

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 44 — The Animal Products Amendment Act, 2002

Clause 1

Hon. Mr. Serby: — Thank you very much, Mr. Chair. With me this evening is my deputy minister, Mr. Gordon Nystuen, seated directly to my right. To my left is Mr. Don Farrer, who is in charge of inspection and regulation. And behind, directly behind me, is Dave Boehm, who is the director of financial programs branch. Those are my officials, Mr. Chair.

The Deputy Chair: — Thank you, Mr. Minister. I would like to announce to the members of the committee that presently we are without *Hansard* and without broadcast services due to the recent storm; we've lost power but we're expecting both to be underway shortly.

Ms. Harpauer: — Thank you, Mr. Chair, and I welcome the minister and his officials. Bill No. 44 from my understanding gives the minister the right to appoint inspectors rather than making it necessary for an order in council. Could the minister please tell us why this has been deemed as necessary?

Hon. Mr. Serby: — It's that when we have an emergency situation, which we were quite concerned about as the member would appreciate last year when we had the issue with the hoof and mouth disease . . . foot and mouth disease, we were in a situation where if we needed to bring on people immediately we didn't have the authority or the power to do that.

So the thinking here around this piece of legislation is for the purpose of ensuring that we can provide immediate inspection services and insurances around quality control, if in fact we ever find ourselves in that kind of a situation.

Ms. Harpauer: — I thank the minister. So if I'm understanding him correctly this will only be used in case of emergencies. So during normal times when there isn't an emergency will the inspectors continue to be appointed through order in council?

Hon. Mr. Serby: — Mr. Chair, the answer would be no to that.

Ms. Harpauer: — So I guess my next question would be, are they no longer at all appointed through orders in council?

Hon. Mr. Serby: — That's correct, Mr. Chair, if this . . . when this legislation . . . when it passes that's exactly what would happen if that amendment were to be made. There would no longer be the appointment through order in council.

Ms. Harpauer: — Under the Act, process has been put in place where animal keepers sell an animal when money is owed. Can the minister briefly explain the process that's in place now, the flaws in that process, and why he felt that there needed to be a change?

The Deputy Chair: — Order. For the committee's information, we now have broadcasting back. So progress is being made and

we expect to have *Hansard* on-line shortly.

Hon. Mr. Serby: — Mr. Chair, there are two reasons here that we're making the change. One is that there . . . we ensure that there's a fair market price here that's attached to the livestock when they're going through and that in fact the livestock are inspected. In the past the way in which it was the custom feedlot operators could sell the animals privately and could sell them un-inspected.

With these changes now we would ensure that we would cover off both of those areas — the inspection and also to ensure that there is a fair price through the marketplace.

Ms. Harpauer: — I thank the minister. There are no further questions.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 50 — The Department of Agriculture
and Food Amendment Act, 2002**

Clause 1

The Deputy Chair: — And I'll ask the minister to introduce any new officials he may have.

Hon. Mr. Serby: — Mr. Chair, my officials remain the same, except I've had departure of Mr. Farrer.

Ms. Harpauer: — Thank you, Mr. Chair. Could the minister please tell us when the decision to wind down the Agri-Food Equity Fund was made, and when was the announcement originally made on this move?

Hon. Mr. Serby: — Mr. Chair, when the finance minister read the budget, that's when in fact the announcement was made, on the day of the budget.

Ms. Harpauer: — Can the minister briefly explain what the mandate of the Agri-Food Equity Fund was? Was it strictly in a lending program or did it convert any of its loans into equity as we've seen done both in SOCO (Saskatchewan Opportunities Corporation) and in CIC (Crown Investment Corporation of Saskatchewan)?

Hon. Mr. Serby: — Thank you Mr. Chair. I might just read from the program literature that was provided within the fund and it would read this way. The purpose of the Agri-Food Equity Fund was to do really three things, is to invest through equity financing in small and medium enterprises that add value to Saskatchewan agriculture, firstly. And secondly, the Government of Saskatchewan has committed 35 million for the expansion of the value-added sector of the ag and food industry. And thirdly, partners with Saskatchewan businesses by investing in agricultural enterprises which are unable to secure adequate equity from other sources.

And we've had a number of these projects across the province, of which I'm sure the member may or may not be familiar with. I can say to the member that there were two such projects that I'm familiar with in my own area that were designed and established in advance of me being the minister. And of course they've been very successful in this fund. It was very, very useful in helping to attract some of the risk money.

Ms. Harpauer: — I thank the minister and I'm just going to re-ask, is it strictly a lending program or did it convert any of the loans to equity positions?

Hon. Mr. Serby: — The answer is that it has converted some of the loans into equity funds.

Ms. Harpauer: — How much in outstanding assets does the equity fund have currently? And what is its equity positions in the projects that it currently has?

Hon. Mr. Serby: — Mr. Chair, my officials advise me that the outstanding equity is 23 million currently and that the equity contributions are in the subordinate debentures, in preferred shares, and in common shares, is the three areas of which they're held. And if the member's interested in knowing what that exact value is, we'd need to provide that for her on a different occasion, I don't have that number with us.

Ms. Harpauer: — I thank the minister; and yes, I would very much appreciate a list in the future if you could get that to me.

When was the last time the equity fund did give out a loan or funding; and what was the project of its last loan?

Hon. Mr. Serby: — Mr. Chair, to the member. I'm advised that the final loans prior to the budget date were to Phytochem and to the Canadian Livestock Services. There were two.

Ms. Harpauer: — The assets are being transferred to the Ag Credit Corporation. These assets were transferred out of ACS (Agriculture Credit Corporation of Saskatchewan) in 1998. Why are we doing a reversal of this?

Hon. Mr. Serby: — Mr. Chair, the rationale for doing this is that it's done primarily for administrative purposes. The equity to ACS is for administration purposes, from the equity fund. And many of their . . . most of the Agri-Food Equity Fund staff have been either laid off or they've been transferred.

And so this is being done specifically for administrative purposes.

Ms. Harpauer: — My understanding is that ACS is also in the process of being wound down. Where do the assets end up after ACS comes to an end?

(19:15)

Hon. Mr. Serby: — Mr. Chair, the ACS in our opinion would still have somewhere in the neighbourhood of 10 or 15 years of, if I might call it sort of shelf life, in terms of finishing out the loans that they're currently looking after.

Much of the work that needs to be done on the Agri-Food

Equity Fund, in our view, would be completed in a far shorter time that's remaining. So the ACS would have, in our view, a longer lifetime to ensure that the Agri-Food Equity Fund outstanding loans that are currently being administered would be completed well in advance of when ACS actually winds down completely.

Ms. Harpauer: — When that time period does transpire and ACS does indeed wind-down, where do the assets go?

Hon. Mr. Serby: — Mr. Chair, the life of ACS, as the member appropriately points out, we'd have two options. We could either sell out the portfolios, ones that are remaining, if in fact we were to arrive at the point where we were going . . . when we wind-down ACS completely or we would continue to collect. And we think the collection period would be completed within the period of about 10 to 12 years.

Ms. Harpauer: — Thank you. The minister . . . in your second reading speech you went out of your way, I thought, to say that the Agri-Food Equity Fund, when it was gone, the money would still be available through CIC, so I assumed that the assets at the point of ACS winding down would also be transferred to CIC. Is that not the case?

Hon. Mr. Serby: — The member is right, Mr. Chair, that the options that we have available to us is that the way in which the second reading speech reads is that we could in fact transfer the asset to the CIC. But at this point we would be continuing to monitor or manage the fund until such time as we were to make that decision.

Ms. Harpauer: — There's definitely a concern on this side of the House that funds will only be available in the future through CIC because they tend to reflect loans . . . or equity positions from CIC tend to reflect the government's policy to take out ownership positions in virtually every project that they get involved in, and they don't seem to have any restrictions on CIC, whereas the fund previously was restricted to 49 per cent equity in a project.

Will there be restrictions on future lending from CIC to the 49 per cent equity?

Hon. Mr. Serby: — I think, Mr. Chair, to the member, this question would probably be better directed to the Chair of CIC, when you have an opportunity to have the opportunity to have that discussion. But clearly the Crown Investment Corporation, when it makes the decision to lend on a project, it would need to pass all of the asset tests in terms of the sound business . . . a sound business plan and whether or not that particular investment would be able to provide the kinds of return that the Crown Investment Board currently has set as its benchmarks.

So on any occasion where the Crown Investment Board is involved in making a decision about what the investment portfolio will look like when they do make an investment, as I've said already, it needs to really pass the test about whether or not it is a sound business plan and it provides the kind of return in which it needs to provide.

Ms. Harpauer: — I thank the minister. And when we're talking about businesses passing the test, would it be possible

when he provides me with a list of the current assets that this fund has, could he please also provide me with a list of how many projects that the equity fund has put money in into in one shape or another, and how many of those are still in business in Saskatchewan, and which ones are not still in business?

And I think that would show if indeed the government has a good measuring stick for what's good, sound proposal. Would it be possible for the minister to also provide that information to me?

Hon. Mr. Serby: — Yes, Mr. Chair, we can certainly provide that. There's no problem with us providing that at all. When the member is examining the list though, she should be cognizant of the fact that the Agri-Food Equity Fund was very much in many cases a funder of last resort in some spots. And often the fund extended itself — or in most cases — extended itself to places where other financial institutions wouldn't go.

And at the end of the day in some instances you'll find when you review the number of projects of which the fund has addressed itself to, that it's been very successful in assisting a business to getting to a spot where they would have never been able to get to in terms of success, without the investment. And I can speak confidently of some of those for sure without any question.

As I said earlier I know of a couple of projects in our own area of the province of which this fund has made a contribution to, and at the end of the day they've been highly successful. Now when you examine the fund you'll find that this hasn't been the case for all of them, but clearly it's a high-risk fund and it's done a wonderful piece of work in my view, over its life, in helping many businesses in the province begin a new way.

Ms. Harpauer: — I thank the minister and I'll be looking forward to that information. Assuming that any other questions I have will be in that information I will be able to ask him personally. So with that I have no further questions this evening.

Clause 1 agreed to.

Clauses 2 to 12 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 51 — The Farm Financial Stability
Amendment Act, 2002 (No. 2)**

The Deputy Chair: — I will ask the minister to introduce any new officials who may have joined him.

Hon. Mr. Serby: — Mr. Chair, my officials remain the same as they were for the last piece of legislation.

Clause 1

Ms. Harpauer: — Thank you, Mr. Chair. If I'm understanding the Bill correctly, its main objective is to allow the owners of feedlots to become members of producer co-ops in order to make it easier to access funding under the livestock loan guarantee program. Am I understanding this correctly?

Hon. Mr. Serby: — Mr. Chair, that's correct, to the member from Watrous. We've attempted to do this Bill now on a couple of occasions I think. The last time we worked away at it we didn't quite have the appropriate Bill. But you're right, we're now on the right Bill.

Ms. Harpauer: — That's true, Mr. Minister. Have the feedlots and the producer associations been asking for this?

Hon. Mr. Serby: — Mr. Chair, the answer is that the feedlot operators have been lobbying us long and hard for this change and this is why we're bringing it forward.

Ms. Harpauer: — Thank you. The reason why they're lobbying the minister, I would assume, is that they would hope to see some growth in the industry simply because they would then have financing available to them. Is there any other purpose of why they wanted this Bill to take place?

Hon. Mr. Serby: — Well, Mr. Chair, this Bill allows the owner to participate directly as opposed to having a large producer group organization that they need to put together.

Ms. Harpauer: — I thank the minister and I have no further questions.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 7 — The Electronic Information and
Documents Amendment Act, 2002**

Clause 1

The Deputy Chair: — I'll ask the minister to introduce his officials.

Hon. Mr. Axworthy: — Thank you, Mr. Chair. I ask the Assembly to welcome Darcy McGovern. I think everybody knows Darcy to my right here.

Mr. Heppner: — Thank you, Mr. Chairman, and welcome to the minister and his officials. It's getting to be the situation we're never totally sure which minister's going to be where. So we're glad this minister is still around. We don't know for how long.

The Electronic Information and Documents Act deals a whole lot with security and safeguarding of personal information. And I think this is probably a much bigger issue in the minds of the people of Saskatchewan than it was probably when, you know, Bill No. 7 sort of came into existence.

Not long ago we brought before this House a situation in southern Saskatchewan where an individual had been spied upon by a government arm. Then we had the situation here in Regina specifically, which was very much a situation of entrapment, where an individual was said yes, go ahead, you can leave your home to do this and this, and as soon as that happened another government arm was out there spying on her.

And I'm sure people, groups such as victims of no-fault, have a big, long list of how individuals' privacy and information about them sort of has been misused and mislaid. And who knows where it all is?

So I would like for the minister to — fairly briefly, not in great detail — review some of the safeguards that are in place to protect people's privacy when they're filing electronic information with the government.

(19:30)

Hon. Mr. Axworthy: — The member will of course know that this piece of legislation, The Electronic Information and Documents Amendment Act, doesn't specifically deal with freedom of information but in fact is designed to ensure that departments and agencies and other bodies can more effectively engage in electronic communications rather than simply paper communications. It also provides that a public body's consent to use electronic communications can't be inferred but must be expressly authorized, and it also provides that consumers will continue to be entitled to a paper copy of any document when conducting Internet sales unless they expressly agree otherwise.

That basically is what this piece of pretty technical legislation is about. But the member raises I think an important question of not only my future but the future of documents and he will . . . maybe I could refer him to The Freedom of Information and Protection of Privacy Act which makes it pretty clear that any of these documents, electronic documents, will in fact be protected in the same way as if they were a piece of paper or on a piece of paper and that then they would be subject to the normal freedom of information protections.

But the legislation itself is extremely technical as the . . . is a technical piece dealing with some specific issues, as the member will know.

Mr. Heppner: — Thank you. I believe Bill No. 7 basically is a result of the Uniform Law Conference that took place and I think that's a move that everyone in Canada recommends and is highly supportive of.

Is this particular Bill identical to what's in other provinces or have we made some changes in it to say that it suits the Saskatchewan situation better than what might be taking place in Manitoba or some other province, or is it identical?

Hon. Mr. Axworthy: — The member is quite right that this is another piece of legislation which emanates from the Uniform Law Conference and it is also based on the UN (United Nations) model legislation as well and ten — nine — nine other Canadian jurisdictions have introduced or are in the process of introducing essentially the same legislation.

There may be some differences in terms of the way in which the provinces have set up their electronic filing of documents process just because it suits them in different ways; but essentially the legislation is the same, in particular with regards to part II, but essentially all provinces will be on . . . have been signatories to the Uniform Law Conference and are implementing legislation in essentially the same way.

Mr. Heppner: — Thank you. There used to be a television program on some years ago that went through various odd laws, and different towns, communities, and jurisdictions and something that would guarantee the town had to have a drinking trough for the horses and all this sort of thing. But it probably took half a century for that piece of legislation to become antiquated.

Now we are living in a time where things move a whole lot quicker, so there was a purpose for my preamble here, where things move a whole lot more quickly.

So because this is a technical document dealing very much with technology and how information is electronically transferred and those sorts of things and the safeguards that are in place, what mechanism exists in Saskatchewan to ensure that as technological changes take place, safe guards are changed and altered to keep up-to-date, or are we just going to put this aside now and then wake up some 10 years later and find out that where technology is and where Bill No. 7 is at that time, they are totally out of synch.

What mechanism is put in place to sort of make sure this stays up to date on a very immediate basis?

Hon. Mr. Axworthy: — The member raises a good point about things becoming obsolete.

This particular piece of legislation, and the legislation introduced in other provinces in that context, does not seek to set specific guidelines and specific models to be followed or specific technologies to be utilized, but rather sets more general guidelines for that very purpose so that as much as possible we're in the realm of general principles which can . . . and those general principles can be responded to in a range of different ways, with a range of different technologies.

But I think the member also raises the important point about how do we keep on top of this. The officials meeting in the Uniform Law Conference process will continue to stay on top of these and other questions.

And it's pretty important that we maintain our pre-eminence in this area. We were, as the member knows, the first province in Canada to introduce legislation dealing with a number of these electronic commerce questions and we would need to stay at the forefront of that legislation, making sure that our citizens, in dealing with citizens from other provinces and provinces trying . . . citizens from other provinces and other countries doing business with our electronic businesses here are fully aware that they have all the range of protections they anticipate having.

So it's a general . . . it's an application of general principles rather than specific technologies. And I certainly share the member's view that it would be a mistake if we got too detailed here because likely those details would get out of date fairly quickly.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 20 — The Consumer Protection
Amendment Act, 2002**

Clause 1

The Deputy Chair: — I'll ask the minister to introduce any new officials he may have with him.

Hon. Mr. Axworthy: — Thanks, Mr. Chair. I ask the Assembly to welcome, in addition to Darcy McGovern, Karen Pflanzner, who is on my right — Karen Pflanzner, with legislative services. I think it's your first visit here so I'm sure Mr. Heppner will be . . . oh, I'm sorry, the member from Rosthern will be most appreciative of that and very welcoming and gracious as he always is. Behind Karen is Al Dwyer, who's the registrar of consumer protection branch and he has been here before.

Mr. Heppner: — Bill No. 20, and I guess the questions that we have this evening on Bill No. 20 are more of a nature that get us outside of the particular province. My colleagues on this side of the House like to get much knowledge in a humorous vein by considering that I'm a Luddite. I wish to ensure the House that I'm anything but a Luddite and have actually done some business on eBay and a few other situations.

So with that becoming a much larger part of our commerce, and I believe that electronic kind of purchasing is making up about 8 per cent of purchases in Canada at this time, what safeguards are there in Bill 20 to ensure that when Saskatchewan citizens do some purchasing on the Internet on an international basis, is there any consumer protection in Bill 20 to ensure that there's protection in those areas?

Hon. Mr. Axworthy: — Mr. Chair, yes, there are protections for Luddites and in fact for all others. The piece of legislation will . . . it's again derived from moves being taken across the country. This Bill, Bill 20, will require Internet sellers to disclose basic information to consumers to ensure that they can make informed decisions before they make Internet purchases, which is the kind of thing we anticipate in one-to-one transactions as well.

It will also require an Internet seller to provide a copy of the contract containing that required information within 15 days after the contract has been entered into and will allow consumers to exercise cancellation rights in similar circumstances to other, for example, direct seller contracts and will also allow a consumer who makes a purchase using his or her credit card — which is, I think, a matter of some concern to consumers using the Internet — to obtain a refund from the credit card company if the seller, the Internet seller, fails to provide a refund after the consumer has exercised the right of cancellation. So it intersperses the credit card company as the most accessible person or organization to the consumer rather than the Internet seller who may be, you know, many, well many miles away, many countries away.

There are also protections here for consumers where a credit card or credit card information is lost or stolen. And essentially this provides, then this piece of legislation provides the same kinds of protections available to . . . as to consumers outside of Saskatchewan, simply ensuring that, as the member points out,

with more Internet or the potential for more Internet commerce, that our consumers and our businesses can take full advantage of buying and selling over the Internet.

This is important for our businesses to be able to portray their business, the legal regime within which they work, as one which protects consumers' interests so that consumers can be fully competent when they do make a purchase from someone here in Saskatchewan. And of course, the same applies for our consumers entering into Internet contracts with businesses from other countries. So this is primarily then a piece of legislation designed to protect consumers when they enter into contracts over the Internet.

Mr. Heppner: — Okay, thank you. Basically two parts to that answer. And the one part dealing with the credit card where if an item is returned and if the money isn't refunded, then the credit card company is the one that's basically held responsible to get that refund in place. I think we can see that that would be working because credit card companies obviously want access to the business opportunities in this province and so they definitely have a vested interest in being able to keep that market open.

But the first part to your answer, I believe, worked around the concept that individuals advertising on the Internet were responsible to have a certain level of openness and explanatory detail about what's happening. And I guess on that one I would like to have an explanation of what sorts of clout someone in one country would have — in this case Saskatchewan would have — to someone else in another country, another part of the world trying to create some commerce.

Now we can see, as I mentioned earlier on, with the credit card situation they want this continued access to the province. We can't deny access to an individual going on the Internet and advertising throughout the world, so how can we ensure that whatever that merchant or individual is saying on the Internet about the merchandise is actually valid and correct?

(19:45)

Hon. Mr. Axworthy: — The member raises important questions of enforcement in what is a worldwide, essentially in the proper sense of the word, chaotic, structure — it's not owned by anybody and it's not controlled by anyone. It is in that sense valuable in terms of the flow of information and certainly has significant impacts with regard to, for example, democratic rights in other countries. It's no longer possible for somebody to hide anti-democratic actions because the Internet broadcasts those things around the world.

But in the context of consumer transactions, it is . . . (inaudible) . . . because of its fluidity and lack of . . . and any lack of any kind of ownership and structure in a real sense. It is difficult to ensure that the kinds of remedies that are available to a consumer who can go to a record store and take a record back because it doesn't work and get their money back, those kinds of protections are really not normally feasible.

So we try to do the best we can in that regard, and the response which has been chosen is to, is to . . . is the charge-back remedy with regards to credit cards. So the consumer has a remedy

against his or her credit card company with the anticipation that the credit card companies will be more careful, if you want, scrutinize more adequately the kinds of Internet sellers they allow to use Visa, MasterCard, American Express, and so on. So there'd be some kind of a process of enforcement through that, through that route.

It's also the case that here in Canada, the Uniform Law Conference and the Consumer Measures Committee, which is the joint committee of federal, provincial, and territorial officials working on consumer affairs and actually also the OECD, the Organization for Economic Co-operation and Development, at the international stage are working to continue to study across-border enforcement issues and to develop policy options for addressing those cross-border issues. So we have the credit card charge back as a remedy, and we are constantly looking and everybody is constantly looking at ways in which we could enforce these matters in other ways across borders.

But the member identifies what I know he knows is a complex enforcement question, and it is one we will probably have to keep up to speed with as new initiatives take place. But it is being looked at in a number of forms internationally and nationally and, as I say, we have that credit card charge back fee . . . charge back remedy.

Mr. Heppner: — Thank you, Mr. Chairman. I guess we just saw something that would seem close to Christmas with a mouse running up the clock over there.

The minister was referring to something that I'd like for him to elaborate on if he possibly could. I am aware of CDs (compact discs) and tapes and all those sorts of things. The minister is referring to if you buy a record at a store you can take that back. I wonder if a little later on he could elaborate what a record is. Like I'm aware of some of these other things but it seems it goes back a substantial way in time.

One last question on Bill 20. Is there anything in here that provides more or less protection to a consumer when they lose a credit card? I think we're always concerned about what happens when I lose a credit card, how much am I responsible for, what if I lose it in the US (United States) instead of in Canada. How is that addressed in Bill 20?

Hon. Mr. Axworthy: — The member also raises an interesting question and an important one too for consumers in the sense that if their credit cards have been lost and are used in an unauthorized way, what consequences flow from that, what protections do they have. If an unauthorized use of a credit card is made prior to the credit card issuer's receipt of notice of the loss, i.e., before the credit card holder tells their bank or financial institution, then the credit card's liability is limited to \$50, or less if the agreement provides for something less. So a maximum of \$50. And after the credit card holder has been notified, the credit card holder has no legal obligation for a debt incurred.

And further, a credit card holder is not responsible for an unauthorized use of credit card information provided that the card issuer is notified within 30 days. So a fair amount of protection to the credit card owner in that case.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 25 — The Cost of Credit Disclosure Act, 2002

Clause 1

The Deputy Chair: — I'll ask the minister to introduce his officials.

Hon. Mr. Axworthy: — Thank you, Mr. Chair. I would like to introduce, to my right, Tim Epp, who is Crown counsel in legislative services. This is Mr. Epp's first attendance here to the legislature so he is of course as nervous as I am. I would ask everyone to welcome him here today.

Mr. Heppner: — Thank you. And again, welcome to the minister's official. We traditionally always give a new MLA (Member of the Legislative Assembly) a free ride the first time he does anything in the House. I'm not sure that we do that for the officials. But we'll let the minister take it from there.

We had a Bill in front of the House some time ago and it seems to have disappeared. That's the Bill that dealt with the ability of collection agencies to operate and how they operated. That Bill just seems to have somewheres gone off into the dim recesses of wherever things goes in this building — maybe it's up where all the graffiti is hidden, for those people that watched the news tonight. But anyways, it seems to have been gone.

Bill 25 raises a question coming out of that other Bill. I believe that Bill has sort of been lost because of a lot of public reaction to it. And I'm wondering on Bill 25, specifically what groups were contacted in order to see whether this Bill was acceptable or what aspects of it needed to go off in a certain direction. And I guess I would probably ask for two or three right off the top. Were any car dealerships or car dealership organizations contacted? And I think this Bill deals to a large extent what happens in some furniture dealerships. Were furniture stores contacted?

So who was basically contacted when this Bill was put together?

Hon. Mr. Axworthy: — The member asks about the consultation process which has as normal been quite extensive. With the uniform law commission and the council of ministers . . . or the Consumer Measures Committee, there were widespread Canadian . . . Canadian-wide consultations with all aspects of industry, consumer groups, academic groups and so on.

In Saskatchewan there has been consultation with a large number of industry, government, consumer groups, and this has been ongoing for some time. We've also had consultations with 93 stakeholders between '92 and '94. Beginning in December of 2000, letters were sent to over 100 stakeholder interest groups inviting feedback.

In February of this year, a revised draft of this Act was sent to

69 interested participants — and I don't know how we identify whether they're interested, but anyway they were interested — and a total of 126 groups and individuals received a further letter dealing with the results of these consultations. And at the same time, some 23 organizations with a particular interest in the manner in which farm lending and leasing was impacted by this Act were sent detailed information.

And also the Broadcasters Association, a meeting was held with representatives of them in October of 2000 and one further meeting in November, and extensive consultations with Credit Union Central, Farm Credit Corporation, the Agricultural Producers of Saskatchewan, private hail insurers, the Department of Ag and Food, and Saskatchewan Housing Corporation.

With regards to the member's specific question about motor dealers, yes, the Saskatchewan Motor Dealers Association was consulted. And the member also asked about furniture stores and they were consulted too. I believe the member will be satisfied with the wide-ranging consultation that did take place in this case.

Mr. Heppner: — We often see on television advertisements talking about zero per cent interest and no payments for numbers of years. You see that with numbers of different products. Does the minister see Bill 25 affecting the way some of that advertising's done, and that when we watch our ads coming through in the next year as a result of Bill 25, will we see different wording that will be taking place in those sorts of ads?

Hon. Mr. Axworthy: — The expectation here, Mr. Chair, is that this Bill will be in force July 1, 2003. That will give time to those selling on credit and those granting credit to harmonize their disclosure practices with the legislation. That will give them enough time I think to get organized.

And we will see, as a result, differences in what is in fact portrayed in advertising. It's hard to believe that zero down and zero per cent financing in fact means that it costs you nothing to finance the particular transaction. It's always going to be hidden or it's always going to be somewhere.

And so in order for consumers to be able to make an effective choice between a reduced price and financing it through their credit union or their bank versus financing it through the car dealer's financing system at zero down and zero per cent over a period of time, there will be in the advertising statements which make this clear. And I think the member might have already seen this in newspaper advertising where when zero down, zero financing is advertised, there is a fairly extensive explanation of what that means.

The purpose here is not to direct any seller or any financial institution towards a particular type of financing or cost of financing or anything of that sort — the market will work that out. But it is intended to ensure that consumers can effectively distinguish the difference between one characterization of interest costs and another so that they can make an effective consumer decision.

As it is at the moment, it is plainly rather difficult for a

consumer to compare zero down and zero per cent over five years with another characterization of how much it might cost them to buy a car at a lower rate. So there needs to be some more uniformity.

(20:00)

And it's a good illustration I think of how, when the original legislation was introduced, it didn't foresee the kind of characterization we see now — zero down/zero per cent.

So as market practices change, the legislation needs to change as well.

Mr. Heppner: — Thank you. Not that long ago if you wanted a credit card you sort of had to go through quite a number of hoops to sort of get one. Now they're being mailed out willy-nilly to all sorts of people. In fact as they get lists of graduating classes in schools and the kids are being sent credit cards. The minister says that MLAs even get them, and I didn't know they sent them to ministers but I guess they do that.

Is there anything in Bill 25 that will affect the information that comes along with a credit card when these are mailed out?

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

Mr. Trew: — Mr. Chairman, I'm asking leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you very much, Mr. Chairman, and members for allowing this brief break. In the Speaker's gallery are three friends of mine — Caroline MacMurchy, and with Caroline a couple of friends of hers as well. We have Victoria Klassen with REDA (regional economic development authority), and Sinead Wotherspoon. Sinead, it's a treat to see you here at the Legislative Assembly as you watch us get through this Bill.

I ask all my colleagues on both sides of the House to help welcome these three guests to our legislature.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 25 — The Cost of Credit Disclosure Act, 2002 (continued)

Clause 1

Hon. Mr. Axworthy: — The member asked a couple of questions around unsolicited . . . or credit cards coming in the mail in an unsolicited way and what that provides.

The member opposite probably . . . (inaudible interjection) . . . yes goes to willy-nilly and buys all his car parts but willy-nilly at that too . . . (inaudible interjection) . . . yes, I know I shouldn't mention members by name or by attribute I guess for

that matter.

A member can't be . . . a member? An individual can't be responsible for an unsolicited card if they don't use it. If they use it, then they will be deemed to have agreed to the terms and conditions which have been set forth.

If application forms for credit cards are sent out or are used in any particular way, they will in fact be governed by this piece of legislation and credit card organizations will have to make clear the terms and conditions of the contract, including interest costs.

The case of unsolicited credit cards is dealt with by The Consumer Protection Act.

But the member will probably know from the detail that is contained in credit card contracts that it is again not always clear on an annual basis what those costs will be. But the credit card application forms conclude how much it is going to cost each month, and so on.

So those details are covered by this Act and will require the same kinds of disclosure as we've talked about with regards to other credit arrangements. The unsolicited credit card issue is dealt with under The Consumer Protection Act.

Mr. Heppner: — Thank you, Mr. Minister. And, Mr. Chairman, I believe that concludes the questions we have on Bill No. 25. We would like to thank the minister for his time and for his assistant who did just a yeoman job of helping him out, which takes a lot of work, as we understand.

Clause 1 agreed to.

Clauses 2 to 57 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 49 — The Charitable Fund-raising Businesses Act

Clause 1

The Deputy Chair: — I'd ask the minister to introduce any of his officials.

Hon. Mr. Axworthy: — Thank you, Mr. Chair. To my right is Andrea Seale from legislative services. I think we're all very familiar . . . well I shouldn't put it that way I suppose. We all know Andrea Seale. She's been here many times and I'd ask you to welcome her; and Al Dwyer has returned from being outside who is head of our consumer protection branch.

Mr. McMorris: — Thank you, Mr. Chair. Really overall in this Bill we don't have a whole lot of concern with it. There are a couple of sections that I do want to ask a couple of questions on and then we'll move it on from there.

But the first issue I was just interested in, because it was a Bill that we had put in as a private member's Bill a year ago. And talking to a few people, they said that there was a committee struck to deal with this Bill. Could you as the minister give me just a brief outline of how the Bill came to, who was on the

committee, that type of thing, some of the organizations that were on the committee that asked for this legislation?

Hon. Mr. Axworthy: — The member raises the question of how did this Bill come to light. And certainly it was facilitated by the private member's Bill from the opposition, which reflected essentially what has been taking place in Alberta.

We did have a consultation process underway with charities dealing with basically . . . well, the charities legislation steering committee was underway at that time. The introduction of the private member's Bill obviously moved that issue along. I won't, I think, read out the long list of consultations, but it is very extensive. Some members of that consultation committee were in the gallery when the Bill was introduced.

So the . . . I think it's fair to say that the private member's Bill played a role in moving this question along. It was something which was of interest to charities, and it is plainly also something of interest to consumers as well. We all want to make sure that our . . . that the donations we think we make, the charitable donations we think we make, go to first, a good purpose and secondly, the purpose for which we intended.

Mr. McMorris: — Thank you, Mr. Minister. Could you explain to me, in section 4, the Bill allows the minister to appoint a registrar of charities where necessary, or one or more deputy registrars. Under whose request did that come? I guess maybe my question is, why couldn't it have been dealt through the Department of Justice, why would you have put in the legislation that a registrar would need to be in place?

Hon. Mr. Axworthy: — In actual fact, in response to the member's question, the job will be carried on in the Department of Justice. In fact, Mr. Dwyer is the registrar of any number of pieces of legislation and processes. And I take it, unless something untoward happens, that he will be the registrar of this legislation, too.

So the . . . In fact I might just say in that regard, that the consumer protection branch, really with modest expenditures, but a lot of work on the part of the officials there, does yeoman work in ensuring that these pieces of legislation are in force.

Now to be . . . to also reflect the nature of the legislation, there is not here going to be a wholesale, or as the member from Rosthern might say, a willy-nilly investigation into charitable fundraising businesses and charities but certainly it is likely driven by complaints, which is the case for now much more of this legislation.

So in fact it won't require a whole person . . . well it will require a whole person but that whole person will be doing a whole lot of other things. It won't require a separate person to do the charitable . . . to be the registrar under this legislation.

Mr. McMorris: — Thank you. So in other words it will be dealt with under the Department of Justice with the person that already deals with registrar issues in a number of different areas. Okay.

The other issue that we were concerned with a little bit was section 22 dealing with solicitation of people that request no

solicitation, people that say they don't want to be solicited for whatever reason. It says in here that they follow along with that; this Bill needs to follow along with that.

How is that all going to work when, you know, a non-profit goes door to door and taps on a door where people have said I don't want any solicitation, and how is that all going to be enforced, I guess, and kept track of for the local community groups that do so much door-to-door fundraising?

Hon. Mr. Axworthy: — The member I think will know that this was raised with us by the Canadian Cancer Society. And the question is really how could a door-to-door canvass take place effectively if there were some people who you shouldn't call on, but how would you know you shouldn't call on them and how would it be effectively . . . how would it be effectively managed?

What we will do here is we will . . . there will be a do not solicit list. But the regulatory power in the legislation will exempt those door-to-door canvassers so they will be . . . they won't have to worry about any implications from canvassing someone who has said they don't wish to be canvassed in that door-to-door canvass they have.

And I think when you consider the Salvation Army, the Cancer Society, and a whole range of other charities who get volunteers to knock on doors, which is not necessarily the easiest thing to do in the first place, it's only . . . I think it was a good issue that was raised by the Canadian Cancer Society. We think this will deal with it effectively, and I think they will see it as effective too.

(20:15)

Mr. McMorris: — Thank you, Mr. Minister. Is there going to be any sort of — and I don't know the process — are you going to notify all the fundraising groups that this legislation is now in place, that perhaps weren't on the organizing committee? So that they are aware that there is some legislation in place so that if a fundraiser comes into the area and starts fundraising under a bogus name, that there is an avenue now that they can go and complain to, that there is legislation in place that they can report these fundraisers, fundraising organizations that don't have any credibility in our province.

Hon. Mr. Axworthy: — Anyone who . . . well, first of all, let me say that the consultation here has been very broad and so charities themselves, and charitable fundraising businesses, will be all too familiar with this legislation. But of course, we'll notify them when it is in place that in fact it does apply to their activities.

In terms of an individual who feels aggrieved by some practice on the doorstep or over the telephone, I suppose, they will be able to contact the registrar in the Department of Justice.

And the member actually raises an interesting question. It might be wise — it seems to me it would be wise — to ensure that there is the widest disclosure of this legislation and this ability to the public at large. Even those of us who perhaps think we know a lot about these things, I imagine could be well served by being reminded of our remedies. And that could be done in a

number of ways. I think the member raises a useful point here.

Mr. McMorris: — Well thank you, Mr. Minister. I guess that's really all the questions I had.

I am very glad to see this legislation come into force because I know — as I mentioned, I believe, in the response to the second reading speech — a number of receptions that I had been to through fundraising, that were put on by fundraising organizations, were really quite concerned that they were losing some dollars out of the province that really did not need to be in. And you know, I guess from my perspective, I just was surprised that there would be people out there doing that. But I guess when it comes to dollars and cents, people will do almost anything and go under whatever assumed name is possible.

So congratulations and thank you for the legislation, Mr. Minister.

The Deputy Chair: — The Chair would like to ask leave of the committee for consent to deal with this Bill in parts because of the length of the Bill, there's some 50 clauses. Do I have agreement that we deal with this in parts? Agreed. Thank you.

Clause 1 agreed to.

Clauses 2 to 50 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 1 — The Ethanol Fuel Act

Clause 1

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

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. I'd like to, to my right, introduce Larry Spannier, who's the deputy minister of Industry and Resources. Coming along shortly will be Michael Fougere, director of strategic investment attraction, and Dave Kutcher, the senior project leader for ethanol development.

Ms. Harpauer: — Thank you, Mr. Chair. There's a number of questions that we would like to ask the minister simply because everything in the Bill is in regulation, as the member from Cypress Hills pointed out the last time that he spoke to this Bill. That there's very little in the Bill itself; it's all in regulations. So that leaves a lot of questions unanswered.

The first question that I would like to ask him is: we're all well aware . . . it's quite public of the business deal that's been made between CIC and Broe industries. So the question that I'm being asked by other communities is why Broe industries, a company that has no experience in ethanol, was chosen so quickly by CIC for a partnership agreement? They're basically saying is it because they had an exceptional business plan in place? Were they farther ahead in feasibility studies? What was the reason that CIC set up a partnership agreement so quickly?

Hon. Mr. Lautermilch: — Mr. Chairman, I must tell the member opposite that CIC has reached no agreement with the

Broe group of companies or anyone else.

Ms. Harpauer: — I thank the minister for that answer. When there was an announcement of four particular communities that were chosen to have 80-million-litre ethanol plants being built in their communities, I believe they came to Regina here to make the public announcement.

Is he now saying tonight that these communities will not be receiving capital investment from CIC, that there is no agreement, and therefore perhaps they made their announcement a little early?

Hon. Mr. Lautermilch: — No, Mr. Chairman, the agreement, as I understood the press release, was a memorandum of understanding between a number of communities in Saskatchewan and the Broe group of companies to look towards the development of ethanol in the province. CIC was not involved in that.

Ms. Harpauer: — I thank the minister. So there is absolutely no contract signed. There's no letter of intent between Broe and CIC. There is no commitment from them to these four communities for ethanol plants?

Hon. Mr. Lautermilch: — I can only tell you that the document that you would have seen as it relates to the four communities and Broe was a memorandum of understanding signed by that company and the communities from Saskatchewan to pursue ethanol development. I can tell you that there has been no recommendation to the board of directors of Crown Investments Corporation recommending an agreement with Broe or any other company as it relates to ethanol development.

Ms. Harpauer: — So the next question I would like to ask the minister . . . since I had the opportunity to speak to Frank Hart or ask him questions in the CIC committee, Frank Hart insinuated at that meeting — I believe it was . . . I don't have the date right offhand but I can get that to him — that Broe industries was only interested in such an investment in the province if indeed CIC did partner with them.

So has Broe changed their mind? They're not asking for a CIC commitment any longer or is that just a given deal even though technically we haven't signed anything? However if CIC does not partner with them, are they still going to remain committed to the four communities and committed to the capital investment that they've promised?

Hon. Mr. Lautermilch: — Mr. Chairman, I can only tell the member opposite that I met with Mr. Broe a few weeks ago . . . a couple of weeks ago, and he indicated to me that although we would not support an exclusive arrangement with the Broe group of companies, that he was still interested in pursuing ethanol development in this province.

I indicated to him that it was our desire to see a component of local Saskatchewan business people with the ability to invest in ethanol development, if they so choose, which the Broe group have agreed to. They have also indicated to us that they would want to see Crown Investments Corporation with an equity position so that they could be guaranteed in their minds and

guaranteed to their financiers that in fact the rules as it relates to ethanol and the support for ethanol wouldn't change in Saskatchewan in the near future.

Ms. Harpauer: — Does the minister not even himself see the . . . how ridiculous that particular opinion is? The rules for ethanol have changed in the last 10 years under his government once or twice already. The rules for a number of things have changed under this government. So it's rather strange that a company would believe that a government would offer stability.

However the concern that I am hearing in other communities that were interested in perhaps investing in an ethanol industry in their communities, the major concern comes in to whether or not there will be any sort of exclusive element included in a deal that may be signed between CIC and Broe industries in the future. And so is Broe industries asking for an exclusive manufacturing rights within the province for any period of time?

Hon. Mr. Lautermilch: — Mr. Chairman, no.

Ms. Harpauer: — Is Broe industries asking for exclusive rights to a partnering position with CIC for capital investment for ethanol production in our province for any period of time?

Hon. Mr. Lautermilch: — Mr. Chairman, no.

Ms. Harpauer: — Is Broe asking for exclusive rights to the domestic sales within our province for any period of time?

Hon. Mr. Lautermilch: — Mr. Chairman, no.

Ms. Harpauer: — Is the minister aware that again at the committee meeting that I attended, that Mr. Frank Hart said that Broe is indeed asking for some exclusive rights?

Hon. Mr. Lautermilch: — Mr. Chairman, I am aware that Broe was asking for exclusive rights. It's been indicated to him that the government of Saskatchewan isn't interested in that type of arrangement.

Ms. Harpauer: — So in fact for the last three questions, we'll just . . . going to retract. Which one are . . . what type of exclusives rights are they asking for?

Hon. Mr. Lautermilch: — Mr. Chairman, they're asking for no exclusive rights. They're only asking for a business arrangement to come and do ethanol development in the province, working with some of the communities that the member is aware of.

Ms. Harpauer: — So again I remind the minister that Frank Hart said that they wanted some exclusive element to the deal. What part of that deal is exclusive?

Hon. Mr. Lautermilch: — No part.

Ms. Harpauer: — If a community raises the capital necessary and wish to build an ethanol plant in Saskatchewan, will they have the right to do so in our province? Will they have to apply for a licence or an operating permit or any other type of approval from this government in order to build an ethanol

plant in their community?

Hon. Mr. Lautermilch: — They would have to apply, as any other business would, for the appropriate licences to do business here in Saskatchewan.

Ms. Harpauer: — Will those communities that apply to have an ethanol plant in their communities, will they have access to the domestic sales within the province as equally as well as the Broe deal?

Hon. Mr. Lautermilch: — The arrangements between the producers — or potential producers — of ethanol will be on a fair basis and fair access to the refineries who ultimately will drive the decision. It'll be price-sensitive and it'll be based on what kind of an arrangement the producers of ethanol will be able to reach with their two refineries with Husky and Co-op.

Ms. Harpauer: — What type of arrangements is the minister trying to negotiate with Husky and Co-op? Will either one of those be the sole or the exclusive refinery that will have the rights to blending the ethanol-blended fuel?

(20:30)

Hon. Mr. Lautermilch: — No, I can say to the member opposite that Husky already blends ethanol here in our province. Co-op is a retailer of I think the figure is around 80 per cent of Saskatchewan's production. So I would assume that it will be a business decision made by both refineries in terms of how much ethanol they buy and what market share in the province they have.

Ms. Harpauer: — The four plants that have been announced in the four chosen communities, the minister has said a number of times that the producers can buy in, that this is not going to exclude the producers. So if indeed the deal that is being negotiated and not signed to date does include a partnership between Broe and CIC, how will the local producers buy in? Will CIC turn their equity into share positions or how will they handle the local producers being able to buy in to the plant?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, you know much of the work is being done in the local communities who are putting together interest and expressions of interest from different communities whether it be on the livestock side or whether it be investment straight into the ethanol or a combination of both. And I would think each community may in fact make a business arrangement that will suit and benefit their communities.

I can only say to you that local investors will have the opportunity to invest in ethanol production and to invest in the livestock that will be supported by the ethanol production here in the province.

Ms. Harpauer: — If one of the four communities that has made the announcement to build a plant does find a financial package through producers, probably partnering with another company other than Broe, will they be able to enter into those type of arrangements without any difficulty from Broe industries or the government?

Hon. Mr. Lautermilch: — Mr. Chairman, absolutely.

Mr. Brkich: — Thank you, Mr. Chairman. I have a question dealing with . . . I've had a couple of groups in my area that have been talking about ethanol. I mean everybody's been talking about ethanol the last year or two. And they're just starting to put together their plants and they're also looking to partner up, and one of the things that they've mentioned is CIC. Would they be free to . . . would CIC be free to invest with them, partner up with them, or are they only exclusively to partner up with Broe if the deal with Broe does get signed and go through?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, I think I've said this before and I'll repeat it for the benefit of the members opposite that if Broe, if the Broe group of companies signed an agreement with Crown Investments Corporation based on good business sense, it will be brought to the board, and the board would then make a decision as to whether they approved it or whether they didn't.

If Commercial Alcohols, as an example, would come to CIC, and they've met just as recently as last week with a business arrangement and it was approved by the board, then that would be an agreement as well. If other companies who are proponents of ethanol development would choose to see Crown Investments Corporation as an investor, it would be made based on a business case.

There is no exclusive arrangement. And I don't know how many times I can suggest this to the members opposite, it just doesn't seem to stick. There is no exclusivity. There have been no agreements reached with any company, but Crown Investments Corporation would be open to look at a business case that made sense for it as a corporation and the people of Saskatchewan through it.

Ms. Harpauer: — I want to thank the Minister and his officials and there will be no further questions.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

Some Hon. Members: Hear, hear!

THIRD READINGS

Bill No. 44 — The Animal Products Amendment Act, 2002

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

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

Bill No. 50 — The Department of Agriculture and Food Amendment Act, 2002

Hon. Mr. Hagel: — Mr. Speaker, I move this Bill be now read a third time and passed under its title.

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

**Bill No. 51 — The Farm Financial Stability
Amendment Act, 2002 (No. 2)**

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

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

**Bill No. 7 — The Electronic Information
and Documents Amendment Act, 2002**

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

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

**Bill No. 20 — The Consumer Protection
Amendment Act, 2002**

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

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

Bill No. 25 — The Cost of Credit Disclosure Act, 2002

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

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

Bill No. 49 — The Charitable Fund-raising Businesses Act

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

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

Bill No. 1 — The Ethanol Fuel Act

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

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

ADJOURNED DEBATES

SECOND READINGS

Bill No. 58

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 58 — The Income Tax Amendment Act, 2002** be now read a second time.

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, it's indeed a privilege and an honour to get involved in the second readings of a number of Bills this evening, being that we have some time that we can spend on a number of these Bills.

Bill No. 58, The Income Tax Act as proposed by the Minister of Finance, restates some of the things that the minister announced that people of Saskatchewan were looking forward to I think as much as two years ago and puts in place the various changes that were announced that people were looking forward to.

As we've stated before, tax cuts to improve the position of the province, to improve the economic position, to encourage growth is what is necessary in this province. And we as an opposition party have been very adamant in terms of developing a strategy about how we would grow this province, Mr. Speaker.

The growth of Saskatchewan I think is critical. We have maintained a population of nearly 1 million for many, many decades, and we're now at a position of course where we need to ensure that people who are very well-trained, who are well-educated in a good education system that we have in this province, have the ability to have a job and to stay here.

And as a result, the changes that the minister puts forward regarding the personal income tax levels that will be assessed are, in our opinion, a good step forward. But you know, Mr. Minister, there is . . . or Mr. Speaker, there is a negative side to this because everything is relevant in comparison to all of the provinces. And we have to only take a look at the guidebook that shows the 2002 tax rates that are going to come into effect in all provinces, Mr. Speaker, you know.

And the Minister of Social Services has had an opinion on a lot of things, Mr. Speaker, lately. But it's interesting to note that he suddenly wants to become involved in the debate on taxes.

Mr. Speaker, the tax rates that are charged by our neighbouring provinces are very, very critical to the growth of Saskatchewan because as young people look at their incomes for starting positions, they took a look at what of course is going to be that take-home pay — the amount of money that's left in their pockets. And, Mr. Speaker, when we look at our neighbouring province to the west, we look at Alberta, and Alberta of course is on a flat tax of 10 per cent.

So when we look at Saskatchewan and we look at our rates of 11.25 and 13.25 and 15 and a half per cent for the three categories, we know that of course those are not in the same . . . they're not in the same ballpark, Mr. Speaker, as Alberta's.

You know, Mr. Speaker, the other thing we also have to look at is the province to the east of us — Manitoba. And Manitoba's beginning rate for taxation for people in the first income bracket, which is up to \$30,544 in Manitoba, is 10.9 per cent — it is better than the Saskatchewan rate.

So while we've moved forward — and we want to again commend the minister for taking that initiative two years ago — we believe that the lower income tax bracket is where this province has missed the mark.

Mr. Speaker, it has missed the mark because we constantly keep talking about minimum wage and the fact that we need to address the concerns of lower income-earning people.

There isn't a great deal of joy to someone who is on minimum wage, and probably keeping two or three part-time jobs to maintain a salary that's going to be able to help pay all the bills, when in the end they end up paying income tax.

Mr. Speaker, the tax rates are part of the problem. But the other problem, of course, is where do the exemptions start for an individual. And in Saskatchewan we're now at a point where the exemption rate for an individual is at \$8,000. That is far lower than our neighbouring provinces, and I use Alberta as the example, which is \$12,000.

So when we're talking about a family of two or maybe even with three or four people in the family, with two children, the amount of money that is taxable in Saskatchewan, if we look at two adults, we're talking about an exemption of \$16,000. In Alberta, that exemption is \$24,000. So for two people earning the first \$16,000 in Saskatchewan, they wouldn't pay tax. In Alberta, it will be 24,000.

So, Mr. Speaker, that is a big difference. And that is what people look at when they look at job opportunities and take-home pay for themselves.

Mr. Speaker, the tax rates that are proposed in this Bill, as the minister has indicated in his first reading, are also housekeeping in nature in that the income tax is defined, the taxable income that is earned in Canada is defined so that we're on the same type of information that is provided by the federal government.

Mr. Minister — Mr. Speaker — sorry, Mr. Speaker, the disability tax credit that has been put in place has been something that has been looked forward to by many individuals who of course unfortunate that they do have a disability, but this will allow a tax credit to come into play where it will allow for them to pay less tax and thus be able to meet some of their needs.

Mr. Minister, the tax credits that have been implemented across the board, the calculations that are indicated in the Bill, are ones that the taxpayers are looking forward to.

Mr. Speaker, I did have a couple of letters come in when this Bill was introduced and one of the concerns was while there were people were happy of course that the tax rates were declining both provincially and federally, one of the changes that occurred that I think surprised a lot of people when they started to calculate their 2001 tax returns was that there used to be something called a Saskatchewan tax credit reduction — a \$200 tax credit reduction.

And that was of course based on . . . you'd qualify for a portion . . . all or a portion of that amount based on your income. Many people who did their calculations as soon as they found out that that \$200 tax credit wasn't there, they found out that indeed their taxes had not dropped significantly and in some cases we've had reports that people in the very low tax brackets — low income earners — that the taxes, the income tax payable in fact increased.

So while the minister has been saying that everyone is benefiting from income tax cuts, there are a group of people out there in that low tax bracket who, as a result of the loss of the Saskatchewan tax credit, have ended up paying more taxes for this year. And I'm sure that those concerns have been sent to the Minister of Finance's office and that he's responded accordingly.

Mr. Speaker, we do have a few questions that we would like to ask the minister regarding specific sections and the explanation of words and definitions that he has used in Bill No. 58, but I think that I see no problem in handling them at the committee level. So we would allow the Bill to move on to committee.

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

Bill No. 66

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 66 — The Municipal Employees' Pension Amendment Act, 2002** be now read a second time.

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, just a few short comments on Bill No. 66. In our consultation with various peoples throughout the province we wanted to get an explanation from members who are involved in the municipal employees' pension funds. And their comments have been that on the whole it's relatively a housekeeping Bill in that it allows for some of the changes to be made that they have been asking for, for a number of times.

There was some discrepancy about the collection or the receiving of two pensions. If a worker was hurt and receiving pension benefits from WCB (Workers' Compensation Board) and their municipal pension as well — and these are, of course, are municipal employees — so the amendments in Bill No. 66, I think try to ensure that those kinds of inconsistencies are taken care of.

Mr. Speaker, the creation of the category called the designated member very clearly helps the police officers and firefighters who have attained a retirement age at 60, of course, rather than 65. And the contribution level that these people have made to their pension plans is higher than it would be for others. And now the Bill generates a change to the municipal employees' pension fund that will allow those kinds of situations, both in the general sense and in the designated sense, to be combined into one benefit to avoid of course, separate retirement dates. So that's a good situation, Mr. Speaker.

Mr. Speaker, the municipal secretaries have been in . . . the concerns about the minimum monthly pension for municipal secretaries was raised by secretaries a number of years, and this Bill proposes to eliminate that minimum standard and thus allow, of course, members to . . . who would otherwise qualify for it.

Mr. Speaker, with those few brief comments, I think that the income tax . . . or the municipal employees' amendment Act deals with some very necessary things to ensure that the workers, the municipal workers, who are injured on the job, the

firefighters, police officers are dealt with appropriately and that so no inconsistencies occur. And this Act, at this time, seems to have met some of those requests.

So we would also deal with this Act in committee as well.

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

Bill No. 35

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 35 — The Fiscal Stabilization Fund Amendment Act, 2002** be now read a second time.

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, we've had a number of discussions in this Legislative Assembly, that is specifically myself and the Minister of Finance, regarding the Fiscal Stabilization Fund during estimates. And we've had the chance to hear the minister's explanation for what the Fiscal Stabilization Fund really is or is not as the case may be.

Mr. Speaker, I want to make a couple of points about a press release that was done by the Minister of Finance dated March 29, 2000 — that's over two years ago, Mr. Speaker — when the government was providing information about why the Fiscal Stabilization Fund was going to be set up and the kinds of things that it would avoid happening in the future, Mr. Speaker.

Mr. Speaker, the entire picture for creating the Fiscal Stabilization came from the fact that the Saskatchewan Liquor and Gaming Fund Authority had over the years maintained, for purposes of bookkeeping, the dividends that it had maintained within its fiscal structure. Mr. Speaker, those were just that, they were a paper entry about the Saskatchewan Liquor and Gaming Authority's dividends or monies that had been maintained in a dividend fund. The government, while looking at the entire economic picture of the province — and I know that the auditor has stated many times that Saskatchewan should be like seven other provinces already in Canada that work from summary financial statements, not at the end of a year or year and a half, but right at the very beginning when a budget is being put together — it is necessary to look at the entire economic picture of the province through summary financial statements, which would mean that the Crown Corporations and all of the things, plus the various departments in the General Revenue Fund.

We would have the economic revenue picture, we would have an understanding of what the expenditures would look like, and thus there would be in this House a debate about the goals, the objectives, and whether or not those kinds of things could be attained. What it would prevent then, Mr. Speaker, would be this very Bill that we see before us.

A Fiscal Stabilization Fund that is not on deposit — there is no fund on deposit, the minister has said that — it is a line of credit that exists to be able to allow the government to indeed borrow more money. And, Mr. Speaker, it was very evident last fall when the Finance minister related through something that is called the mid-term financial report of the province. He related

that the debt of the province was going to rise because there was a need to access more money from the Fiscal Stabilization Fund. People found that very surprising, Mr. Speaker, because if there's a fund of money and you're taking from that fund, why would the debt of the province go up? Well it's clear that every time the government says it's using the Fiscal Stabilization Fund what it really means is that it's going to borrow more money to be able to offset that debt.

So, Mr. Speaker, the goal that was established on March 29, 2000, at a time when the fund was going to be maintained at about 7 per cent of the revenue of the province, now we're seeing that of course those projections are gone because the use of the money by the government, the use of the line of credit by the government, has exhausted that very, very quickly, that \$775 million line of credit that was established. This government last year fell short by over \$400 million on balancing the budget — so-called balancing — and as a result had to borrow that \$400 plus million. This year they're going to be borrowing in excess of \$200 million. And next year the projection from the minister's comments in the budget is that the remaining balance of the fiscal stabilization line of credit is going to be used up.

So, Mr. Minister, whereas this document that was produced by the government on March 29, 2000, that stated that the Fiscal Stabilization Fund at the end of 2003-2004 would still contain about \$290 million, which was going to be estimated to be at about 5 per cent of the revenues of the province, that plan is out the window because now the government has said that we will use that entire line of credit up by the time that we get to the end of 2003-2004 fiscal year.

So as a result The Fiscal Stabilization Fund Amendment Act has to be introduced into this House to be able to create the situation where indeed the government has the flexibility of using up all of the line of credit this year or using up three-quarters of it this year and allowing the balance to be used up next year.

If the minister's projections are accurate in his document released back in March — the budget of this year — he is stating that the Fiscal Stabilization Fund line of credit at the end of next year will be zero. So while there was joy that we were supposedly going to set aside a fund of 775 million, indeed there was no \$775 million bank account. It's interesting to compare the Heritage Fund of Alberta which now sits at 12.1 billion actual dollars that are invested, that are managed by professional finance people that are trained in those areas. And as a result, they do have over \$700 million worth of revenue that was transferred to the General Revenue Fund. That's from interest earned on that kind of a bank account.

So, Mr. Speaker, we don't have such a fund. The Fiscal Stabilization Fund does not produce any interest, as far as a revenue. What it does now state, or the government now is proposing to do, is to allow the flexibility in their own plans that they created just a short two years ago, that said that the fiscal stabilization line of credit would be maintained at 5 per cent. And now the government is saying that their plans are no longer valid, that indeed this government, under the leadership of the new Premier, has to justify exhausting that entire line of credit to come up with a so-called balanced budget, even though

we know that the debt of this province is going up. It's rising dramatically from 11.1 billion to be estimated at 11.4 billion. And as a result, we will be further and further into debt.

So, Mr. Speaker, we'll have a number of questions for the minister during Committee of the Whole.

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

Bill No. 36

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 36 — The Corporation Capital Tax Amendment Act, 2002** be now read a second time.

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 36, The Corporation Capital Tax, has introduced one very small change that I think will help some businesses in that the value of a small business before taxation kicks into play here will be increased from \$10 million to a \$15 million maximum.

Mr. Speaker, that's a positive step forward. And that will not bring us into line with other provinces, but it will help the corporations that are developing in Saskatchewan, the few that there may be, to indeed hold back some of their taxes.

Mr. Speaker, one of the assessments done on Saskatchewan is called Public Policy Sources No. 57. And I want to read a section from this document about corporate capital tax, Mr. Speaker. This is on page 11 of this document from the Fraser Institute and it says this. It says:

Saskatchewan is the largest user in the country of corporate capital taxes, often called Canada's worst tax. The province uses the corporate capital tax more than any other province. This is measured by corporate capital tax as a percentage of own source revenue, GDP, and corporate income tax. In fact, Saskatchewan is the only province to regularly collect more corporate capital taxes than it does corporate income taxes.

I'll just stop at that point, Mr. Speaker. It's stating that Saskatchewan collects more corporate capital tax than it does corporate income tax. And I think, Mr. Speaker, as we've listened to people who have . . . who are outside of Saskatchewan do an assessment of Saskatchewan and say, why aren't we booming, why aren't we moving at the same kind of level as our neighbouring provinces or some states, they have pointed to this corporate capital tax as a deterrent for why corporations are not growing and expanding rapidly in Saskatchewan.

Corporate capital tax is very negative; it holds back development. And when you look at the amount of revenue that is obtained from corporate income tax — which is what you'd want, of course, because you'd want to have corporations making money and paying income tax — they indeed pay more capital tax than they do income tax.

This article goes on to say, and I quote again:

Given the tremendous disincentive corporate capital taxes create against capital formation, coupled with their rarity outside of Canada, along with Saskatchewan's clear difficulties in attracting investment and business development, it seems patently obvious that the province should stop its high use of this type of taxation.

Mr. Speaker, an outside analysis of Saskatchewan's corporate capital tax position relative to other provinces, relative to other parts of the world that says that Saskatchewan is the highest user of the corporate capital tax and probably it creates the most negative effect on the province of Saskatchewan.

Mr. Speaker, while we understand of course that you can't move from a full tax to a zero tax in one movement, there has to be a move by this government to address why we're not having more corporate income tax being paid. Why are there not more corporate . . . corporations locating in Saskatchewan, paying income tax that indeed would be at a higher level than the corporate capital tax?

We've heard from this type of report that this is a tax that is negative and it holds back the growth of the province. So if we're going to be looking at Saskatchewan from the position of growing Saskatchewan, from trying to attract, you know, 100,000 people over the next 10 years and growing it, this is a tax that has been pointed at as being one that Saskatchewan makes the most use of it, but yet it's being looked at as being the most negative tax in all of Canada.

So, Mr. Speaker, this is clearly a concern for many people. Many businesses and corporations in Saskatchewan that are looking at other provinces are looking at the application of the corporate capital tax in a neighbouring province. If you can locate in Alberta and save huge amounts of tax dollars, that's the kind of thing that businesses will do.

So, Mr. Speaker, there is a situation here where the NDP (New Democratic Party) have not looked at fairness across the province for a decade. And now we've made a small move forward to try to address some of the concerns by changing the value from 10 million to 15 million, as I said in my remarks at the very beginning, which would be a positive kind of step.

But there is a long way to go, Mr. Speaker, in terms of making Saskatchewan more attractive, in making it more on the same level playing field as other provinces so that indeed corporations would have a difficult time leaving Saskatchewan, or in fact it would be in a position where they might be encouraged to come to Saskatchewan.

So, Mr. Speaker, with those few comments, we will allow the Bill to move to committee where we will address each of these sections in turn. Thank you.

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

The Assembly adjourned at 21:08.