medical Association but they do have to pay dues, and the reason there is the same as the reason in this instance.

The reason is that you benefit from the collective bargaining done by the union on your behalf; therefore you should support some of the costs. And I think that's fair and as it should be and the Medical Association agrees.

Some Hon. Members: Hear, hear!

Strike Vote by Saskatchewan Government and General Employees' Union

Mr. Weekes: — Mr. Speaker, the official opposition has been advised that SGEU has just completed a strike vote. Will the minister advise the legislature of what the result of that strike vote was?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Mr. Speaker, as you know, I am not in charge of the union. But what I can tell you is that the strike vote was conducted but the ballots have not yet been counted and I don't believe they will be counted for a couple of days yet.

I'm sure once they are counted, the union will make their own decision on whether or not to release those results.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Mr. Speaker, the SGEU strike vote would have been the first opportunity for the 673 management staff of the Department of Economic Development to exercise their right to vote as members of the union since the NDP forced them into joining under threat or be fired. Except for one thing, Mr. Speaker, the SGEU failed to inform the newest members the vote was taking place. So the vast majority of the management staff who were forced into the union in the first place never got to cast a ballot in the SGEU's strike vote.

Mr. Speaker, does the NDP condone the SGEU holding a strike vote without informing all of its members and without providing all of its members with the opportunity to cast a ballot?

Some Hon. Members: Hear, hear!

(14:15)

Hon. Ms. Crofford: — Mr. Speaker, I don't tell the unions in this province how to conduct their business, nor do I tell the chamber of commerce how to conduct their business. I find it very amazing that the member opposite thinks he can go around telling independent organizations how to conduct their business.

If the members of that organization have a concern with their organization, then, Mr. Speaker, I think it's their job to raise those concerns with their organization.

Some Hon. Members: Hear, hear!

Workers' Compensation Board

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, my question's for the Minister of Labour. In January the workmen's compensation board fired four top managers within the organization and the Chair of the Worker's Compensation Board resigned weeks later. The upheaval within the organization has both workers and business people wondering what is going on with the management of the organization.

Mr. Speaker, the Saskatchewan Party has learned that, on June

11, the vice-president of client services, Mr. Jim Kempling, was fired. Mr. Speaker, to the minister: can the minister explain why another high-level manager at Workers' Compensation Board has been fired?

Some Hon. Members: Hear, hear!

Hon. Mr. Trew: — Thank you, Mr. Speaker. I cannot comment directly on the instance of a specific manager and his employment or termination at the board, other than to confirm that the Workers' Compensation Board operates the daily operations of the board and I can confirm in this instance that Mr. Kempling has left the employment of the Workers' Compensation Board by mutual agreement.

Some Hon. Members: Hear, hear!

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, to the Minister of Labour: since the beginning of this year, five top officials with Workers' Compensation Board have been fired and the Chairman of the board resigned. Mr. Kempling was brought in from British Columbia to fill the position of vice-president of client services just one year ago and now he has been fired.

Mr. Speaker, the minister would not reveal the severance packages paid out to the four management personnel fired in January and he would not explain the reasoning behind their firing, although the internal e-mail stated the decision to end their employment was done for the sake of the future of the entire organization.

Mr. Speaker, the minister is responsible for Workers' Compensation Board, and the public deserves an answer.

Mr. Speaker, will the Minister of Labour explain why five senior managers with the Workers' Compensation Board have been fired so far this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Trew: — Well, Mr. Speaker, same old broken record from members opposite. Earlier in the year they were accusing the Workers' Compensation Board of terminating four employees. And what was their reasoning then? They said it was because of the Dorsey report.

Remember that report? The report that was supposed to be so damning of the government and of the board. That report that this government embraced all 13 recommendations, Mr. Speaker. All 13 recommendations of that Dorsey report we embraced.

We said before and subsequent that those four managers had left for reasons completely unrelated to the Dorsey report. I can assure the legislature and the people of Saskatchewan, Mr. Speaker, that we have one Jim Kempling having left the employment of the Workers' Compensation by mutual agreement. That means both parties have agreed, Mr. Speaker, also equally unrelated to the Dorsey report.

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Mr. Speaker, I'd ask for leave to introduce a guest.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Melenchuk: — Mr. Speaker, I'd like to introduce to you and to the Assembly, seated in your gallery, Rick Laliberte, the Liberal MP (Member of Parliament) from the federal riding of Churchill. And I believe this is the first time he's had the opportunity to witness question period and be a guest here in our Assembly. And I know that he's just finished some gruelling days in Ottawa in the House of Commons.

And having had the opportunity to chat with Mr. Laliberte when we did the sod-turning for the new Pinehouse School, I know how committed he is to the issues of northern Saskatchewan, and I'd ask all members to welcome him here to the Assembly today.

Hon. Members: Hear, hear!

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

Hon. Mr. Belanger: — To ask for leave to introduce a guest as well, Mr. Speaker.

Leave granted.

Hon. Mr. Belanger: — Thank you, Mr. Speaker. I want to join the Minister of Education in also welcoming Rick to the Assembly today.

I just want to point out that living in northern Saskatchewan and travelling all the way to the Assembly is quite a task, but also travelling to Ottawa is probably a greater task. And I must say that the constituency that he represents, the riding is all of northern Saskatchewan. It's a tremendous undertaking and I'd like to take this opportunity to welcome him here today.

And also point out that the member from Meadow Lake, the member from Cumberland House, and the member from Athabasca all play hockey. He does as well, Mr. Speaker, but by far I am the better player of the four. But I wanted to clarify that.

Thank you very much, Mr. Speaker.

Hon. Members: Hear, hear!

TABLING OF REPORTS

The Speaker: — Members of the Assembly, I have just received the annual report for the year 2000 from the Provincial Ombudsman and I hereby table the same.

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 56

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Nilson that **Bill No. 56 — The Tobacco Control Act** be now read a second time.

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, it's with pleasure that I have this opportunity to rise to speak in the adjourned debates on Bill 56, the tobacco control legislation that's before the House currently.

Mr. Speaker, this Bill is a result of a fairly long process that began last December when I had the pleasure of seconding a motion to establish an all-party committee that was going to investigate the issues surrounding tobacco consumption and sale in this province.

And, Mr. Speaker, the members of the committee have distinguished themselves I think by a very thorough process of consulting and listening to as many of the stakeholders and interested parties as was possible across the province. And so it's with pleasure that I have the opportunity to make some comments this afternoon.

Mr. Speaker, when this process was initiated and when I had the opportunity to second the original motion, it was done so with a sense that there was a civic and a social responsibility as people of this province to deal with the issue surrounding tobacco consumption.

Every year we hear more and more of the ravages that are wrought on our society by the implications of tobacco consumption. We are in a period of time when we are concerned about the implications of increasing stresses on the health care system because of various diseases that the system is trying to cope with.

And I think, Mr. Speaker, every single person in this province and certainly in this House would agree that those diseases and the implications of the fact that if people did not smoke, if people did not chew tobacco, if people did not use tobacco, many of those diseases would be preventable.

And, Mr. Speaker, none of us can take a position that is not in favour of a stated objective of doing what we reasonably can in order to minimize the implications of tobacco usage in our society.

Mr. Speaker, it strikes me as a simple statement of principle. And it's certainly a statement that this official opposition is prepared to make in supporting the general intention and the objectives of denormalizing and making a very strong public statement that tobacco is not good for you, is something that at all costs we should educate you as to the implications of tobacco consumption and use. And that we've got to send the strongest possible message to our young people that it is simply unacceptable, that it is simply foolhardily thought of as a socially acceptable thing, a cool "in" thing to do as a young person is to start smoking tobacco.

Mr. Speaker, many of us who are a little older than the current

generation of teens, when we began to smoke, and I'm one of the people that started to smoke very young, we didn't realize, Mr. Speaker, I don't think many of us, the very detrimental harmful effects that tobacco was going to have. Many people a generation ago did not understand the implications of first-hand and second-hand tobacco smoke. Many people did not understand, and I don't think science completely understood, all of the different ramifications that smoking tobacco on a regular basis could have in your life in the future.

And many of us, fortunately enough, a number of years ago — for myself almost 20 years ago — were able to quit smoking. And I think for anyone in this House or anyone listening that has faced that reality in their own lives and have faced the decision to quit smoking or to continue to smoke, realize that this was not an easy decision. Tobacco is not just any substance, it's an addictive substance. It becomes a part of your whole physiological being. And it takes a hold of you in a very addictive way and it's very difficult to break free of that.

And it also, in the times past, was difficult to break free of it sociologically because it was sort of the in thing. It was the macho thing to smoke.

And, Mr. Speaker, many people have done serious damage to their health and well-being by the fact they started smoking and they continued to smoke and they now have . . . facing the implications of what that means.

And so, Mr. Speaker, I certainly am one among many who say that we have to do much more than is currently being done in order to curtail smoking and to send a very powerful strong message out that this is not an acceptable habit and it's not an acceptable practice in our society.

And so, Mr. Speaker, in principle, in the second reading of this Bill, the official opposition very much supports the intent of this legislation. And I think it's important that that is said on the record and will be demonstrated in our voting.

But, Mr. Speaker, if we are going to live up to the objective that's stated, about doing everything we can that's reasonable and appropriate to send this strong message out, it is incumbent on me to point out that this legislation has let down, in some areas, the intent of the people that presented to the committee and, indeed, has let down the recommendations of the committee itself.

And I want to speak first of all about two main areas where I think that the legislation is actually a disappointment to the recommendations of the all-party committee on tobacco.

The first area that I think is important to talk about is the fact that while I mentioned a generation ago there weren't all that many people who clearly understood what the ramifications of starting smoking and continue to smoke and use tobacco was going to be on their health, that's no longer true today.

Today the scientific community has established beyond any reasonable doubt at all the harmful effects that tobacco is going to have on your life if you're going to use this product. It's going to have the potential impact on carcinogens. It's going to have impact on heart disease. It's going to have impact on a

number of serious ailments that are going to jeopardize your health and well-being into the future. That is no longer a debate. It's no longer a question of not understanding those issues.

But, Mr. Speaker, it is amazing to me, and I'm sure to most members in society, how poorly that message is getting into the ears of our young people because a very high incidence of beginning smoking is not happening among our adults, it's happening among our children.

(14:30)

And, Mr. Speaker, there is a place where we have to take proactive initiatives in order to curtail this trend. And, Mr. Speaker, the committee clearly and strongly suggested that that was an important thing to do. And the first step in that process, Mr. Speaker, is education.

You know, Mr. Speaker, we think because the product is something that we may only start when we're 13, 14, or 15 years of age that that is the appropriate time that we should start an education program. I don't think so, Mr. Speaker, because we begin to establish our attitudes much younger than that. And I think an education program initiated in a two-fold approach is very important. And I think the committee recognized that.

The first approach is that it has to be done as a concerted, obligatory part of the school curriculum. From elementary school through to high school, we have to send a strong message that we are going to spend the time and effort needed to educate our young people about the perils of tobacco. It was one of the cornerstones of the all-party committee's recommendation and, Mr. Speaker, we are extremely disappointed that this legislation is absolutely mute in terms of talking about the education process.

I recognize in question period the other day, when the government was asked why they omitted that, and the Minister of Education got up and said oh, we do some of these things in the educational system. And that's all well and good but it's not enough, Mr. Speaker. Because if we're going to send a strong message that it is imperative that we educate our young people firstly, we're going to have to make that statement as part of tobacco legislation.

And it's going to have to be incumbent on the Health department and we as a society and the legislature to not say to the education system, you can do this if you like and we accept your good intentions; but it's mandatory. It's absolutely an obligation that you have — to develop a proper education program in our school system. And that is not even spoken about in this legislation and I think it lets down the intent of the committee and all those who presented by the fact it's missing.

The second component of it, Mr. Speaker, is to the broader community. We can't just isolate ourselves and say the Department of Education, even if it's well-intentioned, has the sole responsibility of educating people about the perils of tobacco smoking. I think we as a society and as a province have a larger responsibility and an obligation to talk to people in general. Because there still are people who are having difficulty in understanding the perils of beginning to smoke.

But also people need to be motivated to quit smoking. Even though someone has started and is addicted, people can, and indeed every day do, quit smoking.

And I think what we've got to do in a general public education system is to say to them a number of things. Number one: you can quit smoking. Number two: it's bad for you and if you're going to continue, it's going to be detrimental to your health.

And thirdly, I think we've got to say as a society we're going to do everything we can to support you when you quit smoking. And if that is going to be things like patches and things of that nature, medical advances that allow us to ease out of smoking, then they should be provided and they should be accessible to people and they should understand through an education program that we as a society are prepared to do that.

And, Mr. Speaker, this legislation that's proposed does not speak to any of those issues and I think that it is a tragedy that that area has not been addressed at all.

Mr. Speaker, the second area that I have concern about in this legislation is in terms of the mixed messages that we're sending. Mr. Speaker, we say first of all that you cannot purchase or possess tobacco unless you're 18 years of age and older. And I think that that's good. It moves it from the current 16 years of age to a much more mature age. And I think that's appropriate.

And we are saying to the retail trade that you can't sell to people unless they're 18 years or older. And I think that that's appropriate as well.

And in fairness to the retail trade, they are trying to do some initiatives that I don't think are appreciated; for example Operation ID (identification), that the retailers are putting in place that are making a conscious effort to identify people who are not old enough to purchase tobacco. And I think we've got to recognize those initiatives and support them for what they are. They're an attempt to limit the purchase of tobacco to people that we as a society say are not eligible to purchase it. And I think that that has to be recognized.

But, Mr. Speaker, time and time again we sit down and say if you're going to effect any meaningful change in behaviour for people, you have to recognize that this is a mutual relationship. We got to have a society — an adult society — who recognize it's inappropriate for young people to purchase or possess certain products, like alcohol for example, and now like tobacco.

But we got to also say to these young people, it is not appropriate for you to be in possession of this product. It's not appropriate for you to try to purchase this product.

And in alcohol, we've done that. And so we've put penalties in place where we say you cannot only sell to young people this product, alcohol; we say to the young people, you cannot purchase it and you cannot possess it. And if you do there's a penalty for you purchasing or possessing it, just as there's a penalty for someone selling it to you. And that's a balanced approach, Mr. Speaker. And I think that that's appropriate.

But in tobacco legislation it's totally one-sided. All we have is that one-half of the equation that says we can't sell — and I accept that; that's part of the equation — but the second part of the equation, is saying to young people you can't possess or purchase it either, is absolutely missing from the legislation. And it was an integral part of the recommendations of the all-party committee on tobacco. So, Mr. Speaker, that is inappropriate as well.

Mr. Speaker, I've talked to a number of people in the retail business in the last days and weeks. And talking to them, what is their experience? And they said, unfortunately they have a young person come in . . . And I'll tell you a story, just happened in a convenience store last week.

A young person came in. This retailer has the Operation ID program in place. He challenged this young person about the fact of . . . that he was 18 years of age or not. The young person presented ID identifying that he was 18 years of age. And this young person then purchased four packages of cigarettes, all different brands. And he went outside of the store, he went outside of the store and passed all four of those brands to four individuals who were obviously younger than he was.

And, Mr. Speaker, those four young people could walk away with impunity because there was absolutely no penalty incumbent on them for possessing that product.

And so, Mr. Speaker, this is not acceptable as a society. And the message that we're sending out is not appropriate. And, Mr. Speaker, that's what the problem is.

I have a letter here, and I know members have had letters and I know some of our members talking about this have also quoted from letters. But this is from the Preeceville School and I would like to quote it. It's addressed to members of the Assembly, re: this proposed smoking legislation.

And it says and I quote:

Efforts to amend current laws regulating smoking are to be applauded. We, as a staff, spend an inordinate time and effort enforcing a hypocritical law, that which forbids those under 18 to purchase cigarettes but allows minors to possess and use.

We are caught in the middle. We have been directed that our environment is to be smoke-free for staff and students alike, however provincial laws permit our minors to both possess and use tobacco. As a result, we spend time policing and enforcing, instead of teaching and preparation.

Our provincial curriculum demands that we educate students as to the ill effects smoking has, yet our government tolerates cigarette use by minors. As promoters of education, health, and youth, we implore you to consider this legislation carefully as it has a huge impact on our youth. Possession and use of tobacco by minors can and should be made illegal.

And this is signed by Marc Jaques, the principal of the Preeceville School.

And I think, Mr. Speaker, that pretty much sums up the thrust and the general direction of a lot of people's feeling on this. There's got to be a strong statement sent, but it has to be a balanced approach and both sides of this have to be addressed. And this legislation is lacking in that it doesn't follow the all-party committee's recommendation and does not deal with the whole issue surrounding the possession of tobacco.

The Speaker: — Why is the member from Kelvington-Wadena on her feet?

Ms. Draude: — Permission to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Draude: — Thank you, Mr. Speaker, and thank you to my colleague for interrupting him.

Mr. Speaker, in the gallery we have 20 grade 6 students from Watson School along with their teacher, Manny Lefebvre. I'm really pleased to see them here today. Their MLA, Donna Harpauer has asked me to introduce them and meet with them later.

I wanted to tell you that this is one of the best schools in Saskatchewan. All my children went to school in Watson and enjoyed it very much. And I think today you're having a special lecture from the member talking about the tobacco committee. This is legislation that's being discussed at this time and it's going to have an impact on many of you. So I hope you will enjoy your time here and I look forward to meeting you later on.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 56 — The Tobacco Control Act (continued)

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, it's very much a pleasure to be interrupted by an introduction of a group of students from Watson. Watson's my hometown. I grew up, was born and raised in Watson. And you're right about it being the best school in the system. I graduated from Watson School so I mean it has to be terrific. So thank you very much, Mr. Speaker.

Mr. Speaker, these two areas of this legislation, I think, unfortunately do not live up to the expectation of the all-party committee and do not live up to the exploitation all of us have as members about sending a message of denormalization and trying to do what's reasonable in terms of sending a loud message to students across this province, to sending people across this province a message that's saying this is something that's important.

You know what we end up with is a situation with this government is they sort of pick and choose and say look it, we

want to, we want to make a message. And we want to do it on the backs of retailers. The member from . . .

The Speaker: — Order, order. Order. Would the members please come to order.

Mr. Gantefoer: — Thank you, Mr. Speaker. I would like to have the member from Regina South stand up in his place and explain to this House why these important parts of what the committee recommended are omitted from this legislation. On what basis are they not there?

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — On what basis are they not there? Either this government is serious about this or they are just sitting there saying . . . and picking and choosing again and are not willing to do those kinds of things that are not, that are not living up to those opportunities.

Right now we have an opportunity to do something important. In other jurisdictions there's penalties that can be imposed, either by modest monetary fines or by confiscation of the product. What's wrong with that message, Mr. Speaker?

What's wrong with the message that says just outside of school properties that a gathering of kids can't be sitting there smoking with impunity? It's not right, Mr. Speaker, and the member from Regina South knows it. And he can explain to those organizations who realize that's wrong, why he's taking the position that he is, Mr. Speaker.

Mr. Speaker, it is important, it is important when we're going to do this important legislation, it's important that we send a complete message in a pragmatic, sensible way, that what we're doing is saying you can not just expect the vendors of tobacco to bear the whole responsibility and the only responsibility for behaviour of students under . . . or our young people under the age of 18. There has to be some responsibility borne by the individual themselves.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — And, Mr. Speaker, I think the member from Regina South recognizes that. And at least he'll have to explain it to people outside about explaining why these clauses were omitted from this legislation. And perhaps it was at his insistence; I hope not.

Mr. Speaker, if we're going to . . . Mr. Speaker, when we get into Committee of the Whole, we're going to propose two amendments. We're going to propose two amendments — friendly amendments I think, Mr. Speaker, because they're intended to address the very issue that we're talking about.

And I'll be very interested to watch how the member from Regina South votes on those two amendments — the amendment to include an education program and an amendment to include a penalty for possession or purchase by people under the years of 18. I'll be very interested to see how the member votes because he's going to have an opportunity in Committee of the Whole.

Mr. Speaker, the final thing that I'd like to talk about in a pragmatic way is the grave concerns that have been addressed by many people in the retail trade about how the display issue is going to be addressed.

In the legislation, article 6(3), I believe, talks about the sales and prohibited practices. And it says that "No retailer . . ."; 6(3) says, and I quote:

No retailer shall permit tobacco or tobacco-related products to be displayed in the retailer's business premises so that the tobacco or tobacco-related products are visible to the public if young persons are permitted access to these premises.

(14:45)

Well, Mr. Speaker, I think that this legislation as well is out of sync with what we're doing in the alcohol industry. For example, I've used the example before, about saying that it's illegal for a retailer to sell to people underage — alcohol products — and on the other side of the equation in a balanced way we have legislation that says it's also illegal to purchase or possess that product. That's a responsible attitude I think, Mr. Speaker, as well.

But nowhere in the alcohol legislation that I'm aware of does it say that there cannot be alcohol displayed for sale in an alcohol vendor for example. In most vending establishments in Saskatchewan, alcohol is displayed; it is on a wall in the location and young people can go into that location but they cannot avail themselves of the purchase of that product and that's fair ball, Mr. Speaker.

Mr. Speaker, it's hard to imagine that if you're a young person you're going to spontaneously go into a convenience store and decide to buy a chocolate bar or package of cigarettes. It's just not reasonable. And if there is an equal onus or responsibility not to sell and not to purchase, then it becomes an academic point.

And so in a practical sense, Mr. Speaker, we have now something put in here that is again some reaction to a theoretical NDP pick-and-choose attitude that makes no sense on a pragmatic way and says what are we going to do. We're going to throw it all on the retailers' back and somehow we're going to rub our hands of any responsibility.

And so, Mr. Speaker, I think that this imposes an unfair burden on retailers and it's going to have an absolute zero positive effect. And certainly it's going to have no affect at all in comparison to the fact the NDP government has either deliberately or mistakenly omitted the very two important clauses that I spoke about earlier. And so we're going to see as well, Mr. Speaker, if this government is going to vote for our amendments in Committee of the Whole or they're not.

And instead what they're going to do, is they're going to follow their trained seal act that they've always done in the past, they're just going to vote for this legislation as it is. I'll be interesting to see it. Because we want very much to come up with something that's doable and workable and pragmatic and will get the job done, and that job we very much support. And

that's to send a strong message that tobacco is not appropriate for young people, that they have a responsibility for their own actions as we do as a society to educate them and make sure they are in possession of all the facts.

And so, Mr. Speaker, in closing I would like to say, in principle the official opposition is very much supportive of this legislation. We're supportive in the intent of the legislation and we look forward to seeing how this government is going to deal with the issues that we've raised, and hopefully encourage members on the government side to realize that education and responsibility for the individuals that are possessing tobacco are critical parts of the all committee's recommendations and they should be supported.

And we look forward to that discussion in Committee of the Whole, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

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

COMMITTEE OF THE WHOLE

Bill No. 9 — The Power Corporation Amendment Act, 2001

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

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Seated directly behind me is our president and CEO (chief executive officer), Mr. John Wright. To my right is the general counsel, Mr. Myron Gulka-Tiechko, and to my left is our assistant general counsel, Margot Dynna.

Clause 1

Mr. Wall: — Thank you, Mr. Chairman of Committees. To the minister and welcome to your officials here today to talk about what is a fairly important Bill, I would suggest, to the committee members here today, Mr. Chairman.

And maybe we could just begin, Mr. Minister, if you would, provide a brief rationale for the Bill and an explanation of its highlights and its impact on the electrical industry and, well, specifically on the communities of Swift Current and Saskatoon who own their own electrical utilities, but also generally on the electrical system in the province.

Hon. Mr. Sonntag: — There's a number of changes that I would refer to here, as the member asked. First of all, there is a number of changes that are housekeeping in nature. We are modernizing the language. The last time when the Bill was drafted was, I'm advised, in 1949. So it's some number of years.

The substantial amendments though, however, deal with OATT (open access transmission tariff) and they will facilitate the open access, primarily for wholesalers wanting to provide electricity to your city, Swift Current, and to Saskatoon, that would allow them to purchase electricity from largely any

supplier that's approved.

And of course the last area that he deals with is the opportunity for independent power producers to also access our lines to sell to the two cities.

Mr. Wall: — Thank you, Mr. Minister. Mr. Chairman, I guess the obvious follow-up questions that we will have then, will stem from that answer; and certainly, that would be my understanding as you go through the Bill on a section-by-section basis.

Clearly this does . . . I think the phrase that the minister chose, was open access. Others would characterize it as paving the way for a deregulated electrical industry, or at least a much more deregulated industry than is currently the case here in the province of Saskatchewan.

And so, in light of that fact, before we get to some specific questions about the municipalities of Swift Current and Saskatoon and what this might mean to them more specifically, I wonder if generally you could comment on safeguards and precautions that the corporation has taken in suggesting these amendments, and that the cabinet has approved, in terms of avoiding some of the pitfalls that have occurred in deregulation.

And if you will, Mr. Minister, maybe you could outline more clearly why efforts similar to this at least, in terms of deregulation, haven't worked in some jurisdictions? And you also may want to talk about jurisdictions. I'm sure the corporation is aware of where these measures have worked quite well in the interests of consumers and the supply of electricity.

Hon. Mr. Sonntag: — Yes, I don't, in responding, I don't want to suggest that this is opening the door to deregulation. Really all this is, is allowing deregulation as it pertains to wholesale sale of electricity to specifically the two cities, Swift Current and Saskatoon.

Also the other area that we are dealing with in allowing this is what I would describe as reciprocal access into provinces, probably most specifically Manitoba, but it's really an issue of safety so we can guarantee supply of electricity to our consumers here in Saskatchewan.

Mr. Wall: — Thank you, Mr. Minister. I think in an earlier answer though you also referenced independent power producers, that this Bill would also enable independent power producers to use the SaskPower system to obviously sell power onto the grid. I don't know what else independent power producers would want to do.

And so in light of that, I think it is fair to say that at least it paves the way for deregulation. Certainly specific sections, I can think of 8.2, deal with those third parties in terms of them using the transmission and distribution lines at SaskPower. Now I wonder then if the minister could clarify if that is indeed the case and to the extent that that is possible, why would he suggest that this has nothing to do with deregulation? I'd also point out the minister's earlier reference to open access, as well, in that question.

Hon. Mr. Sonntag: — Again, just to be absolutely clear, this — in reference to the independent power producers — all this does is allows them to sell to the . . . it's specifically wholesale and only allows them to sell to the two cities in Saskatchewan, either Swift Current or Saskatoon, also allows them though to access our grid and sell electricity outside of the province to jurisdictions that would be interested in purchasing their electricity outside of Saskatchewan. This is not retail competition; it is only wholesale competition. And also, what it would also allow for is for the sale of electricity from, as an example, a producer in Alberta who wants to sell to someone in Manitoba to access our lines and sell across to a client or purchaser in Manitoba.

(15:00)

Mr. Wall: — Thank you, Mr. Minister. I think it was about a year ago, a little bit over than that in the Assembly, when your predecessor, the minister responsible for SaskPower and the current Minister of Health, rose in the legislature to make a ministerial statement on the fact that the monopoly restriction SaskPower had placed on the two municipalities that own their own transmission or distribution electrical utilities . . . he made that announcement in terms of the lifting of that restriction.

I have some specific questions on the Bill but I think it's important that we resolve this without getting in too much of a general debate, sort of a nebulous discussion on the definition of deregulation.

But clearly, clearly, if you've lifted that monopoly restriction, if you're now opening up your transmission lines to be used either on an export basis, or an import basis on the cases of these two municipalities, for them to be able to use SaskPower's lines for electrical . . . for the sale of electricity, I don't understand why the minister is having a difficult time admitting or clarifying that yes, that is certainly a form of deregulation and indeed could pave the way for other deregulation of the electrical industry in our province. Especially in the event, down the road and I don't think we should rule it out here in the Assembly, that maybe some other municipality also gets involved in terms of transmitting its electricity to its customers, or some other large customer of SaskPower wants to pursue some other source.

I just would like the minister to clarify that a bit, and again, Mr. Chairman, I want to keep the comments specific to the Bill but I think it's important we clarify just exactly what it is we're talking about here.

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — I guess I want to again confirm that this is really only wholesale competition. It doesn't apply to large industrial. It doesn't apply to commercial. It does not apply to retail. It's only the wholesale competition and it's applicable only to the two cities.

This is the same opportunities, I guess, that would exist in Manitoba, Ontario, Quebec, and in a number of the States. But it's limited to exclusively the wholesale competition. And it's specifically limited to the two cities, Swift Current and Saskatoon.

Mr. Wall: — Thank you, Mr. Minister. I guess except in the case of those people who wish to export to other jurisdictions.

So I guess then I would back up a little bit and ask . . . You know, I know I'm aware that the cities of Swift Current and Saskatoon — well I shouldn't speak for Saskatoon — but certainly I'm aware that the city of Saskatoon has asked for many, many years for consideration of this option for them, that the monopoly restriction would be lifted.

And for whatever reasons — under varying administrations, I'd hasten to point out, certainly not just this one — that request, either informal or formal, has been denied up until now, up until the minister's statement in the House about a year ago.

So what precipitated the change in position in policy of the government? I can tell . . . Well I'll let you answer that question. Thank you.

Hon. Mr. Sonntag: — The thing that precipitated this, to the member, was that we needed to ensure we had reciprocal access. We needed to, first of all, ensure that we could protect our export access. Last year there was some \$128 million in revenue for SaskPower as a result of exporting electricity. If we didn't introduce OATT, if you will, we could have the scenario where Alberta would simply say you've not agreed to this, we're simply not allowing you to sell any longer into Alberta.

So it was that largely that precipitated the introduction of these amendments. And I use Alberta but certainly it also applies to the export of electricity into the United States where we've also received some significant revenues.

Mr. Wall: — Mr. Chairman, thank you. Mr. Minister, I wonder . . . I know that SaskPower officials — and perhaps you have, I haven't heard you speak about this specifically but certainly SaskPower officials — have talked about the whole concept of open access and open access agreements.

And I wonder if you could confirm whether they were making those comments . . . I'll tell you specifically what I recall and it's from recollection so I apologize to you and your officials if I'm misrepresenting what I understand to be the case, that certainly we in the province won't be able to avoid deregulation on a broader scale than what you say is represented in this Bill.

Certainly this Bill would set some precedents in that regard if it doesn't go beyond wholesalers and third parties who at least wish to export.

So I wonder . . . I think it's very germane to discussion of this Bill, and very important issue for the Assembly to have you clarify exactly what has been meant when we've heard that from, not just SaskPower officials, but others who would wade in on the debate on the electrical industry in our province, as to the inevitability of open access and deregulation in Saskatchewan.

Hon. Mr. Sonntag: — We have had officials monitoring the situation in other jurisdictions. There are clearly many, many issues.

I mean, I couldn't say for sure whether it'll ever come to

Saskatchewan really, because of the unique situation that Saskatchewan finds itself in. I mean we have a huge geography, very sparsely populated and it makes for certainly a situation that may not even be attractive to other companies to want to sell power into Saskatchewan.

But we are, right now . . . And I should say tying in with that, we are amongst the cheapest producers of electricity in North America. Clearly places, jurisdictions like Manitoba, Quebec, and I believe BC (British Columbia) who have access to hydro and produce electricity cheaper than Saskatchewan is able to — but because of our uniqueness with the very large geography and sparse population — I'm not sure that this is something that would . . . a full deregulation is something that would ever come to Saskatchewan.

But any further changes that could be in any way described as deregulation would have to come back before this Assembly and amendments would have to be made again to the Act.

Right now all this is, is simply the opening up for wholesale competition just to the two cities that I've referred to a number of times.

Mr. Wall: — Well thank you, Mr. Minister. And I think along those same lines, you know, I can recall the origins of the debate of deregulation of long distance in the province of Saskatchewan under a previous government. And that government too wasn't excited at all and fought hard, the deregulation of long distance. But at the end of the day, it had no choice.

Now as it turns out, of course . . . and I recall the same arguments being used, notwithstanding different appeals to the CRTC (Canadian Radio-television and Telecommunications Commission). I can recall arguments like that used in this place and this Assembly where people would wade in and indicate that well, regardless of what the CRTC rules in this regard, who would want to come into our market. The same argument; sparsely populated, it's not a very attractive market.

And of course, when deregulation happened . . . I think, under the term of this government, deregulation of the phone industry did occur and other businesses, other carriers did enter the market. As it turns out, all of us, I think, have seen a substantial savings in our long distance, frankly, as a result of that.

But I wonder if you could tie that into your comments just now that . . . what I heard you say is that, if we choose to in the province, if the legislature of the province of Saskatchewan chooses to, we can simply for an indefinite period of time avoid a much broader deregulation than what's being proposed in this Bill. Would that be your position?

Hon. Mr. Sonntag: — I think the parallels that you draw, if you would ask any retail purchaser of electricity in Alberta or California whether their prices . . . could they see benefits as a result of deregulation, I think probably would think they've not.

Can we avoid full-scale deregulation? We believe the answer to that is yes. We think we can here in Saskatchewan but we do obviously need to continue to monitor that situation as well.

I would argue as well that I would believe that the telephone system . . . there's fundamental differences between the telephone system and the providing of electricity across our province.

Mr. Wall: — Thank you, Mr. Minister. With respect to some specific elements of the Bill, I want to draw your attention if I can to section 8.2 of the Bill, if I could do that.

And you know, the work that we've done on this Bill is what I'm going to sort of paraphrase here, and our understanding of it. And maybe you could comment as to whether we're off-track or indeed whether this would be the understanding of the officials as well.

And if I may . . . Actually just before I get to that. Just before I get to that, in looking at this whole deregulation issue — and I think it's fair that you've confirmed here to the Assembly, and I think it's perfectly reasonable that officials are doing this — that the industry's being monitored; that deregulation is being monitored.

And I know that your officials are casting a wary eye, watching closely what's happening in Alberta, in California, and frankly I think that's something that we're all grateful for because we all want to avoid the disaster that has occurred in those two jurisdictions.

But as they've monitored this whole industry, can you confirm as to whether they've identified any jurisdictions in North America that have successfully deregulated their industry? And when I use the word successfully, I'm talking from the perspective of consumers where prices haven't gone up, maybe they've come down, and also where the supply has been stable and safe and consistent. Have your officials identified in their work any jurisdictions like that?

(15:15)

Hon. Mr. Sonntag: — The one jurisdiction that is cited, I guess, as a successful area for deregulation would be Pennsylvania but the legislation . . . I should say the . . . It has been legislated that there are price caps so I would argue it's probably not a pure, complete deregulation.

Outside of North America the other area that would be I suppose described as successful in deregulation is the United Kingdom but they have a large population; they have large supply. And I guess I would argue that deregulation in an area where you have a very short distance to move the electricity, you've got lots of population, and you've got lots of supply and lots of competition, deregulation might very well work; and that's why I would argue here in Saskatchewan it doesn't work nearly as well because you've got such long distances with a very sparse population.

Mr. Wall: — Thank you, Mr. Minister. You indicated earlier that this government was basically ruling out a more broader deregulation than what we see here in this Bill but you did qualify it. You said it would continue to be monitored. And so I guess that would be the follow-up question, Mr. Minister, Mr. Chairman, and that would be this. Is there any situation or any condition under which this government, your government,

would then consider it? You said: but officials will continue to monitor it. What in their monitoring, what in the international electrical industry or even our own, would cause the government to change its position regarding its ruling out of a broader deregulation?

Hon. Mr. Sonntag: — I guess the only situation that we could think of where consideration would be given to it, would be where there is benefits that could be clearly demonstrated for the consumers or for the client, and I would want to emphasize in a sustainable and a long-term way, it couldn't be just something that we would think would be a benefit on a short term.

There is however I should say, such volatility in gas prices and areas that provide, that generate electricity right now I should say, that there isn't anything that we could think of or envision right now that would give us consideration to bringing something back to further deregulate. And again, any further changes would require us to come to the Chamber for further amendments to the Act before any additional deregulation could take place.

Mr. Wall: — Thank you, Mr. Minister. Would you say there's a comparison between this Bill, between The Power Corporation Amendment Act we're considering today, and what happened in the gas industry in our province in 1995, I believe it was, when effectively that was deregulated.

I guess private gas suppliers in the province currently could go after the residential market, but simply in speaking to some of them, there's just not a . . . they don't feel there's a business case for that. I understand this Bill obviously doesn't go nearly that far. But certainly the fact though, the deregulation that happened in the gas industry, also hasn't gone that far where they are limited only to large institutional and commercial customers.

So would you say there's any comparisons, any similarities between what happened in that industry and this Bill?

Hon. Mr. Sonntag: — There isn't, from our perspective, any parallel at all. I guess the only minute parallel that you could draw is that those wholesalers who are wanting to provide electricity to those two jurisdictions that we talked about, or outside of the province, would have access to our lines the same way as with gas they have access to the pipes.

But this is not about deregulating price. This is simply about deregulating the opportunity for wholesalers to provide electricity to the two, to the two cities that we talked about.

Mr. Wall: — Thank you, Mr. Minister. Mr. Chairman, just to return to an earlier question. And I apologize. I don't think you specifically answered it. And it's my fault; I think I asked about eight questions in the one.

Could you specifically tell the members of the committee, what is it that the cities of Swift Current and Saskatoon did or said to have the government change, basically change its position on this about a year ago and follow it up with this Bill 9 now?

Hon. Mr. Sonntag: — I don't want to be sort of blunt here, but

there wasn't really anything that they said that prompted these amendments. They certainly do sit on the advisory committee and provide information for us.

The thing that drove this is what I alluded to earlier, and that is the reciprocal access that we think is critical now that . . . where we need to ensure that we have ability to generate additional revenues by exporting power into other jurisdictions in Canada, into the United States. That was the thing that drove these amendments.

Mr. Wall: — Thank you, Mr. Chairman. Thank you, Mr. Minister. I think we went on record — the critic for SaskPower at the time, the member for Rosthern, and I certainly did in my own local media — went on record congratulating the government for that move that it initiated a year ago as it relates to specifically the city of Swift Current and the city of Saskatoon. And certainly that position on our part hasn't changed at all.

But though as a follow-up and, Minister, you have talked about the reciprocity, SaskPower's desire to want to export. And I'm reading into that then that you want to be able to demonstrate to those jurisdictions that you want to export to; that, you know, turnabout's fair play. They can also have access to these wholesale purchasers here in the province of Saskatchewan. And the very nature of that certainly is deregulation I think and it's a recognition by the government that it sort of . . . it's really a free trade principle at work here, I think.

And I could . . . can I ask you this? Mr. Minister, what specific retaliatory action did SaskPower fear then if they did not proceed along this lines — this reciprocity — if they didn't allow someone like EPCOR to make a pitch to the city of Swift Current and then deliver their electricity there. What retaliation did the Power corporation fear from other jurisdictions if they didn't make this change?

Hon. Mr. Sonntag: — Again, it really focuses on the reciprocal access with the 128 million in revenue that I referred to last year . . . that we've generated, I should say, in the last budget year.

You asked the question about what retaliatory actions were we concerned about? Specifically we would be concerned about Alberta or the US (United States) markets, that they simply might say if we don't agree to these amendments that they no longer will be buying power from Saskatchewan. So that's the . . . that really is the retaliatory measures that we were concerned about.

Mr. Wall: — Thank you, Mr. Minister. That would have been sort of my basic understanding as well but I appreciate your confirming that.

So then I would ask this question. If, because as you have pointed out, this stops short of a broad-scale deregulation of our electrical industry, does the . . . do the officials of the corporation fear any sort of similar retaliatory action or any sabre-rattling on other jurisdictions if we don't even go further than what this Bill would outline?

Hon. Mr. Sonntag: — I'm advised that we don't anticipate any further retaliatory actions if we don't go further.

Mr. Wall: — Again, not understanding, and not having . . . certainly not being an expert in the electrical industry by any stretch of the imagination, is that one of the circumstances that your officials could see in terms of them recommending to the government of the day, some future government of the day, that further deregulation occur?

I guess what I'm saying is, the nature of how we are set up as a province in terms of our electrical industry, is there the potential then that retaliatory action, some sort of retaliatory action could occur in the future with sort of the . . . in terms of it being a threat in any way if we didn't go further here in the province of Saskatchewan?

Hon. Mr. Sonntag: — Well we could . . . I guess while we can never guarantee that there would not be retaliatory actions, as I said, we continue to monitor, as other jurisdictions have, the whole issue of full deregulation. But I would go back to my previous answer: if we move forward with these amendments, it's not anticipated that there would be any additional retaliatory actions from any other jurisdictions.

Mr. Wall: — Earlier on . . . Thank you, Mr. Minister. Earlier on . . . I will refer to a specific section, and once again I would like to sort of provide you the interpretation that we have of that. And certainly if it's wrong, we accept any . . . and welcome any clarification you might have.

Specifically section 8.2(1)(b). Our understanding is that basically this allows the corporation to set rules and standards for the operation of its generation or transmission facilities within an integrated, regional power grid.

And that will be the first question in there — if you could identify exactly what that is. I have an idea, but if you could clarify what that is. This allows SaskPower basically to make the rules with regards to generation or transmission facilities. This would allow SaskPower to regulate other people's use of its transmission facilities. And I think that's also reiterated in section 8.2(2).

Could you do a couple of things please today, Mr. Minister, for members of the committee? Could you comment on an integrated regional power grid? I'm assuming that might . . . Well I'll let you comment on that. And also allow you to correct me if that general interpretation of that section is correct.

(15:30)

Hon. Mr. Sonntag: — If I don't answer this question completely, just re-ask it again if you would please.

First of all let me go to, you asked about the integrated regional power grids. What we are referring to there would be if an arrangement were struck between Saskatchewan and Manitoba as an example, there would have to be agreements and arrangements put in place. So what we're talking about, as an integrated regional power grid would be something beyond Saskatchewan. So if we formed one region with the two provinces, as an example.

With respect to the standards, just as an example we're referring to some of the standards as set and put forth in NAERC, that's

the North American Electrical Reliability Council, so that would be some of the standards that we would be referring to in this amendment.

Mr. Wall: — Other than that though, that's a fairly reasonable interpretation then of that section and I appreciate the clarification.

In section 8.2, still with section 8.2(2)(a) again, it would be our interpretation that this would allow SaskPower to establish standards for design and operation of facilities owned and operated by a third party that are interconnected with the transmission and distribution lines of the corporation. Unless the third party builds its own transmission and distribution lines, they will have to use that of the power corporation.

Right. And that's the question that I have then. When we talk about third parties building their own transmission and distribution lines, are we saying then that that's not part of what this Bill is about and, if it is, where? Are these transmission lines in other jurisdictions, in these regions outside of the province or, indeed, does this Bill prohibit the third party from using its own transmission and distribution lines?

Hon. Mr. Sonntag: — This legislation . . . As you refer to the construction of third parties that would construct their own lines, this amendment actually does allow for SaskPower to consent to that in . . . I would describe them as rare circumstances or exceptional circumstances.

An example would be in the far North where one of the mines might require electricity. There are no private clients on the system at all. SaskPower might well consent in a situation like that for them to construct their own . . . in fact their own power lines.

The standards I think that you're referring to, if I understood your question right, and I don't want to be presumptuous, but you may have confused the two issues here. The other third parties that require SaskPower's approval is really when they hook into our system.

We want to . . . before we give approval we need to ensure that the system that they have wouldn't cause damage to SaskPower's infrastructure or in fact even cause damage to any of SaskPower's clients. We would want to ensure that there is conformity when they hook into our system.

Mr. Wall: — Could the city of Swift Current — in light of that answer, Mr. Minister — could the cities of Swift Current or Saskatoon endeavour to construct their own transmission and distribution system as a result of this Act?

Just to clarify that. Of course they have their own systems within their franchise areas currently. I'm talking about outside their current franchise areas.

Hon. Mr. Sonntag: — While I guess technically it would be possible, clearly it would not be envisaged by SaskPower. It requires SaskPower's consent. I couldn't foresee a circumstance that SaskPower would think that it would be good to have duplication of infrastructure when this is clearly SaskPower's jurisdiction.

And again the only example that we can come up with here today would be, as an example, a northern mine in the very remote parts of the province where there isn't any private clients wanting to purchase electricity.

Mr. Wall: — Thank you, Mr. Minister. That basically concludes the questions that we have so I want to thank you and your officials here today. But I also want to go on record, on behalf of the official opposition, to state that certainly we believe that this is . . . certainly it's deregulation. Regardless of the fact that it only might affect these wholesalers, I think that's exactly what it is.

And we'd like to go on record, Mr. Deputy Chair, as the official opposition as saying that whatever the government intends to do — notwithstanding this Bill — in the future on this issue, we would express grave concerns that the pitfalls that have been experienced specifically in our neighbours in the west and in California be avoided. Nobody wants to go there in this province on either side of the House or in any of our constituencies. And we would want to go on record with that.

And with that again, Mr. Deputy Chair, I thank the minister and his officials for their answers here today.

Hon. Mr. Sonntag: — I also want to thank the member for very good questions.

I think we would categorically agree with you that we have exactly the same concerns with respect to deregulation as we've seen in other jurisdictions, specifically Alberta, and the one that we've oft referred to is California. But again I would say for the comfort of people in Saskatchewan, Mr. Chair, this is just about the availability of wholesalers to provide electricity to the two jurisdictions here in Saskatchewan, Swift Current and Saskatoon, and to allow us to gain access to . . . insure access, I should say, to the US and to other markets for revenues to SaskPower.

So again I want to thank the member for the very good questions.

Clause 1 agreed to.

Clauses 2 to 20 inclusive agreed to.

The committee agreed to report the Bill.

(15:45)

Bill No. 50 — The Mineral Resources Amendment Act, 2001

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Seated with me here today is our executive director of the exploration and geological services division, George Patterson, to my right. To my left is the director of the metallic minerals branch, Jay Fredericks.

Clause 1

Mr. Stewart: — Thank you, Mr. Deputy Chair; and welcome once again to the officials from the Department of Energy and

Mines.

Mr. Chair and Mr. Minister, this Act appears to me to be more of a housekeeping piece of legislation than anything else. My question, Mr. Minister, is can you please tell the House about this temporary 10 per cent, non-refundable tax credit. How will this work and much money can the industry expect to save by this?

Hon. Mr. Sonntag: — It is expected that this will generate about \$2 million in exploration in the mining industry, and also expected that it would save investors somewhere around \$300,000 per year.

Mr. Stewart: — Thank you, Mr. Minister. Getting into the details of this Bill a little more, I understand that bulk samples will be utilized in the administration of this Act — bulk mineral samples. Are you relying on the federal definition of bulk samples for this? The reason I ask is because it's my understanding that Ottawa is changing their definition.

Hon. Mr. Sonntag: — We currently do accept the federal definition, but we are in discussion with the industry. The member may be aware that the diamond industry specifically has concerns around the definition.

The Act clearly allows for the province to use . . . or prescribe its own definition, and if it's clear that the federal definition becomes a problem for the industry, I think we would want to pay some considerable attention to that.

Mr. Stewart: — Thank you, Mr. Minister. I'm certainly very happy to hear that, and you answered my next question about the diamond industry as well.

Is your department working on other areas relating to tax credits for the industry? This is certainly something that prohibits work from being done or precludes work from being done in Saskatchewan. Will we see something in this regard soon or over the next little while in terms of setting an environment that will allow mining to take place further in our province?

Hon. Mr. Sonntag: — The member is probably aware that in this past budget we also introduced financial assistance as it pertains to geoscience, the mapping process. We have established a committee to deal with land administration and permitting process. We've reduced the permit fees and we have also established a committee with Finance and the industry to deal with a whole host of issues that may or may not relate to financial issues.

But the reason we have Finance on the committee is clearly because we believe that some of the issues will be financial. But any further changes will clearly have to come through the budget process and be approved in subsequent budgets.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, that's all I have at this time.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 10 — The Oil and Gas Conservation Amendment Act, 2001

The Deputy Chair: — I would ask the minister to introduce his new officials.

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Seated to my immediate right is our executive director of the petroleum and natural gas division, Bruce Wilson; and to my left is the director of the petroleum development branch, Brian Mathieson.

Clause 1

Mr. Stewart: — Thank you, Mr. Deputy Chair. Mr. Minister, in your second reading speech you talk about how this Bill is a very important piece of legislation, and members on this side of the House agree. For the purposes of putting things on the record, could the minister please provide the Assembly with an explanation of this Bill? It's my understanding that some of the oil and gas groups were a part of the committee that helped put this framework together.

Hon. Mr. Sonntag: — Again if I don't answer this question completely, please just re-ask it. I think you were concerned that the oil and gas industry was involved in the process in developing this. They absolutely were. We consulted with three different associations — CAPP (Canadian Association of Petroleum Producers), SEPAC (Small Explorers and Producers Association of Saskatchewan), and the Saskatchewan Swab Association, which is — I'm quite sure you're familiar — is small producers primarily in the Kindersley area. So they were very much involved in developing the legislation.

Mr. Stewart: — Thank you, Mr. Minister, Mr. Deputy Chair. Mr. Minister, the other part of the question — and I'm sure it was a long and rambling question — could the minister please provide the Assembly with an explanation of the Bill, the mechanics of the Bill?

Hon. Mr. Sonntag: — In simple terms it's really about the management of the liability for the abandonment and reclamation of wells and different facilities. It will deal with the issues of licensing and of course issues of the actual fund that is being created itself.

We want to, again, we want to ensure that the liability isn't downloaded specifically onto the province or onto RMs (rural municipality). And as I said, we've worked with the industry to try and ensure that that is not the case.

Mr. Stewart: — Thank you, Mr. Minister, Mr. Deputy Chair. Mr. Minister, there appears to be two parts to the Bill. Could the minister provide an explanation of the part regarding what appears to be a system of financial guarantees to ensure that all licensees will be able to meet their abandonment and reclamation responsibilities? What kind of financial guarantees will be in place?

Hon. Mr. Sonntag: — In this particular respect, we are following the Alberta program. As an example, if someone is able . . . is not able, I should say, or appears not able to manage

their financial responsibility, clearly an assessment is done in advance. The role of the Crown in this particular case, or the department, would be that they would likely not issue a licence.

Also if the licence is to be issued, they would have to then, as a company, put up a financial guarantee themselves to ensure that they could get a licence.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Deputy Chair, Mr. Minister, there's also talk about a fund financed entirely by the industry. Can the minister provide an update to the House on what this fund will consist of and how it will be administered?

(16:00)

Hon. Mr. Sonntag: — First of all, this is with respect to just the orphan wells. We will be taking the two and a half million that currently exists in the Oil and Gas Environmental Fund and rolling that over into the Orphan Fund

And then, on an annual basis, an assessment will be done. And if it is clear that because of new wells that are being abandoned, have come on stream, there may be a new assessment that will be required, that may be a very, very small assessment though.

But I think the important thing is that we're rolling the current money over and that an assessment will be done on an annual basis to determine if additional funds are needed.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Deputy Chair, Mr. Minister, in terms of penalties, can the minister outline what fines those who are in contravention of this Act could expect to see levied on them.

Hon. Mr. Sonntag: — To the member, we're not changing what currently exists with respect to penalties from what already or currently exists in the Act. We can go through this if you want, but the penalties are clearly laid out in the Act itself and I would refer you to those specifically.

Mr. Stewart: — Thank you, Mr. Minister. That's all I have on this Bill, Mr. Chair.

Clause 1 agreed to.

Clauses 2 to 17 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 11 — The Freehold Oil and Gas Production Tax Amendment Act, 2001

Clause 1

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Staying with us of course is our executive director of petroleum and natural gas division, Bruce Wilson, seated to my right. To my left, the new official joining us is the director of economic and fiscal analysis branch, Dale Fletcher.

Mr. Stewart: — Thank you, Mr. Chair. Mr. Minister, I would like to begin by having you give a brief, bottom line outline, if

you will, of what Bill 11 will do and how it will help the industry.

Hon. Mr. Sonntag: — I think probably, easiest for the member, is just for me to read parts of the three key points that I referenced in the second reading. They are as follows.

First of all the Act, the amendments propose that we provide clear authority for the province to levy a tax on crude oil that is recovered from certain oil field facilities. And that was never measured at the time of production for purposes of applying a Crown royalty or freehold production tax.

The second major change would be to protect royalty revenues that have been collected to date on the recovered crude oil.

And lastly, and third key point, would be to prevent crude oil recovery facilities from being used as a means to reduce provincial royalties and/or taxes.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Minister, how many people does this affect? How many freehold rights holders are there in the province?

Hon. Mr. Sonntag: — This has nothing to do with freehold rights and nothing to do with . . . Mineral ownership is irrelevant. This, as I said, has nothing to do with freehold rights.

Mr. Stewart: — In looking, Mr. Minister, in looking specifically at some clauses in Bill 11, 32.61 for instance talks about not paying the tax on recovered crude oil and basically shutting down facilities, I believe. Is that correct? Is that the . . . if the new tax is not paid, is that the recourse to shut down the facilities?

Hon. Mr. Sonntag: — That, as I have been advised, that's just one mechanism. We obviously have a number of mechanisms available to us. And clearly the department wouldn't take lightly the issue of shutting down any of these producers.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Minister, could you tell the House if fines are another avenue of recourse? And what size of fines, what type of fines would a company be looking at?

Hon. Mr. Sonntag: — I would say, first of all, that this is probably the last step in a process. And the short answer to your question is yes, fines are a mechanism; but again, as I said, it's the last step. We would have to though, first of all, successfully prosecute, and I repeat — emphasize, I should say — the word, successfully prosecute.

The fines are to a maximum of \$10,000. If the producer continues to ignore that order, there would be an ability also to continue with fines that could amount up to \$10,000 per day.

Again these fines or penalties, if you will, do currently exist in legislation and also exist in a number of Bills that are, that are . . . that we are guided by, I should say.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Minister, section 32.9 talks about royalties previously paid on recovered crude oil. Could the minister provide an explanation as to how

this will work? How will this tax replace the royalties and what rate will it be? What rate will this . . .

The Chair: — Why is the member from Carrot River on his feet?

Mr. Kwiatkowski: — Leave to introduce guests, Mr. Chair.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kwiatkowski: — Thank you, Mr. Chair. I would like to introduce to you and through you to all members of the Assembly, three guests in the Speaker's gallery.

We have Mr. Al Hunter, who is currently the president of the Board of Directors of Cosmo Industries in Saskatoon; Mr. Howard Stensrud, a long-time Saskatoon business person and long-time board member of Cosmo Industries in Saskatoon. And another little claim to fame that Mr. Stensrud had is that he is also one of the founding members of the Saskatchewan Association of Rehabilitation Centres.

And joining Mr. Stensrud and Mr. Hunter is another well-known individual to this House, Mr. Bob Pringle. And Mr. Bob Pringle is the executive director of Cosmo Industries.

And I would like everyone to join with me in warmly welcoming them here today.

Hon. Members: Hear, hear!

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

Mr. Prebble: — With leave to introduce guests, Mr. Chair.

Leave granted.

Mr. Prebble: — Thanks very much, Mr. Chair. On behalf of government members, I want to add our welcome to Al Hunter and Howard Stensrud. It's very nice to have you as visitors in the Assembly today.

And I also want to extend a very special welcome to Bob Pringle who, as members know, served with great distinction in this Assembly for 10 years. And I had the pleasure of serving with Bob for five of those years and I'm very delighted to see him back here today.

So welcome to all three and I hope you enjoy the proceedings while you're here. It's great to have you here.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 11 — The Freehold Oil and Gas Production Tax Amendment Act, 2001 (continued)

Clause 1

Hon. Mr. Sonntag: — Mr. Chair, if you heard any singing in the background, it won't be from me. I'm sure it'll be coming from the gallery.

In answer to the question. First of all, since 1983 we have been assessing royalties on recovered crude oil. There have been questions raised as to the legality of collecting these royalties, thus the amendments here before you. And we have changed them to what we think is clearly legal now, if there's any question about it. And we've changed it from a royalty to a tax.

For those who have paid the royalty in the past, they will have been deemed to have paid the tax, if you will. So there won't be anything . . . we won't be going back to any of those people that have paid the royalty.

I think you asked the question about rates as well. If the member has not yet received that information, I am aware that through my office we sent that to you. If you've not received that, we'd be happy to provide that for you if you've not yet received it.

(16:15)

Mr. Stewart: — Thank you, Mr. Minister. I would appreciate that very much. Mr. Minister. Do you have information on how much the government expects to receive financially from freehold . . . well from this legislation, from the fees that will be levied?

Hon. Mr. Sonntag: — Again I want to remind the member that the amendments here really are driven, today, around an issue of a questioning of the legality of the charging of royalties versus a tax. So the revenue will be contingent on two things.

First of all, it will be contingent on the volume recovered. It will also be contingent on the rates that we actually do levy. We need to . . . there will be even further consultation with the industry. In general we are currently proposing something lower than what is being charged under the old royalty structure.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, that's all I have, but I think the member from Cannington has a question or two.

Mr. D'Autremont: — Thank you, Mr. Chairman. As you can tell, there's a general applause, an acceptance that I'm going to ask some questions here.

Mr. Minister, on this oil, this recovered oil, was there royalties paid on the oil when it was first produced — not charged after it was recovered — but when it was initially produced, was there a royalty charged on it?

Hon. Mr. Sonntag: — No, there was not.

Mr. D'Autremont: — Well thank you, Mr. Minister. Since this Bill is entitled the freehold oil and gas production, would it be proper to assume that the oil being produced came from freehold mineral leases?

Hon. Mr. Sonntag: — The short answer again is no. This has nothing to do with mineral owner . . . the mineral ownership

issue is irrelevant and nothing to do with the . . . anything to do with freehold rights.

Mr. D'Autremont: — Oh, I don't think that the ownership of the oil is immaterial to this, Mr. Minister. Since the oil was not charged a royalty when it was initially produced, therefore it would not have been recorded as production allocable to a particular LSD (legal survey district) or zone.

That being the case, if that was on freehold land, the mineral lease owner should have received a portion of the revenues from the oil generated. Since it wasn't recorded, they received . . . they did not receive their percentage of revenues from that. When you charge this new tax on it now, the government receives their share, but the original leaseholder of the mineral rights is not receiving their proper proportion.

What means or measure are you taking to ensure that the oil that should be allocated to the freehold mineral owners is actually being credited to them?

Hon. Mr. Sonntag: — This has everything to do with how the freehold lease actually reads. There will obviously be an agreement between the producer and the owner of the lease. We would not in any way interfere in this process.

And taxing — formerly royalty charges — taxing is done at a very different point. It would be very difficult for us to go back to the freehold owners, because the waste quite clearly could be coming from 20 different well sites.

So we would not interfere in the process where agreements are reached between the producers and the owners.

Mr. D'Autremont: — Well thank you, Mr. Minister. The agreement between the mineral right owner and the producer is that the mineral right owner gets a percentage of all of the oil produced. Now if there's oil being produced and not recorded, then the mineral right holder is being cheated. If at some point down the line that oil is recorded some place else, it needs to be allocated back to the mineral right holders.

You used the example of 20 wells. If you have 20 wells going into allocation for processing, all you would simply do is take a percentage of all 20 wells, distribute it out . . . your recovered oil out, and allocate it to those 20 wells on a percentage basis. And the mineral right holder would then get his economic value out of his mineral.

But simply by taxing it without doing that allocation, you're cheating the mineral right holder.

Hon. Mr. Sonntag: — Well clearly with respect to the member's question, and it's a good question, the agreements are between the producers and the owners and the agreements, as I understand them, are around production.

What we are proposing here today isn't necessarily related to production. It is really about the recovery of oil from waste, if you will. And it is an altogether different — from our perspective — it is an altogether different product.

Mr. D'Autremont: — Well, Mr. Minister, it's not actually

waste. It's oil that has been recovered from the water tanks, from the gas system. The only time when it would even be considered close to waste is if you had a spill or something and then recovered the oil and washed the soil and recovered the oil. Even there, I would hardly classify it as waste. It may be in the waste disposal system, which is the water system, but it's still recoverable oil and it is recovered on a normal basis, Mr. Minister.

So somehow or another, the mineral right owner needs to be allocated their share. You're ensuring that the government gets their share with this tax, their percentage of the royalty. You can call it a tax or a royalty. At the end of the day, you're ensuring that the government gets their share of it. But somehow those numbers also need to be allocated back to the mineral right owner, the holder of the minerals . . . is said and done.

When it's Crown land, it doesn't matter. You're getting your money either at the front end or at the back end, but you're getting your money. On the freehold, however, somehow or another it has to be allocated back, Mr. Minister, to ensure that the mineral right owner receives his proper proportion in it.

Hon. Mr. Sonntag: — First of all, to the member, I want to point out that there is nothing fundamentally that has changed here with respect to the concern that he raises. The same concern existed under the royalty structure as exists under what we describe as the tax structure now. I'm advised that with the concern that he raises, anything that could be clearly identified or allocated as production, if you will, those revenues would go back to the leasehold owner.

Mr. Stewart: — Thank you, Mr. Chair. I believe that's all we have, and I'd like to thank the minister and particularly the department staff.

Hon. Mr. Sonntag: — Particularly the department staff? What about the minister? Thank you very much. I want to thank my officials of course who always provide very good advice to me — for the previous pieces of legislation as well — and to the member opposite who asked good questions today. We appreciate that and thank everyone involved in drafting these Bills.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

Schedule agreed to.

The committee agreed to report the Bill.

(16:30)

Bill No. 3 — The Historic Properties Foundations Act

Hon. Ms. Lorjé: — Thank you very much. And I'm here today in my capacity today as a Provincial Secretary and as such I would like introduce the official I have with me, Michael Jackson, of the office of protocol.

Clause 1

Ms. Bakken: — Thank you, Mr. Deputy Chair. Welcome, Minister, and your official. And I'd just like to start out by saying that this Bill is set up for Crown foundations to support historic properties in Saskatchewan, and I'd like to go on record as saying that members on this side of the House certainly do support the preservation of historic properties in our province.

And I was just interested this morning to see where Claybank Brick Factory held an occasion yesterday and had up to 1,000 people there to tour and to observe the Claybank Factory. And it's undergoing preservation, is my understanding, at this time and will be ongoing.

And I'd also just like to mention that Souris Valley hospital in Weyburn is a very historic building and I would hope that the government would see fit to preserve this facility as well, as I know there is some talk about its usefulness in keeping it.

Madam Minister, to get directly to the Bill, I'd like to ask you the main reason why your government feels it's necessary to bring in this piece of legislation?

Hon. Ms. Lorjé: — Thank you very much, Mr. Deputy Speaker. I would first of all like to comment on the statement by the member from Weyburn-Big Muddy; and I entirely agree with her that it is important for us to be preserving historic properties.

And I think that this is a change in Saskatchewan because it used to be that the philosophy I think in many sectors used to be well if it's old, we should knock it down and we should make way for new. And as we're approaching the province's centennial in 2005, there seems to be a wonderful sense of looking back to our history and wanting to preserve these historic properties as much as possible.

So I have taken your suggestions, particularly with respect to Claybank, and we will be giving them very careful consideration.

You were asking, what's the main purpose of this Act. As you know, it allows for the Lieutenant Governor in Council to establish foundations to receive gifts to the Crown for historic property. So I believe that's really the main purpose of it, so that there is a vehicle for accepting donations from people for historic properties.

I do want to emphasize that these foundations will be, in essence, that fundraising vehicle. They will not be controlling the historical properties per se but will by virtue of the nature of the people who will be on these foundations, will have a particular interest and a sense of passion about the historic properties. And we believe that this will allow them to go out and very enthusiastically raise funds for these historic properties.

Ms. Bakken: — Thank you, Madam Minister. I guess the major concern on this part — and I'll ask some questions related to it — is how these foundations are being set up. And that loss of local control is of paramount concern to us.

And I guess unknown to this side of the House is how many of these foundations are going to be set up. Is there one for the

province or are we looking at numerous? And if we are looking at more than one, how will it be determined when a foundation should be set up?

Hon. Ms. Lorjé: — Thank you very much. First of all with respect to your question about loss of local control, I do want to emphasize that these foundations will be bodies that will be acting in a fundraising capacity. They are not the management boards for a particular piece of heritage property. And I think we've seen that model applied very successfully.

For instance, one I'm familiar with was I used to sit on City Hospital Board of Governors. We also had a separate City Hospital Foundation Board for raising money to buy various pieces of hospital equipment.

We already do . . . Another analogy I could use is the University of Saskatchewan has a foundation for the purposes of raising money but they are totally separate from the board of governors, for instance, of the university.

You ask how many of these foundations we will have. Right now it is only anticipated to establish one, that being a foundation for the Government House heritage property; but if and when further foundations are desired and the case has been made for them, then we by virtue of this being enabling legislation, we would be able to establish those foundations without having to come back to the legislature and establish . . . without having to come back and pass yet another Act.

And I would refer you to for instance the member from North Battleford who has I think on a couple of occasions during this session in the House, made reference to the courthouse in North Battleford and his desire to see a similar sort of foundation for that property.

The answer is right now it would only be the one and that would be the foundation to raise funds for Government House. But if it is desired to have others for heritage properties then we would consider that.

Ms. Bakken: — Thank you, Madam Minister. Well I guess I'm a little confused. I don't understand why we need a separate foundation that their sole purpose is to raise the funds and yet once the funds are raised they're going to turn it over to someone else to determine what's going to be done with it. To me I don't understand the rationale here and maybe you could explain that more fully.

Hon. Ms. Lorjé: — Well I think, Madam Member, the rationale is that people do volunteer service in this province for various reasons and have various sets of skills and expertise. And very often somebody who would want to be involved in, for instance, organizing teas at Government House would not necessarily be the same person who would want to be involved in approaching the corporate sector to see if they wanted to contribute money for enhancing the grounds at Government House.

So by establishing a foundation, we are establishing the ability for people who have a specific interest and concern in raising money for a heritage property, to be able to volunteer their time for that purpose.

Ms. Bakken: — Thank you, Madam Minister. Well when I read through this Bill, I don't see where these people are going to be volunteers. They're going to be receiving funds for the work that they do, so it certainly is . . . Unless I'm misreading this Bill, these people are going to be reimbursed for the work they do.

And in the past, we have many levels of expertise as volunteers. And some volunteers' expertise is fundraising, as well as those that serve the tea at a tea as you used as an example.

So if I'm incorrect in what I read in this Bill, that the people that are going to be raising the funds are going to be reimbursed for their services, then I would like you to clarify that for us please.

Hon. Ms. Lorjé: — Yes, I do thank the member for Weyburn-Big Muddy for raising that. And it is an issue that on first blush, as you read specifically clause 10 defining the board of trustees, one could assume that it is anticipated that the trustees will be paid an honorarium.

But in point of fact — I would refer the member specifically to clause 10(6) and (7) — they refer to determining . . . the Lieutenant Governor in Council may determine the allowances for travelling and other expenses to be paid to trustees.

I do want to clarify and I want to state it most clearly so that there would be no confusion or no sense that something other than this is intended. We do not intend to be paying the foundation members any honorarium.

We do though feel that where we have, as we have for instance with the Government House Advisory Board right now, we have a large number of people who are from out of the province, who would be coming to the province to attend meetings and so forth, that we want to have the capability to pay approved travel expenses at the approved government rates and also to be able to buy them a lunch while they're here.

But I entirely agree with you that when people volunteer, that's what they're doing. They're volunteering. They are not in it for the money or to be making a salary or an honorarium.

So the intention is to have these people provide their services, their very good services, on a volunteer basis but at the same time, if they wish to have legitimate expenses associated with that volunteer work, such as travel and meals, and perhaps on the odd occasion hotel costs, reimbursed, then we would be able to.

And I will just, just to further advise you about that, I would like to let you know that we do have a Government House Advisory Board established right now and it is my hope that those people who have been doing wonderful work in the advisory board capacity would let their names stand for nomination to the Government House Foundation, when and if we pass this Bill.

We have for instance Senator Raynell Andreychuk, who may on occasion be coming from Ottawa; Scotty Cameron from Calgary. David Dombowsky currently resides in Kelowna. Leroy Larsen, I'm sure you know, is in Regina; Harold MacKay

is also from Regina. Robert Mitchell, past attorney general in the legislature, is living in Saskatoon. Senator Jack Wiebe, the former Lieutenant Governor, resides in Swift Current. And then of course we have Pamela Wallin, who lives in Toronto.

So that should give you some idea of the people that we're looking at for this foundation and the travelling that they would have to do in order to donate their time and very considerable energy and enthusiasm to Government House Foundation.

Ms. Bakken: — Madam Minister, well there has been confusion about this clause by myself and also by our researchers and we will be moving an amendment to clarify this, because I believe that it needs to be clear that they will only be reimbursed for expenses and that they will be paid at a set rate the same as the public service, rather than make it wide open for the foundation themselves to determine what they're going to pay themselves.

And that's really what we have here, where it says:

. . . may determine the allowances for travelling and other expenses to be paid to trustees.

And the:

. . . foundation may pay any allowances for trustees and any other costs of administering the foundation from its own money.

I think it's open to interpretation what this means, and we will be moving an amendment to clarify that.

My next question is what is this Bill going to do with regards to what we have today which are non-profit charitable organizations that support local historical sites and work to preserve them? Do you see them working together and enhancing each other, or do you envision that people are going to want to give to the foundation as opposed to local historical foundations?

Hon. Ms. Lorjé: — Madam Member, I just want to fuss a little bit about your earlier statements about the need to move an amendment. I would like to advise you that the wording that we have under clause 10(6) and (7) is basically the same wording that we have right now under the two foundations that both the University of Regina and the University of Saskatchewan have established.

There is no intent to pay any honoraria. There is, in my opinion, no need for you to move this amendment because what you want is exactly what is being accomplished with this legislation. So your amendment is not necessary.

You asked then secondly about local control. It is not the intention of this legislation to usurp local historic groups or local control. This is a vehicle for raising funds for historical properties. Period.

The Chair: — Order, if I could just remind the minister and the hon. member that . . . to direct the comments to the Chair. Thank you.

Ms. Bakken: — Thank you, Mr. Deputy Chair, my apologies. Through the Chair, to the minister: I have reviewed the Bill that was introduced in 1996 called the Crown foundation for health districts. This Bill caused grave concern in . . . especially in rural Saskatchewan. This Bill was never proclaimed and last week it was repealed.

This Bill is very similar in nature and what this — the Bill dealing with health districts — was that it took away local control and the local authority to do with what they wanted with their property, with monies that they had raised, with even the . . . went as far as the furnishings within these hospitals and other health care buildings.

And I'd like the minister to indicate how, if that could happen under the previous Bill, how it cannot happen under this Bill.

Hon. Ms. Lorjé: — Again, I think I know the example that you're referring to. But what I want to refer you to is the example of Government House right now. We have a very active group of volunteers. I think there are probably around 500 and if I'm exaggerating, hopefully by the time we finish there will be 500 volunteers doing very good work over at Government House.

They set their own agendas, their own objectives, and they define for themselves the kind of work that they're going to do with respect to working on the grounds, planting tulips, doing various teas, and so forth.

This Bill will not usurp their autonomy or their local direction. This is, as I say, designed specifically to provide for those people who wish to use their skills and talents to raise money for an historic property — and very specifically in this instance for Government House.

Ms. Bakken: — Well, to the Chair, to the minister. Madam Minister, you say that we have volunteers now that look after the historical properties. But we also had volunteers before we had the Act, C-50, that established the Crown Foundation for District Health Boards. We no longer have those volunteers at the local level now. They are controlled by a health board that is paid in full and reimbursed for their expenses as well. And our concern is that that is exactly what you're doing with this Bill; only we're taking it to a different entity, which is the control of historic properties.

I would like you to go on record as to indicate to this side of the House and to the people of Saskatchewan that this is not what your intention is and what this Bill will do.

Hon. Ms. Lorjé: — Through the Chair. I want to state very categorically there is no intention to replace local volunteers. On the contrary, what is anticipated is that they will be able . . . the foundation would be able to raise funds on a larger basis than perhaps local volunteers would be able to do.

Ms. Bakken: — Thank you, Mr. Chair. Madam Minister, the concern under section 14 is exactly that, that the funds will be raised by this appointed board and the funds that are raised will . . . that what is done with them will be determined by the board. And that is taking away local control. Section 14 reads:

A foundation shall consider the directions of the persons who have made (the) gifts . . .

I reiterate — shall consider.

. . . grants, (bequeaths and) . . . donations to a foundation but the foundation is not bound by those directions.

So in other words these funds will be collected but they will go into a central pool and it will be the determination of this foundation where these funds are going to go. The loss of control of what happens with these funds is . . . it's right there in black and white, this is what it's saying.

And so to say that loss of local control is not in this Bill is certainly, I think, a stretch and I would like the minister to speak to this. And also I'd like to tell her at this time — I've discussed this with her before — that we will be bringing an amendment here as well so that local control is not lost.

Hon. Ms. Lorjé: — Through the Chair, I would like to say that there is a difference, in my opinion, between local control and donors. And again, I think we've already jawboned it to death in terms of local control. There still will be local control.

What we're talking about here with this Bill is establishing a foundation that would be able by virtue of the membership to be able to canvass corporations across Canada for fairly substantial contributions. And we will be working, obviously, with those corporations to try to accommodate their wishes with respect to donations as much as possible.

But it may be that on the very, very rare occasion they may be wanting something that simply could not be accommodated. For instance it may be that somebody would want to put up a huge neon sign advertising a particular product at Government House. Now that would be anathema for that building and obviously the foundation would not be able to agree to it.

So wherever practical, the wishes of the donors will be taken into consideration. But we do feel that just for surety sake, it's important to have the clause in, on clause 14, that says that the wishes of the donors may not necessarily be able to be accommodated.

Ms. Bakken: — Thank you, Madam Minister. Well, Madam Minister, from what I hear you saying, there is no intent to raise funds on a local level, that this is something to do with raising funding throughout Canada, and large corporate donations. And I would hope that that is the intent.

I think it should be on record though that the people of Saskatchewan are very nervous about this kind of legislation because, though you say the intent is not to do anything that local people would not want or the donors would not want, it's not in the legislation. The exact opposite is in the legislation, enabling the foundation to do whatever they determined that they want to do with the funding.

And the people of Saskatchewan have found out, unfortunately, that this has happened in the past with The Health Districts Act and health district boards. And local money and buildings and equipment, etc., have been removed from local control and

removed from the community altogether. So there is much nervousness about this Bill in that regard.

My last question to the minister is: what is the difference between the tax write-off between this new Crown foundation and what we presently have today when people donate to charitable foundations or non-profit organizations?

Hon. Ms. Lorjé: — I would advise, through the Chair, I would advise the member opposite that while the tax law has changed, there still is seen to be some advantage, some preferential advantage to donating to a Crown foundation as compared to a charitable foundation. And so it would be a tax benefit for the donor.

Ms. Bakken: — Mr. Chair, Madam Minister, I did say that was my last question, but I would appreciate if we . . . you cannot give us the exact amount of what the difference is? I mean, this is a concern is that we are going to have people donating to this foundation as opposed to their local charitable organizations and the funding is going to be again taken from the local areas and siphoned into a larger foundation. And this is something that we do not want to see.

Hon. Ms. Lorjé: — I would advise the member opposite through the Chair that if we're talking about large donations by corporations, it's a totally different playing field with respect to tax law, as compared to small individual donations by the common folk, by the real people of this province.

And I'm not a tax law expert so I can't give you exact details. And certainly in 1997 the tax law did change and the 100 per cent tax write-off that used to exist has dropped down. I think it's probably now at about the 75 per cent level. And you will know from filling out your own income tax and filling out the line on charitable donations that I think it's probably only about 33 per cent.

So there is a tax advantage to be had, but I can't give you the specific numbers.

Ms. Bakken: — Mr. Chair, Madam Minister, I would think that that would be an important component of putting together this legislation that that differ . . . those figures should have been known and taken into consideration when you were proposing this Bill, because it is going to have a huge impact on local historical foundations or organizations that are trying to raise funding for local projects.

(17:00)

Hon. Ms. Lorjé: — Well there is one other advantage though to be gained by having a Crown foundation. The Crown is able to accept certain things that would not be possible for instance under a charitable foundation such as real property, land and so forth. So there are differences between Crown foundations and charitable foundations.

But I do want to emphasize again that what we're talking about here, very specifically, is heritage property foundations. So we're talking about, in this instance, the Government House and we're talking about fairly substantial donations that we will be seeking from the private sector. And some of that private sector

— I don't want to mislead you — may be Saskatchewan private sector. But we will be seeking fairly substantial donations for Government House through this vehicle.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

Clause 10

Ms. Bakken: — Well I would like to propose an amendment to clause 10 (6) and (7):

Amend Clause 10 of the printed Bill by striking out Clauses (6) and (7) and substituting the following:

“(6) Trustees shall serve as volunteers and are only eligible to be re-imbursed for actual travel and other expenses incurred in accordance with and to a maximum of the rates payable to members of the public service.

And 10:

“(7) A foundation may pay any travel and other expenses of trustees and any other costs of administering the foundation from its own money”.

Mr. Chair, it is the feeling of this side of the House that the minister has indicated that this is what these people are, are simply volunteers that are going to be reimbursed for their travelling and other expenses. We believe that those fees should be under a certain structure which is the public service, the same reimbursement that they would receive. And that, if this is the intent of this Bill, that there should be no problem in clarifying the language and moving this amendment.

Hon. Ms. Lorjé: — And because it is the intent and because I have stated it very clearly, I see no reason for the amendment and I would urge the members of the House to pass clause 10 as drafted already.

Amendment negated on division.

Clause 10 agreed to.

Clauses 11 to 13 inclusive agreed to.

Clause 14

Ms. Bakken: — Thank you, Mr. Chair. I would like to move an amendment to clause 14. And the amendment reads:

Clause 14 of the printed Bill is struck out and the following substituted:

“14 A foundation shall be bound by the directions of the persons who have made gifts, grants, bequests or donations to the foundation.”

And, Mr. Chair, I believe this is what we've spoke extensively about, that the control of the spending of these bequeaths, gifts, or donations should be considered, should be bound . . . this foundation should be bound by what the donor wishes the

money to be used for or the donation to be used for.

We do not believe that it should be up to the foundation to make the determination of how these gifts will be allocated, and so we are moving this amendment to give control of the donation, gift, or bequeath to the giver.

Hon. Ms. Lorjé: — Again I would urge the Assembly not to accept this amendment. And I'm going to refer again to the comments I made with respect to the university foundations. I would say that probably in 99.9 per cent of the time they follow the wishes of the donor, but they do have to have that flexibility not to. And they do need to be able to deal with these things with good, sound, practical common sense.

So I would urge defeat of this amendment.

Amendment negated on division.

Clause 14 agreed to.

Clauses 15 to 19 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 34 — The Saskatchewan Natural Resources
Transfer Agreement (Treaty Land Entitlement)
Amendment Act, 2001**

Clause 1

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

Hon. Ms. Lorjé: — Thank you very much, Mr. Deputy Speaker. To assist me in the passage of Bill 34, An Act to amend The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Act, I would like to introduce Mr. Glen Benedict, the executive director of Indian lands and resources in Aboriginal Affairs.

Mr. Kwiatkowski: — Thank you, Mr. Chair, and good afternoon to the minister and to her official.

Mr. Chair, as the minister indicated, Bill No. 34 provides for treaty land entitlement agreements for three First Nations: Cowessess, Carry The Kettle, and Kawacatoose First Nations.

I notice in the explanatory notes it indicates that this amendment provides constitutional certainty that Saskatchewan's obligations to Canada to assist with the fulfilment of treaty land entitlements are met.

I'm wondering, Mr. Chair, if perhaps the minister could describe what Saskatchewan's obligations are.

Hon. Ms. Lorjé: — Thank you very much. Through the Chair, to the member opposite, I would advise you that paragraph 10 of the NRTA — the Natural Resources Transfer Agreement — requires that Saskatchewan set aside unoccupied Crown lands as requested by Canada in order for Canada to fulfill its treaty obligations.

Now the way that Saskatchewan is fulfilling its NRTA obligations is through cash payment instead of land. And we are doing that cash compensation over a 12-year period. We also will be fulfilling other obligations such as sale of Crown land and transfer of Crown minerals.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Madam Minister, as I understand it, this Bill will also allow for future treaty land entitlement agreements. Do you at this time have any indication as to how many agreements are potentially out there and close to being completed?

Hon. Ms. Lorjé: — I would advise the member that the answer to the question is entirely dependent on research from the federal government. We're aware that there are probably about seven or eight First Nations that are currently under research but that is not something that we are directly involved in. It's a matter of treaty interpretation.

Mr. Kwiatkowski: — Mr. Chair, section 2(2)(d) of the Bill speaks to any agreement between the Government of Canada and the Government of Saskatchewan whether entered into before or after the coming into force of this subsection.

Madam Minister, could you explain the purpose of section 2(2)(d)?

Hon. Ms. Lorjé: — Yes, I certainly can. As you have very correctly pointed out, clauses (2)(a), (b), and (c) deal with very specific First Nations being Cowessess, Kawacatoose, and Carry The Kettle. But because we are aware that there may be other First Nations that would also come under Bill No. 34, rather than having to come back and do yet another amendment to the Saskatchewan NRTA, we're building in this broader clause.

As you know, the long title to the Act, which is, by virtue of the way things work in this legislature, is part of the Act, states, quote:

An Act to confirm an Agreement between the Government of Canada and the Government of Saskatchewan varying the *Saskatchewan Natural Resources Transfer Agreement*.

And so this sets out the purposes of the Act. The only agreement that can be confirmed is one to vary the NRTA. So words must be understood and interpreted in their context, and the context of this Act is with respect to agreements like the one set out in the appendix and the agreements mentioned in clauses 2(2)(a) through (c).

So the reference to agreement in clause (d) must therefore be a reference to the same type of agreement.

Mr. Kwiatkowski: — Thank you, Madam Minister, and Mr. Chair. I have no further questions. I'd like to thank the minister and thank her official.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Bill No. 29 — The Student Assistance and Student Aid Fund Amendment Act, 2001

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

Hon. Mr. Hagel: — Thank you, Mr. Chair. Two officials to assist in the scrutiny by the Committee of the Whole today. On my left is the assistant deputy minister, Lily Stonehouse. And to my right is John Janzen, the acting executive director of the student financial assistance branch.

And I look forward to the questions of the critic, the hon. member for Last Mountain-Touchwood.

Clause 1

Mr. Hart: — Thank you, Mr. Chair. And I'd like to welcome the minister and his officials.

I have a few questions dealing with this Bill. This Bill enables the new student loan program, and I wonder if the minister could just briefly outline the differences between the new student loan program and the old one, particularly any differences in the area of eligibility and assistance levels.

And then maybe, perhaps later on you maybe could talk about debt reduction and that sort of thing. We may have some follow-up questions.

Hon. Mr. Hagel: — I thank the hon. member for his question, Mr. Chair. First of all, the purpose of the Bill is to make it possible for the province to make payment to the federal government on the new administrative arrangement which is really what this Bill is all about, is to make it possible to engage the new administrative arrangement on the integrated loan that I know that the hon. member is familiar with.

On the matter of eligibility, the new student loan program is not impacted in the area of eligibility. All of the previous eligibility circumstances remain identical and the same.

And on the matter of level of assistance, the answer there is the same. The level of assistance, eligibility remains the same. It's not impacted by the integration to student loans nor by this Bill.

In terms of the significant changes in the new integrated student loan, what we were able to do was, through the arrangement with the federal government, to have the joint administration.

So One Student. One Loan. means not only is it more convenient for students because they're just dealing with a single application, a single process in dealing with their student loan, it also means that in essence there is just one administration. There'd be some separate parts. We can relate it to the Canada and Saskatchewan but, in essence, one administration. And that enables us then to translate the monies that would otherwise be dedicated to administration, to improving the program.

And your question there then related to interest relief and debt reduction. In terms of interest relief and debt reduction benefits for students in repayment, currently as it stands the

Saskatchewan student . . . on the Saskatchewan student loan, a student who runs into difficulty, being unable to repay their Saskatchewan student loan, can have interest relief, interest frozen for up to a year and a half in total.

On the new arrangement, that expands to the standard of the Canada student loan to four and a half years. So on interest relief, the Saskatchewan loan standard maximum of a year and a half increases to four and a half years.

And on debt reduction, whereas it is currently possible for there to be up to a 50 per cent or \$10,000 level of reduction on the federal portion of the loan, the Canada student loan — whichever is the lower of the two — we currently have no debt write down . . . debt reduction that is available to students on the Saskatchewan portion of the loan.

With the integration, we're introducing a new benefit to students who have difficulty repaying, and that is that the debt reduction . . . they can now, after the interest relief has expired, then they can be eligible for debt reduction on the Saskatchewan student loan of up to 50 per cent or \$3,000, whichever is the lesser of the two.

Those two factors will be the greatest difference in terms of benefits to students.

What's important for students as well to note, is that they gain on the one hand but don't lose anything on the other hand.

Of significance to many students is to know that the Saskatchewan bursary portion of the loan still continues. And just to put that into a context, I think I've said it before on the record in our estimates but not in dealing with this Bill, that last year — and I'll ask the officials to correct me if I'm not correct — that on some \$62 million in Saskatchewan student loans, some \$32 million of that was converted to bursaries.

So when people . . . when students will say Saskatchewan has one of the, in fact many will arguably say, Saskatchewan has the best student loan program in Canada, it will be usually that portion that they're referring to. It's the bursary that's applied to the initial loan upfront. So students keep that.

We also add the benefits of the Canada student loan, and they get . . . the students get the best of both worlds. Canada's best student loan program, Mr. Chairman, just got better.

Mr. Hart: — Mr. Chair, I wonder if, Mr. Minister, if you could . . . In looking through the program guide there's an area that deals with remission. I wonder if you could briefly explain that portion in the guide — remission. And it has to do . . . remission has to do with special incentives — students may be eligible for a provincial benefit called remission. I wonder if you could explain that.

Hon. Mr. Hagel: — Mr. Chair, I thank the hon. member for his question. It's an important question. And if I could just explain very briefly, the remission program is a special incentive program that is targeted to encourage participation in post-secondary studies for groups that have not traditionally participated to a very high level here in our Saskatchewan experience. The targeted groups, Mr. Chair, fall into three

categories: single parents; secondly, non-status Indian and Métis students; and thirdly, Northerners here in Saskatchewan.

The benefit of the program, Mr. Chair, is this: is that under the remission incentive, in the first 60 weeks — 6-0 — 60 weeks of post-secondary study, that there is a reduction of their student loan in the amount of \$75 per week. That would be above and beyond the normal bursary that they would be eligible for by virtue of the student loan.

The net effect of this, Mr. Chair, is that it will mean, number one, for these students, up to \$75 times 60, it reduces their loan by that much — whatever that figure is, I don't have it off the top of my head. But secondly, the net effect is that it does mean as well that for this period of time they will be accumulating no debt requirements for repayment of the Saskatchewan student loan. It will pay off their Saskatchewan student loan portion of their whole student loan.

Mr. Hart: — Mr. Minister, I wonder if there was any consideration given to repayment options of student loans under this new agreement that would be tailored towards young graduates and young people who have started businesses who experience, you know, cash flow problems? The whole program, I think from what I can see in repayment options so far, centre around people, graduates, who are earning a monthly income.

But we have a number of young graduates who have gone into business . . . started businesses, or whether they be commercial or farm businesses and those sorts of things, and quite often their ability to pay in those early years of those businesses is quite bit different than those people on a monthly salary. Has any consideration been given to addressing their needs?

Hon. Mr. Hagel: — Mr. Chair, in many ways the answer to the hon. member's question goes back to his first question. And it really rests with the interest relief portion of the student loan.

The interest relief is there to provide protection for the student who's in a position that they are unable to make payments on their student loan. And there can be a whole host of reasons why a student may find him or herself in that circumstance. And among those circumstances can be the fact that they are starting up a business and therefore are not generating personal income that makes it possible for them to make the payments at that time.

So with this expansion from a year and a half max to four and a half years on the Saskatchewan student loan, which brings it in harmony now with the four and a half years max on the Canada student loan, this really I think is accurate to . . . One way it is realistic to reflect it is that it is more student friendly for that student who is, following graduation, going about setting up their own business and therefore may not be in a position in order to make the interest payments for a period of time.

So the answer to your question, the simple answer to your question is, yes, it was thought of. And secondly, that the changes will facilitate accommodating the realities of financial circumstances of the student who's in that position.

(17:30)

Mr. Hart: — Thank you, Mr. Minister, for that answer. I have another question that deals with the expenses as mentioned in the Bill. The Bill in part says, that the minister may designate that any or all expenses incurred by the minister pursuant to this agreement are to be paid out of the fund.

I wonder if you could outline what expenses you may have and the net effect that those expenses, those dollars coming out of the Student Aid Fund. Does this mean that there'll be less dollars in the Student Aid Fund as a result of this agreement or is it an effect that won't really affect the total dollars? Could you just explain that part of it, Mr. Minister?

Hon. Mr. Hagel: — Mr. Chair, in response to the hon. member and other members' curiosity, I'm happy to explain that what is happening with the fund as a result of this piece of legislation is that it permits the payment of a fee to Canada for the service provision.

This is compared to the current circumstance where there is a risk premium being paid to the Royal Bank for provision of services. That will no longer continue; it'll be replaced by a contract and provision of fee for services to Canada for the administration.

And those services in essence are the disbursement of funds then to students, and the collection of funds, and all of the service and communications related to that.

When one looks at the impact of the decisions here, what we will be doing is paying substantially less in our fee to Canada than we were to the Royal Bank. However, we will be providing improved benefits in the interest relief and debt reduction.

When you take the savings in the payment of fee to Canada for the services, and then you add back in the costs in the improvement in the program, they approximately balance one another off. And so looking at the cost of servicing and the cost of providing the benefits, it's pretty much fiscally a draw in this fiscal year. Which is one of the things that causes me to say this is a good deal for . . . this is a good deal both for students, but also a good deal for the taxpayers as well.

Mr. Hart: — Thank you, Mr. Minister. I indicated to colleagues in the House that I would ask one question, and — although it may be a double-barrelled question — I guess, as I understand the program, the students will apply, submit the application to your department, they will be approved. I wonder if you could then explain the process as to how the students actually access the funds?

In the past they would take their approval to the Royal Bank, and then they would . . . the funds would be deposited into their account. How do they do that?

And one other concern and that has to do with repayment. Those students who presently have loans under the old student loan program and then will be accessing student loan under the new program, will they in fact then at the end of the day, when they are making repayments, will they then be repaying three student loans under that scenario?

Hon. Mr. Hagel: — Thank you, Mr. Chair. In answer to the member's question, which really had two parts, let me answer it with two parts.

First of all, how does the student access the funds? The answer there is that the student will receive a certificate which then they can take to one of two places, whichever is more convenient to them. They can take it to the kiosk, which will be on campus. If they're on one of the campuses here, that's probably most convenient. Or they can take it to a post office — either one. And they take it there and indicate what credit union or bank they would like to have the deposits made and then their instructions are followed. So that's the way they access the funds.

Secondly, in terms of repayment, for those students who currently are holding a Canada and Saskatchewan student loan that are repayable to the bank that holds those loans, who is still continuing as a student, and now with the new system will be dealing with a third party, the simple answer is that they will be dealing with three parties. And it's difficult to get around this given that the Royal Bank did not determine that it was not interested in continuing with the lender agreement that previously existed. It became obvious at that point that there was going to have to become a third party for students no matter what the circumstance was.

So I think we found the simplest of the third parties. It's a single one for both Canada and Saskatchewan student loan.

Will we try and simplify that? The answer is yes. Can I guarantee that? The answer is no. Why? Because the current lending arrangements with the students are from banks who are beyond the control of the department or either government to determine how they can roll those into a single payment.

If we can find a way of doing that that is acceptable to all parties, including governments of course, then we will and we'll seek to have those kinds of discussions with the banks to that end. But at this point in time, there can be no assurance that that's achievable because we don't know the intentions of the banks and their willingness to participate in that discussion.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Hon. Mr. Hagel: — Mr. Chair, I'd just simply like to thank the hon. member for Last Mountain-Touchwood for his informed questions and also for the interest that he's taken in dealing with this matter. I appreciate it very much, his ability to be there for the public announcement of the integration of student loans and the personal conversations and his support for improving the system for students.

I also want to thank the officials for assisting and providing responses to his informed questions.

**Bill No. 16 — The Film Employment Tax Credit
Amendment Act, 2001**

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

Hon. Ms. Crofford: — Thank you, Mr. Chair. Today with me is Ken Pontikes, acting deputy minister of Culture, Youth and Recreation. And on my right, Gord Zakreski, intergovernmental and industry liaison.

Clause 1

Mr. Wakefield: — Thank you, Mr. Chair of Committees. Madam Minister, I'd like to welcome your officials here.

Looking through the file, Madam Minister, I see that a lot of questions have been asked already. There's been an exchange back and forth. I think points have been made. I would just like to, for the record, just have you summarize if you would, the advantage of the film employment tax credit and why you think it has worked so well and would in fact it apply to other areas to stimulate the economy? Would you respond to that please?

Hon. Ms. Crofford: — In fact it was the industry that first proposed this to the government because they had seen this model in operation in other places as a way to stimulate jobs. And what it does it provides a waiver of residency that allows a film production company to claim the wages paid to certain non-Saskatchewan personnel when calculating their tax credit and to extend the sunset clause for the waiver of residency provisions from December 31 of 2001 to December 31 of 2003.

Now it provides a requirement that the non-Saskatchewan personnel may only be used if there's no qualified Saskatchewan resident available. And it provides that the non-Saskatchewan personnel be hired expressly for the additional purpose of training a Saskatchewan resident.

And we believe that these provisions will allow the industry to significantly speed up the process of training Saskatchewan residents. So it gives an on-the-job type of training.

Mr. Wakefield: — Madam Minister, part of the question was, if this is deemed successful in terms of developing an economic strategy, would it be applicable to other areas of economic development?

Hon. Ms. Crofford: — Well we've certainly seen in this case that it's helped to stimulate activity in the area. But we also find that as the industry grows, there's other parts that are needed. So in tax discussions and finance, usually it's members of a particular sector that bring forward the tax proposals. So I'm certain that if people were to bring forward the proposal it would be considered seriously. But at this point this is the major part of the sector that we've had this request from.

I think there's people in recording and post-production that are interested but we haven't actually examined how that might fit in a mix of tax reductions.

Mr. Wakefield: — Madam Minister, I know it's a very short amount of time but I wanted to thank your officials for being here. And we have no other questions.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Bill No. 45 — The Saskatchewan Gaming Corporation
Amendment Act, 2001**

The Chair: — Does the minister have further officials to introduce?

Hon. Ms. Crofford: — We have joining us, Lynnette Skaalrud, legislation and regulation specialist.

Clause 1

Ms. Eagles: — Thank you, Mr. Chair. And, Madam Minister, welcome to you and welcome to your officials. I thank you very much for taking this time.

Mr. Chair, Madam Minister, this piece of legislation is a very important one and I think that it would be appropriate if we did spend some time asking some questions and getting some answers on it. And I know we are getting into the supper hour so I will be as quick but as thorough as possible.

This legislation talks about a new funding strategy for the Associated Entities Fund. If the minister would, could she take a few minutes to give us a broad outline of where they hope this Bill is going in helping Métis people?

Hon. Ms. Crofford: — I thank the member for her question and of course, as you do know, that we've had this fund before. This is largely a set of amendments to improve the operations of the fund.

Now one was to change the name of the Associated Entities Fund to the Community Initiatives Fund. I think everybody always thinks of entities as those things from outer space so it was thought important to make the name something a little more connected to what the fund actually does.

As well it increases the number of members on the fund because it was felt that the board of trustees could use some additional representation. So that will go from six to eight.

It confirms that the monies who were paid to the Métis Development Fund comprise a portion of the 25 per cent of gaming proceeds that go to the Community Initiatives Fund. And as well it makes the reporting requirements for the Community Initiatives Fund consistent with The Tabling of Documents Act, 1991.

It gives the Lieutenant Governor in Council authority to make regulations for the purposes of the Community Initiatives Fund to improve effectiveness, transparency of adjudication, and decision-making processes for the monies that are granted from the Community Initiatives Fund.

And finally it sets out the terms and the conditions for the establishment of the Métis Development Fund. It provides for a very significant degree of transparency and financial accountability, including full access to the records of the fund by the Provincial Auditor. And these provisions were developed

with the input and full co-operation of the Métis Society.

Ms. Eagles: — Thank you, Madam Minister. Mr. Chair, Madam Minister, we have some very serious concerns on this side of the House — and many people around the province have — regarding the issue of accountability with the many problems that have been well documented within the SLGA (Saskatchewan Liquor and Gaming Authority) and SIGA (Saskatchewan Indian Gaming Authority) recently.

Could the minister please tell the House and assure the people of Saskatchewan that the funds will be properly distributed?

Hon. Ms. Crofford: — Thank you very much. We've never had any problems with the AEF (Associated Entities Fund) fund because of the trustees and the representatives of the community who are part of this decision-making process.

But even in not having had any problems, we've still taken steps in this Bill to strengthen even further the accountability to the Provincial Auditor. And this makes it very different from a situation where there might be some type of more arm's-length audit process.

We have confidence obviously as well in the private auditors, but this brings it right to the Provincial Auditor.

Ms. Eagles: — Thank you, Madam Minister. Mr. Chair, Madam Minister, could you please share with the House exactly what is in the Bill to make sure that all sides are accountable and to make sure the money will go where it is in fact directed?

Hon. Ms. Crofford: — Probably the greatest tool we have is the ability to revoke the fund if all the provisions aren't met in terms of transparency and accountability and access by the auditor.

Ms. Eagles: — Thank you, Madam Minister. Mr. Chair, Madam Minister, we on this side of the House understand the need for social growth within the Métis people of Saskatchewan. That is needed, and we appreciate the efforts that the government makes.

But accountability is a major part of this, and I do have a question regarding what discussions the minister and her department may have had with the Métis groups around Saskatchewan in terms of setting this up, as who did you talk to and what were you told?

Hon. Ms. Crofford: — Now just to be clear, this fund mentioned here is for economic development. And there's a specific agreement that's negotiated with the Department of Economic Development that lays out exactly what the monies can be used for. And that agreement is then signed by both parties, and audited according to the provisions of that agreement.

And again, certainly we think there is a need for economic development in the Métis community and that they've had less access to resources than, for example, the First Nations have.

So this is trying to deal with that inequity but to have the Department of Economic Development involved in negotiating

that agreement. with both parties signing.

Ms. Eagles: — Thank you, Madam Minister. Actually you answered the question I was going to ask next. My previous question was actually, which stakeholders did you meet with?

Hon. Ms. Crofford: — In matters of this kind we deal with the elected representatives of the Métis Society. And having been, a few portfolios back, the minister responsible for this area, we at that time had extensive discussions about the need for such a fund. And it was a long time coming. And I know that over several changes in the electorate within the Métis Society there has still been strong support for this fund.

Ms. Eagles: — Thank you, Madam Minister. Mr. Chair, Madam Minister, did you have any contact with the locals directly?

Hon. Ms. Crofford: — I guess the best way I could answer that would be with the elected officials. And sometimes the people who are elected to the central executive are from the regions and whatnot. But it depends on who they elect would be the representatives that we meet with.

Ms. Eagles: — Thank you. And, Madam Minister, could you tell me how the funds will be dispersed?

Hon. Ms. Crofford: — Yes. The board of trustees, in keeping with the agreement signed with Economic Development, would let potential applicants know what the criteria are for applying to the fund. They would apply to the fund and the board of trustees would adjudicate the request.

Ms. Eagles: — Thank you, Madam Minister, and Mr. Chair. Madam Minister, I would just like to talk about the management board for a minute here. Section 25.3, it states:

The management board for the fund is to be appointed . . .

My question to you, Madam Minister, is: could you please give me an update on how this board will work? You've already stated that there will be eight people on it rather than the six that were on it previously. And how will it be broken down between the government and the Métis people? And will there be set terms of service, and if so, for how long?

Hon. Ms. Crofford: — The actual members of the board of trustees are from the Métis Society appointments. And then they are supplemented by a representative from Economic Development and a representative from Aboriginal Affairs. So the government is not a decision maker at that table but is there as part of the advisory and working process.

Ms. Eagles: — Thank you, Madam Minister. And I hear expressions of hunger from that side so I will ask one more question and then I will turn it over to my colleague.

In light of the disaster that took place within SLGA and SIGA, what parameters are in place to make sure that there are proper audits in place so that the board does its job properly?

Hon. Ms. Crofford: — Well I guess the assurance that I would give the member is that we do have staff directly represented on

the board of trustees. As well there's a signed document where both parties agree on the purposes for which the money can be used and that the Provincial Auditor in a very close relationship — it's not arm's length, it's a very close relationship — would have a direct role in auditing in relationship to the agreement. And I think that provides quite a few safeguards.

Ms. Eagles: — Thank you, Mr. Chair, and thank you, Madam Minister, and thank you to your officials as well. And I'll turn it over to my colleague from Cannington.

Mr. D'Autremont: — Thank you, Mr. Chairman. Madam Minister, my question deals with the allocation of funds to the community funds initiative. Now I believe your original agreement was that the government received a certain percentage of the revenues from gaming, that that was the government got a percentage, First Nations Fund got a percentage, and a percentage went to the agricultural boards, and there may have been another name for those organizations.

How will that distribution continue? Where will this new fund fit into it?

Hon. Ms. Crofford: — This portion of the money comes out of the AEF portion of the formula. There's the FNF (First Nations Fund), the AEF, and the GRF (General Revenue Fund). All those Fs but they still got a passing grade.

Anyway what the Métis portion is, is 25 per cent of the 25 per cent that the AEF gets.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

The committee agreed to report the Bill.

The Chair: — It being past the time of 5 p.m., this committee stands recessed until 7 p.m. this evening.

The Assembly recessed until 19:00.