

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
May 19, 1993

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**INTRODUCTION OF GUESTS**

**Mr. Hagel:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to all members of the Assembly, 56 grade 4 students from Sunningdale Elementary School in Moose Jaw, who are seated in the west gallery today, Mr. Speaker. Mr. Speaker, these students have already been on a tour of the Legislative Assembly, and today they are accompanied by their teachers Mrs. Templeton and Mrs. Sudom-Young, and their chaperon Mrs. Engel.

Mr. Speaker, you will notice that around quarter past the hour that they and I will quietly sneak out of here, and we will join together for a photo and a visit and refreshments, which I look forward to. And I ask all members of the Assembly to welcome our visitors and guests from Sunningdale School in Moose Jaw.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, to you and through you I'd like to introduce you to a group of grade 7 students from the Kindersley Elizabeth School. They are seated in the east gallery, Mr. Speaker. Mr. Speaker, they're accompanied by their teachers Dave Burkell, Lane Peterson; chaperons Mary Schmidt, Eleanor Whyley; and their bus driver is Jim Baker.

Mr. Speaker, I'll be meeting with this group following question period for some questions and answering session. As well, Mr. Speaker, I would ask the members of the Assembly, please join with me in welcoming these students here today.

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

**Hon. Mr. Wiens:** — Mr. Speaker, it's indeed a pleasure and an honour to introduce to you and through you to the members of the Assembly a visiting delegation from the People's Republic of China from the province of Heilongjiang from the Department of Agriculture and Aquaculture at Harbin.

They are being hosted by Dr. Maynard Chen who visited Harbin last fall in order to examine the opportunities for an aquaculture program, and they are here to officially receive some fish culture materials, wall-eye eggs, in order to engage in a program of exchange.

They are Yang Defeng, the deputy chief of the Bureau of Agriculture; Yang Dayu, the director of the aquaculture institute; and Zhang Zhihua, the assistant director of the Aquaculture Research Institute; and their host, Dr. Maynard Chen. Welcome.

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

**Mr. Lyons:** — Thank you very much, Mr. Speaker. I've left the best to last. Mr. Speaker, I'd like to introduce to you and to all other members of the Assembly a group of 27 bright and lively young people. They're seated in your gallery.

Mr. Speaker, now there's no surprise to members of this Assembly that they're bright and lively because they attend Ken Jenkins School in the constituency of Regina Rosemont. They are accompanied here today with their teacher, Mr. Wally Sadowsky.

Mr. Speaker, I'd like all members of the Assembly to welcome these fine people from Rosemont here today to this Assembly.

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

**ORAL QUESTIONS**

**Government Contracting Policy**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier. Mr. Premier, slowly but surely we've been able to drag the truth out of you and your government; so today we're going to try and make a little more progress.

Mr. Premier, on Monday the Minister of Labour stood in this House and said that there had been no second tender call let by Sask Water; then it turned out there had been a second tender call. Yesterday you stood in this House and insisted that there was no union tendering policy, but then five minutes later you admitted to reporters that SaskPower did have a policy like that for contracts of over \$150,000.

Mr. Premier, why don't we make it easy today and let's start with the truth, for a change. What is the policy of your government for deciding which tenders will be open to union contractors and, Mr. Premier, which Crowns and departments have such a policy, and what is the criteria upon which determination is made to allow union-only contractors?

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

**Hon. Mr. Romanow:** — Mr. Speaker, the policy which I articulated yesterday is the same today. I invite the hon. member to take a look at *Hansard* and he'll see that there has been no change.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, whether you want to admit it or not, your government has adopted a union-only tendering process. First you tried to hide the decision altogether, and now that the facts have come in, you refuse to say exactly what your policy is.

Mr. Premier, will you tell us the reason for moving to this union-only contracting process? Why, at the same time when your government is preaching fiscal

restraint, why would you adopt a policy that is going to cost millions of extra dollars every year? Why shouldn't contracts simply go to the lowest qualified bidder?

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

**Hon. Mr. Romanow:** — Mr. Speaker, the incredibility of the member's questioning is exemplified again by this question today. Starting out on a totally wrong assumption, the member then concocts a series of straw men and women, and then asks the government to respond to it.

I simply say to the hon. member opposite, please listen and understand that the position of the government is the same today as it was yesterday. There is no union-only policy. Do you understand that? There is no union-only policy. Do you understand that? Now if you can understand that and work a question on that basis, we'll try to answer as specific examples come up.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, maybe you should take the time to read some of the contracts that are going out from SaskTel, SaskPower, Sask Water, because that is exactly what they say in them. They say consistently that union-only contractors will be given preference to this contract. That's what they say in them. It isn't my tendering calls that are going out. It's you and your government's tendering calls that are going out.

Mr. Premier, which way is it? Is it that there is union-only tendering policy with your government as the contracts that you have sent out say, or is there not? Which way is it, sir?

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

**Hon. Mr. Romanow:** — Mr. Speaker, this is such a straightforward, simple answer that the hon. member is either incapable and/or unwilling to understand it.

The position of the government is that we seek to develop a policy, as I alluded to yesterday, on the basis similar to the 1970s, where there is a dollar figure, where the bid is open to anybody. Above the dollar figure there is a union preference — note the word preference — but not a union-only policy; that there are circumstances like there was when you were in government where there is only unions, like Rafferty, like Shand, like the upgrader — you only had union-only — circumstances of that nature.

And that is a position that your government took and our government took. There is no union-only policy. Now are there tenders being asked where there is a union preference? Yes. Does that say that that means every tender is union only? No.

I told you that yesterday; I repeat that again today. Surely to goodness you've got other more substantive matters that you can address in question period than

that.

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

**The Speaker:** — Order. Before I allow the next question, I do want to ask members that there is way too much interruption when the Premier is trying to answer. Too much interruption.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, well maybe we could let the people of the province judge what it says in those contracts. And I'll just read a couple of the paragraphs from the contracts and we can see whether or not they believe you when you say that there is no union-only preference:

It is a requirement of this Contract that the contractor has a collective agreement(s) . . . with a trade union(s) . . .

That is what that contract says. The next one says:

. . . every new Employee whose employment commences hereafter shall . . . apply for and maintain membership in the Union as a condition of his employment . . .

That's what that contract says, sir. The next one says:

Effective immediately construction contracts at the Corporation's four major thermal power plants will be awarded to unionized contractors . . .

Mr. Premier, there seems to be a great deal of inconsistency in your answers. The contracts say union only and you say there's no such policy. Please, Mr. Premier, take the time to clarify for us — is it or is it not union only?

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

**Hon. Mr. Romanow:** — I don't think it's possible to explain it to this hon. member's understanding or satisfaction. I think even the member from Arm River agrees with that statement.

I say, Mr. Speaker, that it's not possible because if the hon. member says that we have three examples of contracts where there's union preference or even union only, I say okay, you've got three examples. You may even have another three. You may even have another three. But to conclude from that the government is only contracting to unions in each and every case, is wrong. And I've said that.

So as I say, the assumptions are absolutely wrong. You've gone over this territory yesterday. The answers yesterday are the same as they are today, and the member persists. Well I guess it's his right to persist.

But no wonder they are third. And when you say let the people judge, I want to tell you, Mr. Member, the people judged. October 21, 1991 they judged by giving you the biggest whopping in the history of Saskatchewan history. They judged.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, yesterday you told media reporters that your government policy was to award contracts that are only over \$150,000 to unionized contractors. That was what the policy was yesterday. I don't know, maybe it's changed today. Will you not confirm, Mr. Premier, that Crown corporations are now at this very moment letting tenders for projects that were previously expected to come in at significantly under \$150,000.

Is it not true that you are actually applying this union monopoly to bids of contracts under \$150,000? Is that not true?

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

**Hon. Mr. Romanow:** — Mr. Speaker, if the hon. member reads *Hansard*, which I really recommend he should, the hon. member's got it right there. Read it, hon. member, and perhaps you could get the questioner on the right track.

I indicated that the . . . I certainly did, if not in *Hansard*, in the press conference outside, that the unions with respect to the Crown corporations, Crown corporations were looking at developing a policy by, I think I said November, early fall; we're getting input. And that's a position.

You can give examples of work which is being tendered now where there's a union call. I don't deny those examples. There are good reasons why that happens in many circumstances. It did in the case of the upgrader when you built it, good reasons in the case of Shand and Rafferty when you built it. But it cannot be said as a consequence of that that the policy of the government is union only.

Now you can continue this over and over and over again and I'll give you the same answers over and over and over again. I don't know how it can be made more simple and plain and more just than that.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, what is clear is that is exactly your policy and everyone knows it now. Even after confessions that we've dragged out of you in the last couple of days, you still insist that there's no such thing and yet there is.

I received this morning another tender from SaskPower for some foundation work on the Queen Elizabeth power station in Saskatoon. This one again is open to union bids only. And the contractor who sent it in says that it's a fairly small contract, worth less than \$150,000. At least if he was allowed to bid on it, it would be less than \$150,000. Who knows what the cost might end up with your union-only policy.

Mr. Premier, given what you said yesterday, why is

this small contract, worth less than \$150,000, restricted to union contractors only? Why is that?

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

**Hon. Mr. Romanow:** — Well, Mr. Speaker, I'll have to inquire from the Power Corporation officials as to the reason for that particular contract — presumably there is a justifiable reason by Power Corporation — and provide the member in due course with a response in this regard.

What the members cannot understand, but actually they can understand, but what they pretend to do is to continue their attempt at beating up on men and women who belong to the trade union movement. That's what this is all about. That's what you do. You beat them up. You beat them up just like the member from . . . Where's D'Autremont from?

**An Hon. Member:** — Souris-Cannington.

**Hon. Mr. Romanow:** — From Souris-Cannington. Beats up on French language governance.

**An Hon. Member:** — It was Maple Creek.

**Hon. Mr. Romanow:** — Or Maple Creek. I'm sorry. I withdraw. Maple Creek. I apologize. The member of Maple Creek. I wouldn't imagine that the member from Souris-Cannington would be doing that, but certainly Maple Creek did this. This is what it's all about. This is a question of beating up without any factual basis.

And I say to the hon. member opposite: you know why you're into third spot, why you're into third spot in the political rankings in the province of Saskatchewan? Precisely because the people of Saskatchewan want you to put aside this conflict.

We're building a job-creation tendering policy on cooperation, backing Saskatchewan workers, backing qualified Saskatchewan workers, union qualified Saskatchewan workers, non-union in those cases which are applicable. We're applying a policy of fairness and we're getting consultation from everybody that we can.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, so far we can document \$1 million in excess costs and estimate another \$3 million on projects that have been brought to our attention just in the last few days on union-only contracts that have been let by your government. So just in a few contracts that we know about, you are spending at least \$4 million of taxpayers' money in a totally irrational, irresponsible fashion.

The question, Mr. Premier, is: have any of your ministers, particularly the Minister of Health who is closing 52 hospitals to save \$5 million, has she or any others on the front bench complained to you about this policy when they are cutting back so severely in

their departments, when you're spending money irresponsibly in those kind of things?

**Hon. Mr. Romanow:** — Mr. Speaker, I don't know about you, sir, but I must confess to getting a little bit feeling of tediousness at hearing the hon. member opposite amongst other matters repeating ad nauseam the same questions and me repeating the answers ad nauseam.

But what really gets a bit — how should I describe it — irritable to me, is the hon. member from Kindersley, a member of the Conservative Party, getting up and telling us about fiscal responsibility. Now, Mr. Speaker, from a party which brought this province to the abyss of bankruptcy — \$15.5 billion — for this member to get up and to be preaching to anybody about this kind of responsibility, I tell you is the height of irresponsibility.

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

**Mr. Boyd:** — Mr. Premier, Mr. Premier, is it not true that you are simply more interested in paying off your political debts, than you are in paying off the province's debt? Isn't that abundantly clear from the last few days' events? You're awarding contracts to unionized contractors to pay off political debts. Is that not true, sir?

**Hon. Mr. Romanow:** — Mr. Speaker, the simple answer to the question is no, that it is not true. No more would it be true for me than I suspect that the hon. member would say it's true for him, that he is paying off his political debts for the big corporations that funded his campaign, who want a union bust and why he's out on this level of questions. He would say no to that. And I would take his word, as I expect him to take my word that the answer is no.

But you know, I don't understand what it is about the question of having contracts let on the basis that the hon. member would have let, only to see workers flood in from Alberta and Manitoba, very often without specifications being set up so that they get the benefit of our taxpayers' dollars in contract work which is one of the other side effects of what you're getting with respect to this questioning.

How in the world this benefits the people of Saskatchewan is quite beyond me. And I think again it's another example of why the logic track is so truncated, why the logic track is so inconsistent that the hon. member's questioning totally lacks credibility.

Look, I've said to you before, I repeat again: there is no union-only policy. I don't know how many times I've said that yesterday and today. We're working on a policy. We're modelling after the 1970s . . . (inaudible interjection) . . . Yes, we are. We're working on it. We're working on a policy which is going to be a fair policy and it's modelled on the 1970s. I mentioned that yesterday. I told you about the 1970s and I told you what we're thinking about in 1993. We're asking you to contribute in a positive way to that debate.

Please don't do it in a negative way.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, you talk about companies from outside Saskatchewan flooding into Saskatchewan to take government contracts under the previous administration. And who was the contract awarded to for the Melfort pipeline? Who was it?

It was a company from Edmonton — even though their bid was \$1,024,000 higher than the contract bid from a company in Regina. That's what the difference is, Mr. Premier. It was over \$1 million higher on that contract alone. And at the same time, you have also instituted secrecy in the awarding of tenders so that the cost of the winning bid will no longer be released any more on subsequent contracts.

Mr. Premier, will you explain to this House why we must — you must — now keep secret the announcement and the cost of the winning of the contract bids.

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

**Hon. Mr. Romanow:** — Mr. Speaker, again the member constructs an argument of straw on erroneous facts. I don't know, I think it was a great American statesman, Bernard Baruch, who once said: every man has a right to his opinion, but no man has a right to be wrong in his facts.

I say to the hon. member from Kindersley that he would be well advised, if he doesn't want to take my advice, to take Baruch's advice that he cannot be wrong in the facts.

I believe the situation with respect to Melfort is that no award has been made yet, to begin with, contrary to what he says and then he constructs a series of questions. Now I don't know how one can answer if the fundamental, base fact from which the question is predicated is absolutely false.

I can only repeat what I've said to the member again — we can do this for the remainder of the question period if you want — there is no union-only contract policy in the province of Saskatchewan.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, you don't have enough money in this province to keep 52 Saskatchewan rural hospitals open. You don't have any money for farmers. You don't have any money for seniors on fixed incomes. You don't have millions of dollars for anything that the previous administration was involved in. Every time you axe in this province, you say to people: you have to make sacrifices; you have to continue to cut back, but we won't cut back as government.

It seems, Mr. Premier, that you're paying off a political debt. That seems to be exactly what you're doing. Mr.

Premier, how can you ask the people of Saskatchewan to continue to sacrifice so much when you spend millions of taxpayers' dollars on projects like the ones you're going to be implementing shortly for union-only contracting? Why would you do that, sir?

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

**Hon. Mr. Romanow:** — Well of course, you see, the hon. member has a written set of questions designed to take up the entire 25 minutes, and the written questions don't correspond to the answers.

The question is: why are you having a union-only policy which is going to — as he would have us believe — lead to millions of extra dollars? And I've said to him right from day one, there isn't only a union-only policy; and if there isn't only a union-only policy, it doesn't follow logically that there would be the extra costs as the hon. member prefaces his question.

So how in the world can you answer logically an illogic and inconsequential question? For goodness' sakes, Mr. Member, please put a little purpose and sense to your questioning.

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

#### **Human Rights Commission Appointment**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for Human Rights Commission. Madam Minister, we have seen over the past number of weeks your highly-paid political assistants appointed to positions in Property Management, Crown Investments, SEDCO (Saskatchewan Economic Development Corporation), and every other Crown corporation and government department possible.

Will you please confirm today that you are now loading up the Human Rights Commission, the one entity that is supposed to be objective above all others, the council that is supposed to fight for fairness to all individuals? Could you confirm that you are now appointing your NDP friends to the commission? Would you do that, Mr. Minister?

**Hon. Mr. Romanow:** — Mr. Speaker, the member in charge of Human Rights Commission is away at the moment. The answer is, the policy of the government is to hire the most competent people that we can, those who qualify by way of open competition as they can. We really don't care what their political persuasions are as long as they're competent, whether New Democrats or Liberals. Why, you know, we would even a Conservative if we could find a competent one.

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

**Mr. Toth:** — To the Premier. Mr. Premier, would you please confirm that you have appointed Nadine Hunt, the former president of the Saskatchewan Federation of Labour and NDP activist, to the Human Rights

Commission. Could you confirm that today?

**Hon. Mr. Romanow:** — My question is: what's wrong with that? Tell us what's wrong with that.

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

**Mr. Toth:** — Mr. Premier, you've been telling the people of Saskatchewan for the past 18 or 19 months that everything would be open, that you wouldn't just take your own political friends. I think I heard you say that you just made a commitment that you would appoint anyone that had any integrity to sit on commissions.

However, Mr. Premier, I would suggest that Nadine Hunt, having worked for the Saskatchewan Federation of Labour, having lobbied governments, having arranged strikes and whatever else to promote union workers, I would suggest to you, Mr. Speaker, that given this close tie with unions and also given that most complaints through the Human Rights Commission are between employers and employees, I wonder if you can expect Mrs. Hunt to be objective and unbiased in her position on the Human Rights Commission. Can you do that?

**Hon. Mr. Romanow:** — You know, Mr. Speaker, this is a pathetic attack on a person, a woman who has been elected in a responsible organization, democratically elected, and served that organization honourably for years. Nadine Hunt has been honoured by people inside Saskatchewan and outside Saskatchewan. And being elected by democratic people like the trade union movement, the SFL (Saskatchewan Federation of Labour), this is nothing short — I would say scurrilous, but it's really a pathetic attack.

And for the hon. member to refer to that and, for example, not bring to the attention of the House that we appointed Mr. Dale Botting, for example, from the Canadian Federation of Independent Business to the Education Council, I believe, Madam Minister, and a range of appointments is out and out an attack based on sex and based on labour. And I think that has no room, and this hon. member and this caucus should be ashamed of themselves for raising that kind of . . .

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

**Mr. Toth:** — Thank you, Mr. Speaker, to the Premier. Mr. Premier, it would seem to me that there were a lot of qualified people, unionized and working people across this province whom you could have appointed to the Human Rights Commission, who haven't been over the years directly involved lobbying governments, working against employers, to a position that would give them a non-biased opinion.

It would seem to me, Mr. Premier, that if you wanted to appoint Nadine Hunt you could have given her another position. But I think you should have picked someone who wouldn't carry a biased view into a commission such as the Human Rights Commission.

Mr. Premier, I would like to hear your response to that.

**Hon. Mr. Romanow:** — Look — look, Mr. Speaker, this is, I mean, really, this question period, Mr. Speaker, it's up to them how they ask questions, as you know. You can't . . .

Who was the chief executive officer of the Human Rights Commission under your regime? A woman by the name of Terry Holizki. Terry Holizki has actively campaigned for the Conservative Party; is actively campaigning right now for Kim — what's her name? — Campbell, the Conservative leader. Actively out there campaigning for her . . . (inaudible interjection) . . . All right, she's likely to be the next Prime Minister. That's fair enough . . . (inaudible interjection) . . . Well look, I momentarily forgot her name. And if the hon. member would please let me finish the answer. This is what you have done.

So my point to you, Mr. Speaker, and to members of the House is, there are many qualified people in the trade union movement. There are many qualified people in the business. And we appointed Nadine Hunt because she is available, she is retired as the Saskatchewan Federation of Labour, she brings a wealth of experience. She has been elected by her peers. She is a professional and unbiased person, unlike the number of appointments that you had on the Human Rights Commission.

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

## INTRODUCTION OF BILLS

### **Bill No. 87 — An Act to amend The Mental Health Services Act**

**Hon. Mr. Calvert:** — Mr. Speaker, I move that a Bill to amend The Mental Health Services Act now be introduced and read the first time.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### SECOND READINGS

### **Bill No. 85 — An Act to amend The Saskatchewan Medical Care Insurance Act**

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move second reading of The Saskatchewan Medical Care Insurance Amendment Act, 1993.

Mr. Speaker, the changes to the medical care insurance Act are necessary to implement government's decision to give the responsibility and funding for laboratory services to the district health boards in Regina, Saskatoon, and Prince Albert. The elimination of the fee-for-service funding to commercial laboratories coincides with this transfer

of responsibility to the district boards.

Mr. Speaker, the boards will decide how best to ensure that cost-effective, quality laboratory services are delivered in their districts. The boards are expected to maximize the use of public laboratories for processing. The role that the private sector will play in the provision of laboratory services will be left to the health boards in each district to decide. Any services which private laboratories continue to provide in a health district will be paid through a contract with the board.

Mr. Speaker, by placing the responsibility for laboratory services under a single management structure, there is greater opportunity to address duplicate testing and inappropriate testing, and economies of scale can be gained by combining processing of tests in fewer locations.

Overall policy coordination and direction will be provided by a central management unit in the Department of Health and the department will continue to manage the provincial laboratory as a specialized reference and public health laboratory.

Mr. Speaker, this decision supports our health reform initiative as it will result in better integration and coordination of services, and it is in keeping with this government's commitment to publicly funded and publicly administered health services.

Mr. Speaker, this decision was reached after much deliberation. Last summer we established an independent panel to study the delivery of laboratory services in Saskatchewan and to advise government of how these could be delivered more effectively and efficiently. The panel, chaired by Dr. Kilshaw, submitted its report in October. It was then circulated to key stakeholders for feedback on the recommendations.

Mr. Speaker, our decisions were based both on the report and on the further feedback we received to the report. We concur with Dr. Kilshaw's report findings in saying that there are significant savings to be gained by placing laboratory services under a single management structure. We agree with the finding that a central government management unit is needed to provide overall policy direction. We agree with the finding that says established health boards should be responsible for lab services. And also, we agree with the finding that fee-for-service billings for private labs should be eliminated.

Mr. Speaker, laboratory services will continue to be an insured service in Saskatchewan. Monies for the provision of these services will flow to the health boards as it does for other health services such as home care and hospital care. Laboratory services will continue to be an insured service in that they will be fully funded by the public purse. The provision of laboratory services will be spelled out in our funding agreements with the district health boards.

Mr. Speaker, it's important also to note there will be

no change to out-of-province and out-of-country laboratory services.

Mr. Speaker, this government has been faced with many difficult decisions this year because of the need for greater fiscal restraint. In order to preserve our publicly funded health system, we need to look at ways to provide services more effectively and efficiently.

Mr. Speaker, this decision and now the legislation effectively achieves that. Therefore I hereby move second reading of The Saskatchewan Medical Care Insurance Amendment Act, 1993.

**Mr. Toth:** — Mr. Speaker, as I was listening to the minister, it would appear to me that the Act that is presently been introduced is an Act to address some of the concerns regarding laboratory services in Saskatchewan and a number of fees that have been brought in. And we're well aware of the debate that has taken place over the past, I believe, two or three months regarding laboratory services and the private lab services and the public lab services.

And, Mr. Speaker, I don't think there's anyone that would criticize the fact or suggest that there isn't room or hasn't been room for some of the private labs to work. We just want to reiterate the fact that over the past few years, Mr. Speaker, we've seen a number of jobs have been made available in the province of Saskatchewan and those jobs have now disappeared as the private labs have cut back on the services because of the decision made by the government to give more of the services again to the public labs.

And certainly individuals in the public . . . working in the public labs have always argued that they could provide the service more cost effectively. And the argument they have used is based solely on the cost per patient. But they have failed to inform the public of the fact that the public in general have already paid for the facilities and the equipment, whereas the private labs must recoup that cost. So in actuality, in reality, the private labs are doing the service and have been doing it quite effectively.

And I think what we will . . . I think, Mr. Speaker, what we will see as we get into the debate, Mr. Speaker, we are going to . . . we will bring up some of the concerns regarding the private labs, regarding the public labs. And just to show the cost effectiveness of the two services also I think we want to raise a number of concerns regarding the different fee increases that we're seeing in the Bill as well. And to allow for that time and debate to take place, Mr. Speaker, I move adjournment of debate.

Debate adjourned.

**Bill No. 86 — An Act to amend Certain Health Statutes and to repeal Certain Other Health Statutes**

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. I'm pleased now to move second reading of An Act to amend Certain Health Statutes and to repeal Certain

Other Health Statutes.

Mr. Speaker, this Act will serve several purposes. These are to bring the functions of the Saskatchewan Alcohol and Drug Abuse Commission, SADAC, into the Department of Health. Secondly, to add administrative provisions to The Department of Health Act. Thirdly, to amend The Hospital Revenue Act. Fourthly, to amend The Prescription Drugs Act. And fifthly, Mr. Speaker, to repeal two redundant Acts, The Saskatchewan Health Insurance Act and The Tuberculosis Sanatoria and Hospitals Act.

Mr. Speaker, the alternative to this Bill would have been to introduce five separate Bills to accomplish the changes that I've outlined. And so they are being brought together in this omnibus Bill.

Mr. Speaker, the Saskatchewan Alcohol and Drug Abuse Commission, which I'll refer to as SADAC in my remarks, has over the years provided a broad range of prevention, research, education, and recovery service since it was first established. SADAC, Mr. Speaker, was established in 1968 for two fundamental reasons. One was to focus public attention on the need to develop adequate addiction treatment services, and the second reason was to gain public support for the view that alcohol and drug addiction are illnesses no different from others and require the same care and compassionate treatment by the health care system. Mr. Speaker, we believe that today these goals have been achieved. Alcohol and drug addiction are now widely accepted and understood as illnesses. And prevention and treatment services have been developed across our province and enjoy broad public support.

Mr. Speaker, over the years SADAC has reported to this, the Legislative Assembly, through the Minister of Health. This connection with Health has been very important because it affirms the belief that alcohol and drug addiction is a health issue. In addition, SADAC's budget has been administered through the Department of Health, and the activities of SADAC have been influenced by the department's policies and decision-making process. This close coordination between the Department of Health and SADAC has been important for developing good public health policy.

Mr. Speaker, as our health system in Saskatchewan goes now through the process of reform and rejuvenation, it is absolutely vital that alcohol and drug services are included in the change. Consumers, communities, and health professionals want more say in how alcohol and drug services are being funded and being delivered.

We believe, Mr. Speaker, there are advantages now to integrating and coordinating alcohol and drug services with other health services administered directly by the Department of Health. There are certainly cost efficiencies to be achieved by having alcohol and drug services integrated with other Department of Health services; however the big gains, Mr. Speaker, will be in the greater efficiency

and effectiveness of service to clients, families, and communities across Saskatchewan.

We believe that an integrated approach to program and services including alcohol and drug services will be more responsive, Mr. Speaker, to the physical, mental, and spiritual well-being of Saskatchewan citizens. Mr. Speaker, the Saskatchewan vision for health is to provide services that address the needs of the whole person rather than just the parts, and we believe that this vision can be best accomplished by now unifying alcohol and drug services with other health services in the Department of Health.

Mr. Speaker, the second major component of the Bill now before the House comprises a number of amendments to The Department of Health Act. Some of those amendments, Mr. Speaker, are consequential to the repeal of The Alcohol and Drug Abuse Commission Act. And others, Mr. Speaker, are administrative and housekeeping amendments only. They do not reflect any change in policy.

To be more specific, Mr. Speaker, there is an amendment to correct the section of the Act dealing with medically related transportation. The reference to persons was deleted in 1986 consequential to The Ambulance Act being passed. This section will be amended to include the reference to persons again, and therefore to clarify existing provisions.

There is also an amendment to establish more clearly the government's ability to charge for the provision of some services. This again is a housekeeping amendment to ensure that certain program charges which are already in place are being made with the proper legislative authority.

Mr. Speaker, the government proposes to also here amend The Hospital Revenue Act to allow payments of revenues from The Hospital Revenue Act to district health boards who will in the near future be responsible for the management of district hospitals.

(1445)

The Prescription Drugs Act is amended, Mr. Speaker, to make the legislation consistent with the original intent and current practice. Current wording suggests that information about the drugs obtained by residents can only be released if the prescription drug plan has actually paid for the prescription. Whether or not the prescription drug plan pays for the prescription is really of no consequence in relation to the intent of this section since the intent of this section is to address the inappropriate use of prescription drugs.

And finally, Mr. Speaker, the government proposes with this legislation to repeal The Saskatchewan Health Insurance Act and The Tuberculosis Sanatoria and Hospitals Act. The Saskatchewan Health Insurance Act was passed many years ago, Mr. Speaker, but was never implemented. And The Tuberculosis Sanatoria and Hospitals Act has not been used since the closure of the last sanatorium and the transfer of responsibility for patients with

tuberculosis to the Department of Health.

Therefore, Mr. Speaker, I now move second reading of An Act to amend Certain Health Statutes and to repeal Certain Other Health Statutes.

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

**Mr. Toth:** — Mr. Speaker, it appears that what this Bill does is amalgamate a number of areas into the Department of Health. And one area that I think of grave concern will be a concern to a lot of people throughout Saskatchewan is taking SADAC and putting it right in the department for . . . Certainly, Mr. Speaker, alcohol addiction is a problem that many people over the years have faced, and it creates a problem in our society and that problem is passed on to family members. It creates problems in homes and families and business and work habits and the workplace.

And, Mr. Speaker, over the past number of years there's been quite a consultation process that has worked and been developing, working with communities and organizations trying to develop a program that would give individuals the ability and the access to information and services that would give them the strength and the character to overcome their alcohol addiction, or alcohol habits.

And I know I've had in my constituency many people really raise that concern and wondering where the government is today. And one of the areas that I think we'll be watching very closely over the next little while is what's going to happen with, say, the facility at Whitespruce, the Whitespruce rehab centre there.

Mr. Speaker, many . . . The individuals that have gone, the young family members or family members that have been treated there, have really talked about how it has helped them. And I think their areas and the number of questions regarding the removal of SADAC and putting it in the Department of Health, we want to make sure that, Mr. Speaker, it's not just swallowed up in the department, but that it indeed continues to provide an effective and efficient and supportive role and service to individuals all across this province, be they men or women or teenagers, Mr. Speaker.

Another area that certainly is reiterated and brings out a concern and . . . however, there is very little that can be done about it right now, but it is the changes to the prescription drug plan. The changes, Mr. Speaker, as many people have already found, are creating a major problem, and it's becoming even more difficult with the limited resources they have as far as income and trying to maintain and pay for the drugs that they require due to health problems beyond their control.

And I know the government will argue, well there are some steps in place to help people on lower incomes, but there are a lot of individuals who are caught in a position where they're basically using the maximum — I believe it's \$850 per six months plus 35 per cent thereafter — and that to a lot of people on low income or on very limited income, Mr. Speaker, creates a

problem.

Mr. Speaker, it would seem to me that there are a number of areas that we should take the time to look at and review a little more carefully so that we can indeed when we get into committee have some effective and straightforward questions to the Minister addressing the concerns of the people of the province of Saskatchewan.

Therefore at this time, Mr. Speaker, I move adjournment of debate.

Debate adjourned.

## MOTIONS

### Hours of Sitting

**Hon. Mr. Lingenfelter:** — Mr. Speaker, by leave I move, seconded by the member for Saskatoon River Heights, that notwithstanding rule 3 in *Rules and Procedures* of the Assembly... or the procedures... Let me start again; it's a little bit noisy, and I think you're having trouble hearing me.

That notwithstanding rule 3 of the *Rules and Procedures of the Legislative Assembly of Saskatchewan* that when this Assembly adjourns on Friday, May 21, 1993, it do stand adjourned until Tuesday, May 25, 1993, at 2 p.m.

I so move.

Motion agreed to.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 80

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 80 — An Act to amend The Tobacco Tax Act and to make certain Consequential Amendments resulting from the enactment of this Act** by now read a second time.

**Mr. Toth:** — Mr. Speaker, I think the other day when I spoke to this Act I indicated that it's just another indication of the way the government is moving to just quietly and subtly move to totally harmonize the provincial sales tax with the GST (goods and services tax). However, I would suggest it's appropriate that the federal government be utilized since they've got the process in place of already collecting tax at the border, of being allowed to do that and working with them. And so on that basis I would give the government a pat on the back with that comment.

However, Mr. Speaker, at this time I believe that we are more than prepared to move this into committee.

Motion agreed to, the Bill read a second time and

referred to a Committee of the Whole at the next sitting.

#### Bill No. 82

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Simard that **Bill No. 82 — An Act to amend The Change of Name Act** be now read a second time.

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Originally we thought that this would go through quite smoothly, but we did have some concerns, and our phone has been ringing somewhat lately on this Bill 82, The Change of Name Amendment Act.

And concerns are being expressed particularly with the changing of names of wards, the naming of children for example, or renaming of children who have had a split family where the parents have broken up, perhaps even divorced, but certainly where there is shared custody; and some other concerns that people are phoning in expressing their concerns.

And so, Mr. Speaker, while the calls are still coming in we're going to get this sorted out. And I'm not going to hold up the process here, Mr. Speaker. We will let it go to committee and these concerns will come forward during the committee stage of this Bill.

Thank you, Mr. Speaker.

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

#### Bill No. 83

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Simard that **Bill No. 83 — An Act respecting Registered Psychiatric Nurses** be now read a second time.

**Mr. Neudorf:** — Thank you, Mr. Speaker. We've done a little bit of investigating into the impact that this Act is going to have, and certainly the third parties that are associated and will be impacted have not expressed any particular great concerns.

So, Mr. Speaker, I would move that The Registered Psychiatric Nurses Act be now sent 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. 84

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No. 84 — An Act to amend The Litter Control Act** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. The Litter Control Act is an Act that affects a good number of people across this province, Mr. Speaker. I've been

contacted by a few people with some misunderstandings about this Bill, Mr. Speaker. They think that The Litter Control Act is referring to reproduction of animals rather than the disposal of garbage, and we had to explain to them, Mr. Speaker, that this Act was not limiting the number of kittens or pups or piglets that an animal might have. So perhaps the government should make it clear when they're bringing forward an Act, just what they're attempting to deal with.

The Act, Mr. Speaker, I think gives the government some powers to go ahead with the regionalization of some of the waste disposal sites across this province, which is needed in some cases but which is not necessarily what the people want in all situations, Mr. Speaker.

The government has started up a couple of pilot projects, one up at Humboldt and one in the Shaunavon area to develop regional sites. And this legislation, Mr. Speaker, I believe would give them the abilities to proceed with that type of thing without further consultation with the legislature.

It also does one other major thing, Mr. Speaker. It eliminates the environmental protection fund. Any time now when the government imposes what could be called an environmental sin tax, this money will now revert to the Consolidated Fund rather than going to the protection of the environment or for environmental benefits.

That's not to say that money will not go to those things, but this money will no longer be dedicated to that, but rather will go into general revenues for the general government's business. And then the government in turn will allocate back from the Consolidated Fund whatever it feels is appropriate.

So, Mr. Speaker, we need to discuss this with the minister to find out exactly what they plan on doing on both of these concerns. So we're prepared to do that, Mr. Speaker, in 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.

(1500)

## COMMITTEE OF THE WHOLE

### Bill No. 51 — An Act to amend The Wildlife Act

**The Chair:** — I would ask the minister at this time to please introduce his official.

**Hon. Mr. Wiens:** — Mr. Chairman, I'm pleased to introduce Mr. Dennis Sherratt, the director of wildlife in the Department of Environment and Resource Management.

#### Clause 1

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. Mr. Minister, and official, Dan, could you,

just to set the stage for the ensuing discussion, could you set the record straight in terms of the bodies, the third parties, the stakeholders, as it were, with whom you have consulted during the implementation . . . not the implementation, but the drafting of the Bill, the motivation of the Bill — whether it was the Wildlife Federation, which other organizations, and any concerns that those people had during the various stages of the Bill coming before this committee.

**Hon. Mr. Wiens:** — Mr. Chairman, I thank the hon. member for the question. I'm sorry for taking so long to prepare to answer it.

There are a number of features to this Bill. And for the most part they're a response to the ongoing dialogue of the department with the public it serves. First of all, the need to amend the definition of wildlife as a result of court cases where there was a lack of clarity with respect to what was included under the definition of wildlife. Actually the way it was written, it excluded certain kinds of animals from regulation because it was not written clearly.

The second feature of the Bill is to remove the one-year suspension of hunting privileges for minor infractions. Those kinds of . . . I believe that was in response to a resolution from the Wildlife Federation. But the difficulty with the section as it was written was that the penalty for a very minor infraction, for example, failing to sign your licence when you carried it with you or leaving your licence at home, the minimum penalty was suspension for a year and therefore the conclusion was that there never would be a penalty applied, which rendered some of the provisions useless. So they've tried to reduce that extreme penalty and allow fines in those circumstances in response to requests from the Wildlife Federation.

With respect to the next feature, it clarifies the context under which people may possess wildlife. One of the difficulties that exists presently is the rules under which you may, for example, pick up an animal killed on the highway and the circumstances under which you may possess that animal. This clarifies those circumstances; so that's in response to public concern about the nature of the regulations previously.

The fourth one is to allow non-Indians to hunt with immediate family members who have treaty Indian hunting privileges. And the consultation with respect to that has been done with people in that circumstance. As a result of the passage of Bill C-31, you may be aware, there are now because of redefinitions of who is allowed to have treaty status, there are many circumstances where there are family members within families, some of whom are treaty and some of whom are not.

And at the same time, the present Act requires that someone under the age of 16 be accompanied by a parent, but a parent that was not treaty wouldn't be able to accompany them under the previous writing of the Act. So that's being introduced to allow greater reason with respect to who can accompany their

family members on a hunting trip.

Another feature of the Bill is to provide conservation officers with authority for routine inspection of facilities or businesses which house wildlife or wildlife parts. This is in response to a growing concern that sometimes wildlife may be taken illegally for purposes of trade or other purposes and there wasn't the ability to properly inspect. And these measures, I understand, have the support of wildlife federations and conservation organizations.

The sixth feature of the Bill is to provide a broader range of regulatory-making authority related to the care, holding, and the definition of wildlife which may be kept in captivity. And this is really introduced in order that we can regulate according to the changes in definition at the beginning of the Bill, zoos and game farms and those kinds of things.

And with respect to that we most recently had a discussion with the game farmers association of Saskatchewan and will be introducing a House amendment here later on with respect to a particular concern that they had, just to clarify the intent of the Act in that regard.

**Mr. Neudorf:** — Well thank you, Mr. Minister. I was following along on what you were saying basically by taking a look at your second-reading speech where you came very closely paralleled to what you said at that time. I want to delve a little bit into more detail in some of these aspects.

Regarding the new definition of wildlife, you claim that recent court decisions have found that the definition is unclear and only refers to exotic wildlife like your Hungarian partridge and ring-neck pheasants. And there's a statement here saying: a court decision stated that the definition of wildlife included indigenous wildlife and introduced exotic wildlife, but excluded all other exotic wildlife.

And I guess that begs the question, what do you mean: but excluded all other exotic wildlife. When you've got indigenous and introduced exotic wildlife, what else is there? I guess that's the question.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the opportunity to answer that question. This is all in the language of lawyers and courts, and the interpretation of the courts was that the term "introduced exotic wildlife" doesn't apply to wildlife unless it's introduced and released. So that any species that would be introduced, but, for example, kept in your house as a pet — which might be a cobra or a tiger or something else — that was not released into the wild in the province, would have been exempt from the Act under the previous definition.

**Mr. Neudorf:** — Thank you, Mr. Minister. That leads me to my next question which is the regulatory aspect of being able to determine and put restrictions on, let's use your example of a tiger, that could be construed as being dangerous to some of our indigenous wildlife or exotic wildlife that has been released.

What are you planning to do to tighten that up? Will this be done through regulations, first of all. And if it is being done by regulations, what have you got in mind? Surely you must be on the road to developing these regulations. Could you be a little bit more precise along that line?

**Hon. Mr. Wiens:** — Mr. Chairman, to the member opposite, without getting into the specifics, the regulations around the management of wildlife were already substantially in place so that there is really not need for a lot of new regulation. The difficulty only arose when a segment of that population defined as wildlife previously was all of a sudden defined by the courts not to be included.

**Mr. Neudorf:** — Thank you, Mr. Minister. While you were talking we were discussing an upcoming issue here. But thank you for that answer. I will read part of it in *Hansard* I guess. Thank you.

The next issue that I want to address is this business of fines in lieu of the penalties for breaking the law. Let's say you had a hunting licence and you forgot to sign your licence. I understand that if you forgot to sign your licence, then you would be in violation of The Wildlife Act which meant that if you were going to be charged there was only one penalty that they could enforce which was suspension for one year.

But I read here on the explanatory notes 18.1, no person convicted of a violation . . . and it goes on to say, section 37, shall apply for or obtain a licence during the period of three years from the date of conviction.

Is this the old way? And how does that relate to what you are contemplating under the new penalties for violations?

(1515)

**Hon. Mr. Wiens:** — Mr. Chairman, I want to just reiterate the answer that I gave before with respect to the protection of the regulations for the wildlife. It was not the absence of regulations but the fact that all of a sudden a sector of the wildlife population was excluded by the definition of the courts. That was a problem. So the regulations continue to be in existence as they were before for that sector. It's just that the sector that was eliminated by the court decision now is covered again.

Oh yes, the second question had to do with the suspensions. There was . . . On a serious infraction under the law as it was, members . . . people accused and convicted of a serious offence could have suspension of privileges of up to three or five years but it could not be less than one year for a minor infraction, plus a fine. What this change allows is that the suspension period can be eliminated for those minor infractions and then only a fine would be applied.

That's the end of the answer. But I wonder with leave

of the House whether I might take time and introduce some guests, Mr. Chairman.

Leave granted.

### INTRODUCTION OF GUESTS

**Hon. Mr. Wiens:** — Thank you. Mr. Chairman says that leave is granted. Thank you for that privilege.

I'm pleased to introduce to you a group of Guides from the Elrose area who have just been visiting Her Honour the Lieutenant Governor to be presented with their All Round Cords. This is the last year for the All Round Cord and it represents the completion of the Guide program, and I congratulate the young women who are here who have achieved this feat.

They are accompanied by their leader Janette Belle and parents Bonnie Hartman and Patti Thompson. And I want to introduce the young women who have just received their All Round Cord. They include: Amanda Belle, Christen MacDonald, Melissa Sofman, Laurie-Anne Thompson, Terry Hartman, Serry Howta, Christine Crockett, and another two young women who are with them, Leah MacDonald and Barbara Hartman are also members of the Guides.

I welcome you here and I ask the House to join me in welcoming you to the legislature today.

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

**Mr. D'Autremont:** — Thank you, Mr. Chairman, with permission to introduce guests.

Leave granted.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I would like to introduce in the west gallery, Martha and Ferdinand Begin and another special couple, my parents, Hugh and Vi D'Autremont who are in today visiting in Regina. I'd ask the Assembly to welcome them here today.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 51 (continued)

#### Clause 1

**Mr. Neudorf:** — Thank you, Mr. Chairman. The business of three years to five years, I guess the three, five years would be something for jack lighting and offences of that nature. Or could you give me some examples of what would be three to five years and also an example of what normally would have been the one year?

**Hon. Mr. Wiens:** — The serious infractions include poaching or night lighting or serious over-harvest. The shorter-term suspensions would be for improper dress, failing to sign your licence, or not carrying your

licence with you — those kinds of things.

**Mr. Neudorf:** — Mr. Minister, to get at that you're contemplating fines. Now I think the concept of fines, I wouldn't have a problem with but I want a little bit of a commitment from you as to what you're talking about.

If, for example, you said if I had on the wrong colour of clothes or if I had forgotten to sign my licence, you were going to fine me \$5, I would say that's ridiculous. If you're going to tell me that you're contemplating in the regulations that a fine might exist of \$50 for something like that, I would say, well you're in the ballpark.

But on the other hand, if you're contemplating a \$5,000 fine, I want to be assured that the regulations are going to be within some certain parameters that I would like you to give me a ballpark figure on.

**Hon. Mr. Wiens:** — Mr. Chairman, my official assures me that the kinds of concerns you have in that regard are taken care of by the traditions of the court. These fines are court imposed and there is no minimum and there's a fairly high maximum. But there is a justice within the court relative to the seriousness of the offence and my official tells me that, as you suggest, the fine for improper dress might be something in the vicinity of \$50.

**Mr. Neudorf:** — Okay. So, Mr. Minister, what you're doing then is that this is enabling legislation enabling the court to assess a fine and it will be up to the court to make the decision as to the amount of the fine; that there is a scale of fines according to the seriousness of the event, is that right?

**Hon. Mr. Wiens:** — Mr. Chairman, yes that's right. And I should clarify that that's not new. The fine structure was there in addition to the suspension before. What this change in legislation allows is to remove the suspension piece to allow only the fine to exist for some minor cases. That's what's being done here.

**Mr. Neudorf:** — Okay, thank you, Mr. Minister. I want to go on to another section here, and you alluded to Bill C-31, which of course gave status back to a lot of non-status Indians. I'm not sure whether I follow.

Does this mean now that a child who may have been considered to be a status Indian, that he is exercising the rights endowed upon this fact that he is a status, but he's got some non-status parents who want to accompany him on a regular hunt or on a hunt that Indians are allowed on Crown land. Could you clarify that for me?

**Hon. Mr. Wiens:** — Yes, this is so that a non-Indian parent can accompany their family on a hunt. They cannot hunt; they cannot do the shooting. But because children need to be supervised under the age of 16, this allows the non-Indian parent to supervise a child in a circumstance you describe on a hunt under the treaty conditions for hunting.

It is also . . . enables and clarifies that in the regular hunting season that they can hunt together; only the non-treaty person would have to have a hunting licence when they're accompanying them.

**Mr. Neudorf:** — Okay, Mr. Minister, that clarifies that, and I expected that was the case. I want to go on a little bit further on a section I think that we'll be discussing in some detail later on as well, and that is the House amendment that you're proposing, dealing with the authority of conservation officers to inspect facilities that house wildlife. I guess, Mr. Minister, we can either do it now, or we can do it later when we come into that section. Maybe we'll wait with that until you come forward with that section.

You have rules for possession of wildlife. Now I understand that this particular section deals with who can have wildlife in his home and under what circumstances. Am I correct in assuming that before there was the word "knowingly" in there that indicated that if you knowingly had an animal perhaps that you should not have, that you were not either licensed for or whatever the case happened to be, you were then subject to fines and conviction. But as long as you could prove to the people that you didn't know it, that you were all right.

So how does this new regulation or this amendment affect that possibility? Could you clarify that?

**Hon. Mr. Wiens:** — Mr. Chairman, as I understand it, the difficulty with the Act with the word "knowingly" in it was that it was up to the department to prove that you were not aware that you were . . . or that you were aware that you had indulged in an infraction. And so that's virtually impossible to prove.

The rewriting of the Act in removing the word "knowingly" from the terms now requires . . . the regulations will require that you either will have a licence which will justify your possession of wildlife, or the regulations will require that you report within 48 hours the possession of wildlife for which you do not have a licence, which might be something that was killed along the road that you're taking home or you want to do something with. So that it will put an onus on the person in possession of the wildlife to report. And if you've not reported within 48 hours, then you will be in violation of the regulations.

**Mr. Neudorf:** — But, Mr. Minister, was the stipulation not always there that you were required to report? For example, let's take an owl that has been killed or fried on a power pole and you want to get it stuffed. Was it not your responsibility to report that? Or did you only do that if you required it to be stuffed by an authorized dealer, taxidermist, let's say?

**Hon. Mr. Wiens:** — The circumstance you describe is exactly the dilemma with the word "knowingly" because you could then contend that you didn't know that it was improper to have that owl in your possession or you didn't know the regulations around reporting.

(1530)

**Mr. Toth:** — Mr. Chairman, a little earlier on the minister had made mention about wildlife picked up on the side of a road. And I'm wondering what the minister was referring to. I'm not sure if the minister would be familiar, the wildlife officials may not have brought you up to date, but certainly some concerns were brought to me a year ago regarding two forms of owls that happened to have been hit by cars. And there was a couple of individuals that had these birds mounted, and they had reported them and actually had the wildlife conservation officer . . . had picked them up and they didn't get them back. And they were wondering why they wouldn't have access to them. They're developing a little museum and would just like to add these to the exhibits they have in their museum.

And I'm wondering what you were referring to when you were referring to wildlife being picked up on the side of the road, and who's got control or access to that.

**Hon. Mr. Wiens:** — They are two separate questions, Mr. Chairman, in the question the hon. member asks. I'll answer the latter one first.

If the owls were a variety of owl that was an endangered species, then the wildlife officers would take the owl and ensure that it had not been shot, but then normally would return it to the person who had found it.

If it were a rare and endangered species, it would be retained because they do not allow those even to be processed for retention because of the risk of trade in parts from rare and endangered species.

So if there was a circumstance where the actions were inconsistent with that, I would suggest that the person you're talking about get in touch with the department. That's the guideline for it.

**Mr. Toth:** — So what you're saying then is that the department normally does send the bird or whatever — whether it be an owl or whatever bird it is — would be sent back to the individual if they want to mount it and use it, display it in their museum.

For endangered species, even for mounting, could they . . . You had talked about parts, but if it's just a matter of mounting it to put it into a museum, would they be able to get a permit just to allow them to do that, Mr. Minister?

**Hon. Mr. Wiens:** — Normally when it was a rare and endangered species it would not be presumed that it would be returned, but each case will be examined on its own merits with respect to the return of those species for a special purpose. So again, if that kind of purpose existed, I think you should have the person who called be in touch with the department on that.

With respect to the reference I was making though

earlier about animals picked up at the side of the road, it was in the context of a previous question where . . . or any other animal one might find in the wild, that if you don't have a licence then it's your responsibility to report that you have wildlife for which you don't have a licence, and that then you would . . . under the Act as it was, it would be the wildlife department's responsibility to prove that you didn't know you shouldn't have it. And under the change that's been put in place, it will now be your responsibility to report within 48 hours or a charge could be laid.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

#### Clause 7

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. It's not very often the opposition actually gets called first, and I appreciate that, Mr. Chairman.

Mr. Minister, in clause 7 I know that you're coming up with an amendment to strike out the wildlife farming. But I have a different concern, Mr. Minister, and I will be proposing an amendment that I think is very fair and well worded and will accomplish what you're trying to accomplish at the same time.

What we have a concern about, Mr. Minister, is in the preamble to 49.01 where it says:

... for the purpose of ensuring compliance with this Act or the regulations, a wildlife officer may, at any reasonable time without a warrant (do all of those things):

... enter and inspect any premises ... for which a licence or permit has been issued (etc.) ...

So what my question to you is, Mr. Minister, first of all I suppose, is what is meant by reasonable time and to whom is that interpretation open? And secondly, without a warrant there are concerns that I have here. For example, if you say without a warrant, there's no description as to what type of warrant are you talking about. There are different kinds of warrants, and you're leaving it open-ended by simply saying, without a warrant.

A subsequent concern would be that on 7(c) it says that this wildlife officer may:

(c) enter any premises containing any books, records, papers or other documents that are required to be kept . . .

Any premises, Mr. Minister. And these records or books could conceivably — and in many, many cases, I would submit to you, are — going to be kept in dwellings, in homes, in houses, in people's bedrooms.

Now are you telling me that you are giving a wildlife officer the authority to do exactly that, to enter a person's bedroom in search of records and so on? And if not, I want you to reassure me where that says in this

regulation that that is not the case.

So there's a number of topics.

**Hon. Mr. Wiens:** — Mr. Chairman, I thank the hon. member for the question. The understanding or the . . . there is a parallel section like this under The Animal Products Act which presently is used to regulate products under the . . . for game farmers. The intent of this is to make sure that a similar discipline is in place for zoos, pheasant farms, meat processors, etc.

With respect to the specific concern the member opposite raises, premises in this case does not refer to private dwellings; this is a business premise. So that people cannot have their privacy infringed upon without a warrant. Then a warrant would still be required in that case.

It is the contention of the department as well as others who have previously regulated the game farming industry that these measures to ensure compliance are far preferable to court cases where you use up the penalties of breaking the law, as opposed to just working with people in order to ensure compliance with the regulations.

**Mr. Neudorf:** — Mr. Minister, what assurance can you give me that you say that you do not intend this for private dwellings, but it doesn't say that. It says, "any premises." Now, Mr. Minister, I can assure you that a court case three years down the road, a judge is not going to be asking for a transcript of *Hansard* to see what the minister of the day had to say about it. He's going to make an interpretation and the way I interpret it — and I am not a lawyer, for which of course we are all thankful — but under that it says "enter any premises containing any books." You're saying to me it does not include dwellings.

Now is there a parallel legislation somewhere that would be overriding, that would ensure that indeed that is the case in this particular case; and if not so, would you then be amenable to having an amendment which would include the word "business" between "enter any" and "premises" and put down "business premises"?

**Hon. Mr. Wiens:** — Mr. Chairman, I'm under the disadvantage of not having the lawyers here; I can only rely on their words of advice in referring to this. These matters apparently have been through the courts and the circumstance I described is a fact of law that you cannot enter a private premise for these purposes. The note that I have here is that in a private dwelling, if inspection is refused, there are no provisions to allow in inspection; the only option open for an officer would be to obtain a search warrant. Those are the words that I have in the explanation.

But I can send forward to the member opposite the internal legal explanation for that at a later time. Appreciate the concern and give you my assurance of that.

**Mr. Neudorf:** — Well thank you, Mr. Minister. I have the same sneaking suspicion as you do as well, that it is somewhere. But I wanted the assurance from you that you had looked into this matter and indeed this was not going to allow something like that to happen, which I am sure all of us would not want to see happening and would regret if that was the case.

I initiated this clause with a question that you haven't answered and I'm sure you forgot about it and that was, it says, "at any reasonable time." What do you mean by a reasonable time? An officer that has driven 50 miles through snow and gets stuck a few times and comes to your house at 1 o'clock in the night is going to consider that reasonable.

**Hon. Mr. Wiens:** — Mr. Chairman, again deferring to the judgements of lawyers who I always presume know what they're writing when they're writing things like this. And in this case maybe a little more doubt, but would maybe give some comfort to the member opposite, that it's my understanding that these very words are in The Animal Products Act in an Act passed by your government several years ago. That's a parallel wording, but I would only say that I believe this would be standard wording to in fact prevent officers from doing such things at times unreasonable which courts would then have to judge.

**Mr. Neudorf:** — Mr. Minister, to get on with the business at hand here, it also says in 49.01, "at any reasonable time without a warrant." And that causes me some concern.

And what I'm proposing, Mr. Minister, is that clause 7 of the printed Bill, Mr. Chairman, I would move that:

Amend clause 7 of the printed Bill by striking out the words "without a warrant" where they appear in the general words preceding clause 49.01(a) as being enacted therein and substituting the following:

with agreement of the proprietor or with a warrant issued by a Justice of the Peace or a judge of the Provincial Court.

I so move, Mr. Chairman.

Amendment negated on division.

(1545)

**Hon. Mr. Wiens:** — Mr. Chairman, I'd like to move an amendment to section 7 of the printed Bill:

Amend section 49.01 of the Act as being enacted by section 7 of the printed Bill by striking out the words "wildlife farming" in clause (a).

Just in explanation, those words were included there to include farming of wildlife, not game farming, and was creating a concern for the game farmers. The remaining words in the clause continue to allow the department to carry out the intent of the Act without

those words in it, and this is giving comfort to the game farmers so that they have no fear of it being misinterpreted.

I so move.

Amendment agreed to.

Clause 7 as amended agreed to.

Clauses 8 and 9 agreed to.

The committee agreed to report the Bill as amended.

**Mr. Neudorf:** — Yes, Mr. Chairman, I would like to take this opportunity to thank the minister for a useful discussion and his official for helping to answer the questions. I'm sorry to see that he did not see fit to agree to the amendment that we brought forward.

**Hon. Mr. Wiens:** — Mr. Chairman, I would like to thank my official, who is leaving, for his cooperation in these measures, and thank the members of the opposition for their very sound and incisive questions and their cooperation in moving this Bill forward. Thank you very much.

**The Chair:** — Before we proceed to the next item, I'd like to remind the members of the committee, the members who are here, that:

. . . Speakers have consistently attempted to discourage loud private conversations in the Chamber, and have urged those wishing to carry on such exchanges to do so outside the House.

And that's from citation 336 of Beauchesne's.

#### **Bill No. 65 — An Act to amend The Corporation Capital Tax Act**

**The Chair:** — I would ask the Minister of Finance at this time to introduce the officials who have joined us.

**Hon. Ms. MacKinnon:** — Thank you very much, Mr. Chairman. On my right is the deputy minister of Finance, John Wright. Behind him is Len Rog, assistant deputy minister. Next to Len is Kirk McGregor, executive director, taxation and intergovernmental affairs. And next to Kirk is Brian Smith, executive director of Public Employees Benefits Agency.

#### **Clause 1**

**Mr. D'Autremont:** — Thank you, Mr. Chairman, and Madam Minister. This Act, while it doesn't seem to be all that large — one page — can have a major impact on the oil industry in this province, an oil industry which I suggest, Madam Minister, is very important to this province as an economic generator.

What you are doing with this Act is increasing the corporation capital tax resource surcharge by 20 per cent — 20 per cent, Madam Minister, is what the

increase is. And this can have an impact in some areas.

You've stated that this should not impact on the small producers of this province, those with less than \$10 million paid up capital. Well in the oil patch, Madam Minister, \$10 million is not a lot of money to have invested. There are a good number of farms in this province that have \$10 million invested in their operations. So it can have an impact.

And if this impact turns out to be more severe than you would suggest, it can have an impact on the number of jobs in this province, jobs that we can ill afford to lose, because your government's job creation programs have been less than adequate, much less than adequate.

The impact is also in the mining industry, Madam Minister. And we've already seen that a good amount of the mining dollars that should be invested in this province are moving elsewhere. A lot of them are moving to South America, Madam Minister, particularly into Chile.

One of the major items that we see happening in the mining industry in this province as new business generates, is the drilling for diamonds. But that is just an industry in its infancy, Madam Minister. The other industry is the uranium industry. And this kind of a tax will have a severe impact on that industry, because the prices, Madam Minister, are not that great in the uranium industry.

So, Madam Minister, how many businesses do you estimate will be affected by this tax?

**Hon. Ms. MacKinnon:** — Mr. Chairman, first of all with respect to taxation, this government believes in fair taxation, so the burden has to be shared not only by individuals, but also by companies. But we have to ensure that the share being paid is a fair share.

What I'd say with respect to this legislation is that almost all of the small petroleum companies will be virtually exempted from paying this particular tax. Companies with assets of \$100 million or less will be eligible for special exemptions.

I would also, with respect to your specific question, 240 companies will be affected.

**Mr. D'Autremont:** — Madam Minister, how many companies will receive the exemptions of under the \$10 million?

**Hon. Ms. MacKinnon:** — Mr. Chairman, we wouldn't have that number because really what you're asking me is to tell you who does not pay a tax. The only people that we have records of are people who actually have to pay the tax. So we do not keep records of who does not have to pay the tax. We only have records of who has to pay.

**Mr. D'Autremont:** — Well I find that surprising, Madam Minister, that you would not know of the

companies. Because these companies are obviously paying taxes at some point in time. They're paying their E&H (education and health) tax, they're paying GST, they're paying income tax, they're paying royalty taxes, they're paying some taxes to the government, Madam Minister. And I find it surprising that you would not know how many of them there are out there that are exempted from this. Surely you made some studies, Madam Minister, before you implemented this increase in this taxation.

**Hon. Ms. MacKinnon:** — Mr. Chairman, let me clarify this. What I'm saying is I don't have here at my fingertips the number of companies who are exempted. Certainly that statistic is available and I can get it for you. It's a simple calculation. How many companies are there in the province minus the 240 that would have to pay this tax, and you'll have that number. But I don't want to speculate off the top of my head as to what that number is. But it is attainable and I will ensure that you do get the information.

**Mr. D'Autremont:** — Well thank you, Madam Minister. Then perhaps when you make your statements you should be clear in what you're saying. You said the information was not available. You did not say that it was available in my office and that I will get it for you; you said it was not available. And I would ask you to be clear when you make those statements.

Madam Minister, you talked of a hundred million dollar threshold level, and below that you could receive an exemption. We've seen the Minister of Health say that of the 52 acute care bed facilities which are slated for closure in this province, there could be exemptions. But we don't see any of them getting exemptions.

In this particular case, Madam Minister, what are these exemptions about and who would qualify for them?

**Hon. Ms. MacKinnon:** — Mr. Chairman, just to once again make it clear to the member opposite what I said. The Department of Finance only keeps records of companies that pay taxes. We can get from the Department of Energy and Mines a list of all of the companies that exist in the province, deduct from it the ones who are going to be exempt, and then tell you what that number is.

But they're separate departments. We have no problem getting the statistics for you, but what we have here are only the records of the Department of Finance.

Now with respect to your second question, effective January 1, 1990, resource corporations with gross assets of less than \$100 million are entitled to a deduction in computing their capital tax surcharge. This equates to a maximum tax reduction of \$90,000 per year.

**Mr. D'Autremont:** — Well, Madam Minister, what do you have to do to qualify for these exemptions?

**Hon. Ms. MacKinnon:** — Mr. Chairman, you have to have, as I mentioned in the response to the last question, less than \$100 million in gross assets. The amount of the surcharge deduction is dependent on the proportion of salaries and wages paid by the corporation and its associated corporations to Saskatchewan employees. That is, the more you pay in salaries and wages to Saskatchewan employees, the greater your deduction.

**Mr. D'Autremont:** — Well, Madam Minister, what if your corporation was wholly located within Saskatchewan; therefore all of your salaries were paid within Saskatchewan. Would you be totally exempt from this tax if your assets were less than \$100 million?

**Hon. Ms. MacKinnon:** — Mr. Chairman, what would happen is that you would have a ceiling on the amount that you would be allowed to be exempted. And the ceiling would be \$90,000. So you have a maximum tax reduction of \$90,000 per year.

**Mr. D'Autremont:** — So, Madam Minister, you could potentially pay on this \$100 million — what? — \$360,000 minus the 90, so 250,000.

(1600)

**Hon. Ms. MacKinnon:** — Let me give you a concrete example of how this would work, which might help to clarify it.

Say you are a company with \$3 million in annual resource sales. You pay a tax at the rate of 3.6 per cent, which would be \$108,000, and you would be eligible for an exemption of \$90,000, assuming that those salaries and wages were paid to Saskatchewan residents, which would mean that you are taxed only on the 18,000.

**Mr. D'Autremont:** — Okay, Madam Minister, this tax is then based on your corporate sales and not on your corporate assets?

**Hon. Ms. MacKinnon:** — Mr. Chairman, on the value of your sales.

**Mr. D'Autremont:** — Madam Minister, you talked of a \$3 million sales. What if you have the \$100 million sales? What kind of a percentage are you going to save on that?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I would speculate that if your sales are \$100 million, your assets will probably exceed \$100 million and you will not be eligible for the exemption because you will not be considered a small petroleum company.

**Mr. D'Autremont:** — Okay. So your asset base is \$100 million but you're only taxing the sales of that company . . . (inaudible interjection) . . . Okay. Thank you.

Madam Minister, who did you consult with before

making this change to this tax rate?

**Hon. Ms. MacKinnon:** — Mr. Chairman, the Department of Energy and Mines had extensive consultations with people in the oil and gas industry. I'm sure when they come for estimates they can give you a list of who they consulted with specifically.

**Mr. D'Autremont:** — Well, Madam Minister, I would think that since this is your Bill and it's your tax increase, that you would be aware of who they consulted with. Or does the Energy and Mines . . . you just ask Energy and Mines, do you think this is okay that we go ahead and increase the taxes here? Or do you talk with the Minister of Energy and find out who he did indeed consult with on this?

**Hon. Ms. MacKinnon:** — Mr. Chairman, the member opposite would know that we asked them at the time who they consulted with, but the member opposite would know as well that we have hundreds of pieces of parts of the budget so I can't tell you off the top of my head the list of who they consulted with. Such a list exists. If you would like to see it, I'm sure that we can get it for you.

**Mr. D'Autremont:** — Okay, Madam Minister, would you give the commitment to supply that information to us please?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I will ask my colleague, the Minister of Mines, to provide information as to what consultations occurred.

**Mr. D'Autremont:** — Thank you, Madam Minister. Were any studies done as to how this would impact on business across this province?

**Hon. Ms. MacKinnon:** — Mr. Chairman, with respect to that, it's the same as other parts of the budget. What we did was we took the economic projections for the province — the rate of growth, the rate of employment, the rate of inflation — we built a model, and then we put into that model all of the changes that came as a result of the budget, including the expenditure reductions and the revenue measures, and that is included in the appendices to the budget.

We did not do specific studies of specific parts of the budget. Instead we did an overall study of the total impact.

**Mr. D'Autremont:** — Well, Madam Minister, I recall hearing a fellow who made a presentation to the uranium industry discussing the economic impacts that the uranium industry would have in Saskatchewan. This fellow was a professor of economics at a university in eastern Canada. And his statement about your kind of modelling was that you tell me what the results you want are and I'll make the model that will give you that result.

Madam Minister, I think a lot of people across this province no longer trust models such as that. I think actually what you've done with this tax Bill is you've increased the taxes and sat back and waited to see

what kind of a reaction you were going to get, to see whether or not people were prepared to swallow these increases and just what kind of an impact they were going to have on the province.

If there are some studies, Madam Minister, we would like to see them, please.

**Hon. Ms. MacKinnon:** — Mr. Chairman, I've already answered the question with respect to studies. What we did is we provided with this budget the most comprehensive information available ever in the history of this province to the taxpayers about the assumptions upon which we based the budget and the effects of the budget in terms of the growth of the province. So no specific studies on each and every part of the budget exists. Instead there is an overall study.

I don't know the economist you're speaking of. It's unfortunate his ethics are not of a higher quality that he actually believes that he would be willing to give the answer that somebody requested. All I can say to you is this. This budget and the different parts of it have been analysed by agencies across North America, and consistently what they have said is they are impressed with our plan, and they're impressed with the comprehensive nature of the plan, and they believe the targets in the plan are attainable.

So I would put on the record those comments by reputable agencies relative to the comment from an unnamed economist.

**Mr. D'Autremont:** — Well, Madam Minister, the people who do the bond ratings across North America were so impressed with your budget that they left the ratings the same, and the bond rating agency from Toronto dropped your ratings. That's how impressed they were with your budget, Madam Minister.

Madam Minister, the economist I was talking about was not saying that he would do it, but he was saying that when somebody as a lobby group brings forward a model to give an answer, that those results can be skewed in any manner they wish, and that results of a partisan nature are not to be believed.

Madam Minister, you've made a revenue projection of \$15 million for this tax increase. What details did you base that on, Madam Minister? What criteria did you use to come up with that \$15 million, and how accurate is your projection?

**Hon. Ms. MacKinnon:** — Mr. Chairman, with respect to DBRS's (Dominion Bond Rating Service) downgrade, it's totally ironic that the members opposite would mention that. Because what DBRS said specifically was the downgrade was as the result of factors beyond the control of the government, specifically the long-term debt that this government inherited from the previous government; and went on to say that our particular budget was impressive and they supported the direction.

So I don't understand why the members opposite

would like to get into the financial situation because we know where the roots of that problem lie.

Now with respect to the estimates about the revenue, the estimates of revenue are based on exchange rate estimates, they're based on the estimates of the price of the commodity, and the production levels.

**Mr. D'Autremont:** — Madam Minister, what prices did you place on the commodities, on the oils and the minerals that you were using for this projection? Were you projecting increases? And if so, what were they based on?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I would draw the members opposite to the budget which was introduced in the legislature on March 18, and if they would turn to page 30, they would find out the estimates that we based our revenue projections on. And they assume, for example, that the price of oil in 1993 will be \$20.35 U.S. (United States) a barrel, and the price will be as follows. As I say this information is available on page 30 of the budget.

**Mr. D'Autremont:** — Well thank you, Madam Minister. The people of this province can only hope that your projections are accurate and that these taxes . . . that the commodities will not drop in price and therefore your projections will be out.

You talked about the long-term debt, Madam Minister. Part of that long-term debt came from the purchase of the Potash Corporation. It came from the purchase of SMDC (Saskatchewan Mining Development Corporation) monies. It came from unfunded pension liabilities that were generated during the 1970s in the previous incarnation of the NDP government. So while, Madam Minister, you can point fingers if you want to, you should be pointing some of them back at yourself because half of that debt came from your previous governments, Madam Minister.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

#### **Bill No. 66 — An Act to amend The Income Tax Act**

##### **Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, I wonder if you would take a few moments for us, please, to outline the changes that this Bill sets forward.

**Hon. Ms. MacKinnon:** — Yes, I'd be pleased to do that. The Bill introduces policy changes which improve the competitiveness of the corporate tax system for small businesses and also introduces a series of technical amendments required by the federal government in its administration of the provincial income tax system . . . (inaudible interjection) . . . Did the member from Kindersley

want the answer?

**An Hon. Member:** — Yes, please.

**Hon. Ms. MacKinnon:** — I would like to update members on the status of our work in reforming the tax system. We, along with other provinces, are anticipating the federal government allowing us more scope in designing our own tax system, and this is a move that we welcome.

A tax-on-income model would simplify the system. The income tax system can be used to deliver economic as well as social policy. And what was announced in the budget were a series of tax measures to target tax incentives, tax reductions to small businesses and co-ops, small co-ops, in order to stimulate the economy and to create jobs.

These specific measures were a reduction in the small business corporation income tax rate so that it went from . . . it was reduced from 9 per cent to 8.5 per cent effective January 1, 1994 and to 8 per cent effective January 1, 1995.

There was also the announcement of the introduction of a manufacturing and processing tax credit which was equal to 8 per cent of the value of equipment that was going to be used in manufacturing or processing. This credit will be in effect from April 1, '93 through to December. I should also point out that we have arranged with the federal government to coordinate the administration of that tax so that there will be no extra costs for administering that particular credit.

In addition, these initiatives make technical adjustments to The Income Tax Act which are required by the federal government in order to allow them to collect the taxes on our behalf.

(1615)

**Mr. Boyd:** — Mr. Chairman, Madam Minister, is that not simply just another step towards coordinating the two taxes then?

**Hon. Ms. MacKinnon:** — Mr. Chairman, no. We have been party to tax collection agreements for years with the two levels of government. So it's just a continuation of a long-standing policy.

**The Chair:** — This is a Bill of 33 clauses over 17 pages. Do the members agree that we proceed page by page? That's agreed.

Clause 1 agreed to.

Clauses 2 to 33 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 72 — An Act to amend The Superannuation (Supplementary Provisions) Act**

**Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, I wonder if again you would care to outline briefly the provisions that this Bill sets out.

**Hon. Ms. MacKinnon:** — Yes, Mr. Chairman, I would be pleased to do that. What we're doing here is we're amending legislation to provide an additional qualification for the restricted retirement option. Employees of government departments and the Saskatchewan Property Management Corporation whose positions are abolished and whose age plus years of service are greater than or equal to 80 now qualify for the restricted retirement option.

This is an addition to the existing provision of age plus years of services greater than or equal to 75. That is essentially what the Bill does.

**Mr. Boyd:** — Madam Minister, I wonder if you could just explain to us why these changes are necessary.

**Hon. Ms. MacKinnon:** — Mr. Chairman, there were some amendments made last year. This is an extension of those amendments to ensure that long-term employees of the government who are going to lose their jobs because of downsizing have appropriate cushions in place to make the transition out of government.

**Mr. Boyd:** — How many employees will be affected by this legislation?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to date there have been 109.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Mr. Boyd:** — Thank you, Mr. Chairman. We'd just like to thank the minister and thank the officials for coming in this afternoon to help out with the questions.

**Hon. Ms. MacKinnon:** — Thank you very much, Mr. Chairman. I'd like to thank the officials for their assistance and the opposition for moving through the Bills.

**Bill No. 67 — An Act to amend The Municipal Revenue Sharing Act**

**The Chair:** — I would ask the Minister of Municipal Government to please introduce her officials.

**Hon. Ms. Carson:** — Thank you, Mr. Chairman. To my right I have Grete Nybraten, the manager of the urban revenue sharing; and to my left I have Doug Morcom, manager of rural revenue sharing.

**Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chairman, Madam Minister, and welcome to your officials. Madam Minister, please outline for us this afternoon the

changes that are set forward in this Bill and what impact they will have on the municipalities, as you see it.

**Hon. Ms. Carson:** — Yes, this Bill establishes a level of funding to the urban and the rural municipalities through the rural and urban revenue-sharing pool, and it implements the second year of a two-year funding strategy where the urban revenue-sharing pool is down 5 per cent and the rural revenue-sharing pool goes down by 3.6 per cent. This is a part of our overall budget strategy towards a balanced budget.

**Mr. Boyd:** — Thank you. Madam Minister, did you conduct any . . . or your department conduct any studies as to what impact these changes would have on municipal governments?

**Hon. Ms. Carson:** — I can tell the member opposite that according to analysis that was done by the department prior to the budget, a 5 per cent reduction, which was \$3.1 million in urban revenue sharing, was anticipated to increase mill rates by 1.1 per cent, and a three and a half per cent reduction which amounted to \$1.3 million for the rural revenue sharing, anticipated a corresponding 1.3 per cent increase at the municipal level.

We are now watching the budgets being set and the mill rates coming in. It looks like most of the municipalities have been able to absorb those decreases in our revenue-sharing grants. Some have actually decreased their mill rates. Some have held the mill rates similar to last year, and there are some who have had a slight increase. But all the budgets haven't been set yet and we're watching and tracking that as it goes.

**Mr. Boyd:** — Madam Minister, I wonder if you would give us the commitment that you and your department would provide us with the changes in the mill rates that you have received to date as well as you are anticipating coming in.

**Hon. Ms. Carson:** — We would be able to provide that information for you later this summer as we do the final analysis when all of the urban municipalities and rural municipalities have provided us with that information.

**Mr. Boyd:** — Well could you provide us with the information on the ones that you say you have set. You mentioned that some of the municipalities have set their budgets to date, and I just wanted to have a look at it and be able to confirm what you just said.

**Hon. Ms. Carson:** — I can provide you with the preliminary list of the cities that have set their mill rate and the mill rate changes and percentage of change, if you like. This, at this point in time, is what we have.

**Mr. Boyd:** — Does your department have an estimate . . . that's for the urban ones only? Does your department have an estimate of what the impact will be on the rural municipalities, if there will indeed be an increase in rural taxation levels at the property tax

level as a result of these changes. Is there an estimate your department has worked on?

**Hon. Ms. Carson:** — I can provide you with information that we have when we analyse the reductions. As I said, the total impact was about 1.1 per cent for urbans and 1.3 per cent for rurals. But I'll provide you with this information. It might be useful.

**Mr. Boyd:** — Does your department foresee the — we'll start with the urban municipalities — foresee lay-offs, employee lay-offs as a result of the budget cut-backs?

**Hon. Ms. Carson:** — In consultation with the urban governments that we've had so far, there will be a combination of some lay-offs, some reduction in services, some increase in fee for services. It's not altogether through job lay-offs that they will be able to manage the budget. It's a combination of many factors.

**Mr. Boyd:** — Madam Minister, I note on the exchanges in the municipal tax rate for urban municipalities, Melfort had a reduction of 6.7 per cent. And I'm wondering if you could tell me what the amount of transfer Melfort received with respect . . . change over last year, and what would account for that difference.

**Hon. Ms. Carson:** — Well I think I can answer that quite easily. There was a re-evaluation in the assessment this year in Melfort. And because of that the assessment went up about \$1.3 million; so there was a corresponding decrease in the mill rate. But essentially the budget stays much the same . . . (inaudible) . . . two-year grant allocation to Melfort, if you like. But really the mill rate went down in Melfort because of the increase on the assessment side.

**Mr. Boyd:** — So it had nothing to do with the changes then that this Bill is setting forward. It had simply to do with the changes in the assessment.

I note that that's . . . when you look at the overall changes then, if you discount the Melfort one because of those changes, every single one with the exception of Prince Albert, is going up. And perhaps they changed for the same reason. Did Prince Albert change for the same reason as the Melfort situation?

(1630)

**Hon. Ms. Carson:** — I don't know if Prince Albert had a re-evaluation of their assessment or not. I can tell you that Melfort did have a decrease this year in their grant allocation as far as I . . . minus 2 per cent from last year in their revenue-sharing grant.

**Mr. Boyd:** — Thank you, Madam Minister. So in every situation except Prince Albert, the taxes to property owners in those cities with the exception of Prince Albert and Swift Current, would be going up. Is that correct?

**Hon. Ms. Carson:** — There are some urban

governments who have remained the same. I have only given you a partial list over there. It is true that there is a lot of pressure on urban governments' budgets. And those governments that have been able to manage have cut back a fair amount of their budgets through either reduction in services or through reduction in employment. But some of them could not find any further efficiencies and they did increase their mill rate.

**Mr. Boyd:** — So, Madam Minister, it'd be fair to say that as a result of your budgetary cut-backs, that property taxes in most of the urban municipalities throughout Saskatchewan would be going up.

**Hon. Ms. Carson:** — Well I guess . . . I'm not about to concede that it was only because of our reduction in revenue sharing. There are a lot of pressures on urban governments outside of our allocation for grants. We only provide a small portion of the operational funds for urban governments, and there are other outside pressures as well that cause their budgets to increase.

So it's a combination of factors. Where there were no increase in assessments or no increase in revenues outside of our allocation from provincial funds, then of course they had to look at increasing either their revenue through property tax or decreasing their services.

**Mr. Boyd:** — Well I guess that's true, Madam Minister. There's no question that there's other outside pressures, as you refer to them. I would think that they are confined pretty much to your government though — the utility increases as a result of changes that your government has made, fuel tax increases as a result of changes that your government has made, cut-backs with respect to fine revenues as a result of changes that your government . . .

Is there any other cut-backs that you can think of, or any other outside influences beyond those that would impact on these budgets? Because I, quite frankly, can't see a whole lot of ones other than the ones your government has imposed.

**Hon. Ms. Carson:** — Well I believe that urban municipal governments, like everybody else in Saskatchewan, understand that we have a debt we have to pay off. And that \$847 million that we have in interest payments is everybody's responsibility. And if we didn't have to pay for it, we could be allocating that money towards a revenue-sharing pool for urban governments. But it's not possible at this point in time to say that we're going to balance the budget without affecting somebody.

And I know that at the convention both SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) asked the provincial government to move towards a balanced budget. We're doing it and it has an impact on people. There's no way you can deny that. But it's not . . . I would say it's not the fact that we have misspent money in the past. There's \$847 million worth of interest payments we make this

year and it's going out of the province. If we didn't have to send it out of the province, we could allocate it to urban governments. That's the way life is in Saskatchewan at this point in time.

**Mr. Boyd:** — Thank you, Madam Minister. In your information you provided here you say the total impact on the average farm will be 1.4 per cent or \$51. Now I'm wondering what you're basing that on. The average . . . what is the average farm size in this province, and how did you possibly come up with that \$51 increase?

**Hon. Ms. Carson:** — We estimate the average farm to be about 1,300 acres. We don't have the average assessment with us at this point in time, but it was taking an average of the size of the farm and the average assessment across Saskatchewan.

**Mr. Boyd:** — Thirteen hundred acres, would you say a reasonable estimate would be, what, 3,000, 3,500 per quarter, per 160 acres? Would that be considered a reasonable estimate?

**Hon. Ms. Carson:** — It's within reason, yes.

**Mr. Boyd:** — And on the average quarter at, say 3,000 or 3,500, 4,000 — any figure you want to pick out of there — what would the amount of taxation be on that currently, and what would the increase be?

Quite frankly, I don't buy your figure there. Fifty-one dollars seems minuscule on 1,300 acres.

**Hon. Ms. Carson:** — I'm not quite sure how to answer the question because I'm not clear about what your question was. But if you take the average mill rate on a rural municipality is 46 mills times 3,000 acres for an assessment . . . times the assessment of 3,000 times 160 which is acres per quarter, divide by 1,000, then your average tax bill is \$862 per quarter. And then we factored into that what we thought would be the approximate size of the decrease of the grant to the municipality and tried to factor that as a percentage of what they raise through their revenues on their property tax, and it came out to \$51.

**Mr. Boyd:** — Thank you. So you're saying, Madam Minister, that on the average farm which you said was 1,300 acres in this province, that they will see an increase of \$51 only on their tax bill that's coming out this fall. That's what you're saying.

**Hon. Ms. Carson:** — Well as we calculated, it's hard to be specific because I know the RMs (rural municipality) around my constituency, some actually decreased their mill rate by 10 mills, so there's a variation across the province. This isn't an overall increase. Some of them have been able to hold the line. A lot of them have been drawing on reserves that they've had, so they have not increased their mills. It depends upon the operational needs of that municipality; it depends on the reserves that they have; and depends on their tax arrears.

So it's hard to make a general statement that

everybody's tax bill is going to go up by \$51 across this province. I think what we are trying to do is calculate on average what might happen but there's so many factors that impact on the final analysis that you can't make a universal statement about that.

**Mr. Boyd:** — Well, Madam Minister, you are the one that made it, not me . . . total impact for RMs, average farm 1.4 per cent, \$51. And I'm just saying I seriously doubt when I get my tax notice this fall that it will be \$51. I think the average tax increase will be substantially higher than that. Would you care to comment?

**Hon. Ms. Carson:** — Well again, our percentage of revenue . . .

**The Chair:** — Why is the member for Arm River on his feet?

**Mr. Muirhead:** — Could I ask leave of the House to introduce guests?

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Muirhead:** — Thank you very much, Mr. Chairman. Sitting in the Speaker's gallery is my daughter-in-law, Valerie Muirhead, and with her are some of her relatives from Colorado and Kansas. It's her mother and dad, Herb and Doris Weede, and Herb and . . . I'm sorry, Reuben and Bernice Bandall, and they're from St. Francis, Kansas.

And I'd like all the members to welcome my daughter-in-law and her family and our good neighbours from the South. Thank you, Mr. Chairman.

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

#### COMMITTEE OF THE WHOLE

##### **Bill No. 67** (continued)

##### Clause 1

**Hon. Ms. Carson:** — Yes, I'm sort of at a loss here. I can't remember what I was saying, except 21 per cent of the revenue that comes from the provincial government is part of the budget of the municipal government. And when you are saying that you anticipate your tax bill to be much greater because of the decrease in revenue from the provincial government, it's hard for us to be able to say across the board, that's the way the picture is going to look, because there are so many other factors that have to be taken into account.

Now as I said, 20 or 21 per cent of a municipal budget comes from the provincial government through revenue sharing. If they have been able to find other efficiencies within their operation, then there won't be an increase in the mill rate. And some of them have been able to do that.

Some of them will have increases, but it depends upon the financial stability of that municipality. If they have a lot of tax arrears and their cash flow is a problem, then they will have also a problem at balancing a budget and they may have to look at increase in mill rates.

So to make a generalized statement about the increase across the board is simply inaccurate.

**Mr. Boyd:** — Thank you, Madam Minister. Would you give us the commitment then that later this fall when the tax notices are going out to the people across this province on their property in rural municipalities, that you will substantiate this \$51 figure because it's your estimate. And I'm simply calling it into question. And obviously I understand what you're saying about the impact and all of the changes. Maybe it is difficult to calculate.

But in the analysis at the end of the day, we can come up with a figure, I think, just based on municipality by municipality across the province to see how close you are in your estimate. Because I think most municipalities that I've talked to in my constituency, and most municipalities certainly on the west side of the province, anticipate a whole lot more pain than you're trying to portray here. Fifty-one dollars to the average farm operation in Saskatchewan isn't a whole lot of money these days I don't think, but I think that it'll be significantly higher as a result of the cut-backs that your government has imposed on them.

(1645)

**Hon. Ms. Carson:** — There's no doubt that there will be a variation across the province. I have four RMs in my constituency. Three of them held the line and one had a 10 mill decrease. So it's very hard for us to stand up and say across the board there is going to be a corresponding increase in mill rates.

I will again point out to you that if we had a preference we would not decrease the revenue-sharing pool for municipalities, either rural or urban. But we don't have any choice here and it's again a matter of not having enough money to go to all the places that have a legitimate use for that money. So it's simply a fact of living in Saskatchewan where we have to pay for former debts.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

##### **Bill No. 68 — An Act respecting Financial Arrangements for Urban Parks**

##### Clause 1

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, this certainly is a reduction to the urban parks. We mentioned the other day just briefly that I

think the government has to be careful that at some point the existence of those parks will actually be threatened. And I would just open it up for you to enlighten us, if you care to, about where that position will be met. Are these parks in danger of actually collapsing as a result of these reductions?

**Hon. Ms. Carson:** — No, they are not in danger of collapsing.

**The Chair:** — I'll ask the minister as well if you'll introduce the official who's joined the committee.

**Hon. Ms. Carson:** — Yes, thank you. I have to my right John Edwards.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 69 — An Act to amend The Assessment Management Agency Act**

**Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, I wonder if you could tell us what the reduction to this agency is over last year.

**Hon. Ms. Carson:** — There has been no reduction. In 1990-91 it was \$7 million. In '91 — no, just to get my years straight here — '91-92 which was the budget of the last administration, the payment was \$7,049,200. Last year the allocation to SAMA (Saskatchewan Assessment Management Agency) of the 1992-93 year was \$7.5 million. This year it remains at \$7.5 million. So in the last two years, it has remained stable, up from the last year of the last administration.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Bill No. 70 — An Act to amend The Urban Municipality Act, 1984 (No. 2)**

**Clause 1**

**The Chair:** — First I'll ask the minister to introduce her officials.

**Hon. Ms. Carson:** — Yes, again I have John Edwards who is the director of municipal policy and legislative services. And Lorne Tangjerd who is the senior policy analyst with the department.

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, why did the government find it necessary to amend the Act twice in one session? Why didn't you just do it all in the one revision that you did earlier?

**Hon. Ms. Carson:** — Yes, we separated out the wards

provision out of the rest of the amendments which were housekeeping amendments.

**Mr. Boyd:** — Could you outline the consulting process that was used in drafting the Bill?

**Hon. Ms. Carson:** — This Bill before us was . . . we consulted with SUMA, and through SUMA with most of the municipalities.

**Mr. Boyd:** — Did you accept all of the recommendations that SUMA and SARM had with respect to the Bill?

**Hon. Ms. Carson:** — SARM is not involved in this because it's the urban Act. All the amendments were reviewed with SUMA. SUMA asked for one change to be made in the amendments and that was with regard to the percentage of signatures that were needed in order to go to a binding vote. And we agreed with their recommendation and we changed it. So the amendment here reflects the proposal made by SUMA.

Clause 1 agreed to.

Clauses 2 to 24 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 71 — An Act to amend The Local Government Election Act (No. 2)**

**Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chairman. Madam Minister, why is it that you feel it's necessary to force these changes on the cities in our province when they have asked through their representative SUMA that they not be . . . ward system not be imposed on them?

**Hon. Ms. Carson:** — This Bill doesn't have anything to do with wards.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The committee agreed to report the Bill.

**The Chair:** — I recognize the Minister of Municipal Government; I think she would like to thank her officials.

**Hon. Ms. Carson:** — Yes, I would. Thank you. I would like to thank the officials from the department for being with us today, and I would like to thank the members opposite for the cooperation that they have shown.

**Mr. Boyd:** — Thank you, Madam Minister. We thank you for your answers and for the officials' help as well.

**THIRD READINGS**

**Bill No. 51 — An Act to amend the Wildlife Act**

**Hon. Mrs. Teichrob:** — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

**Hon. Mrs. Teichrob:** — Mr. Speaker, by leave of the Assembly, I move that Bill No. 51 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. 65 — An Act to amend The Corporation Capital Tax Act**

**Hon. Mrs. Teichrob:** — 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. 66 — An Act to amend The Income Tax Act**

**Hon. Mrs. Teichrob:** — 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.

(1700)

**Bill No. 72 — An Act to amend The Superannuation (Supplementary Provisions) Act**

**Hon. Mrs. Teichrob:** — 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. 67 — An Act to amend The Municipal Revenue Sharing Act**

**Hon. Mrs. Teichrob:** — 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. 68 — An Act respecting Financial Arrangements for Urban Parks**

**Hon. Mrs. Teichrob:** — 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. 69 — An Act to amend The Assessment Management Agency Act**

**Hon. Mrs. Teichrob:** — 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. 70 — An Act to amend The Urban Municipality Act, 1984 (No. 2)**

**Hon. Mrs. Teichrob:** — 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. 71 — An Act to amend The Local Government Election Act (No. 2)**

**Hon. Mrs. Teichrob:** — 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.

The Assembly adjourned at 5:04 p.m.