

The Assembly met at 8 a.m.

Prayers

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 34 — An Act to amend The Parks Act

Mr. Chairman: — I would ask the minister to introduce his officials.

Hon. Mr. Maxwell: — Thank you. Good morning, Mr. Chairman, hon. members. Seated beside me is Ross MacLennan, executive director operations; seated immediately behind me is Steven Schiefner, legislative officer with the department; and beside Mr. Schiefner is Don MacAuley, director of parks branch.

Clause 1

Mr. Thompson: — Thank you very much, Mr. Chairman. Mr. Minister, I have just a few questions I want to ask on Bill 34. And first of all, I want to start off with section 4, subsection 15(3), and it looks like now that you are going to, by policy rather than legislation, look after the buffer zones that we have around our lakes and rivers in Saskatchewan.

Mr. Minister, I wonder if you could explain to me why you would want to do this by policy rather than legislation. What would be the reason for the change in that?

Hon. Mr. Maxwell: — The existing situation, Mr. Chairman, is that we have . . . I'll explain this. The lake or the water — and this is within parks, this isn't general across the province; we're only speaking within provincial parks — we have the lake, we have the shore, and then a 10-metre zone beyond the shore. That 10-metre zone currently prohibits the building of marinas or boat docks, so that people who want to do that within a provincial park legally cannot, because they are infringing on property that is under the purview, in this Act, of the Crown.

What we would like to do is make it possible for developments such as marina harbour to take place. We've been under pressure from cottage owners' associations and others to allow marinas to be built on lakes within provincial parks. All this legislation would do would enable that to happen.

Mr. Thompson: — So you're actually taking about a marina, a dredging situation where a marina would be built into the buffer zone that exists right today.

Hon. Mr. Maxwell: — Yes, Mr. Chairman, that could conceivably happen. In the case of Elbow harbour, that is certainly the case, and at Sask Landing park as well in Omache Bay.

Mr. Thompson: — Okay, thank you very much, Mr.

Minister. I now want to turn to section 6. This . . . (inaudible) . . . provides summary process for dealing with individuals who are illegally occupying park land. Mr. Minister, I wonder if you could explain this section, illegally occupying park land. Who would this cover?

Hon. Mr. Maxwell: — I'm advised, Mr. Chairman, it doesn't happen often but it has happened in the past whereby someone whose lease has expired, and for whatever reason has not been renewed, continues to occupy the land, or in the case of an individual who moves into park land and ostensibly becomes a squatter on park land, this would give us the authority to remove them. Currently we don't have that authority.

Mr. Thompson: — Does this cover individuals who have lived in that park land prior to the park even being created?

Hon. Mr. Maxwell: — Mr. Chairman, I'm advised that this is only in the case of people who are occupying park land with no authority to be there. Currently there is no remedy with The Parks Act to require them to remove whatever they have erected on park land property, and this would just give the legal authority to ask them to leave that property.

Mr. Thompson: — Yes, well you didn't answer my question though, Mr. Minister. You talk about them being on there without any authority, but the question that I asked you is: are we dealing with individuals who were in there as a homesteaders or trappers, or whatever it may be, and have been living there for maybe the last 34 years, and then the park was created, and now you want to relocate them? Is this the individuals who we would be talking about?

Hon. Mr. Maxwell: — I understand the intent of the question now, Mr. Chairman. I'm sorry I didn't get it the first time. No, those people are certainly not affected by this, not at all.

Mr. Thompson: — Finally, I want to turn to section 8 of the Bill, and this is where I think that the Bill should be pulled and redrafted.

The minister may appoint:

(a) any employees or categories of employees of the department . . .

as enforcing officers for the purpose of enforcing . . . this Act . . .

Then you go on to explain, Mr. Minister, that the change will provide the minister with the flexibility to appoint persons other than employees of the Department of Parks, Recreation and Culture as enforcement officers. You talk about primarily for federal staff of Canadian parks to carry out provincial regulations. And it seems to me, Mr. Minister, that this Bill should be pulled, redrafted to make this very clear. As it's stated here, you can appoint any employee or class of employee as enforcement officers. And I think that this is giving powers far greater than any minister would even want.

I'm sure, Mr. Minister, you would want . . . these type of powers, and it seems to me that it can be . . . it's just open for abuse. I'm not suggesting in any way that you would abuse this clause, but to me, when you put in a clause in a Bill that the minister may appoint any employee or any class of employee, then it suggests that individuals who are working part time for the department or secretaries or truck drivers, whatever it may be, could become enforcement officers.

And I say, Mr. Minister, I've said this before, that I think that this is a bad part of this Bill. And the Bill should be withdrawn and redrafted and make it far more clear what you're doing here on the federal employees enforcing provincial Acts.

Hon. Mr. Maxwell: — Mr. Chairman, when this was being drafted, I had the same concerns as the hon. member. In fact it was raised through our own committee and through our own caucus.

First of all, the hon. member is quite correct that this is being inserted and is being drafted and put in here to cover the grasslands primarily, in fact specifically the grasslands, whereby we would have federal officers enforcing provincial rules in our portion of that park. So that's the intent of it.

What I'm advised by the legal folks is that it had to be drafted in a broad fashion because we're dealing with several different groups. And the wording for this in The Parks Act is similar to The Alcohol Control Act, The Prairie and Forest Fires Act, 1982, Heritage Property Act, and The Fisheries Act, because there will be more than one group involved in this particular enforcement section. So it had to be drafted in a broad fashion. But it doesn't give me or anybody else licence because the people who would be appointed to enforce The Parks Act have to be qualified and trained, and they have to be high calibre officers.

Mr. Thompson: — Well that's fine, Mr. Minister, with your explanation. But I still say that this leaves the Bill open because it says that the minister may appoint any employee or class of employees of the department as enforcement officers. And I think that that just leaves it open because if you're going to have a Bill like this, why not be specific and indicate exactly who you're dealing with.

And I'm not going to belabour this, but I do indicate to you, and for the record, Mr. Minister, that I think that this should be pulled and redrafted and made more specific. Fine, if you insist on going through as it, you know, I'm not going to take the time of the House today. But most certainly we on this side feel that this is a bad clause in the Bill.

Hon. Mr. Maxwell: — If I could just briefly respond, Mr. Chairman. I know what the hon. member's concerned, because they have been raised with our own caucus, and the legal people explained to us that this is the way it has to be drafted. So although on the surface it may look like very broad and sweeping, when you go through it in detail with the lawyers, it really isn't. And I give every

assurance to the hon. member that there's absolutely no intent here to find ourselves appointing people who are not qualified to be doing enforcement work.

Clause 1 agreed to.

(0815)

Clauses 2 to 12 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 71 — An Act to amend The Renewable Resources, Recreation and Culture Act

Clause 1

Mr. Thompson: — Thank you very much, Mr. Chairman. Once again, I go to section 4 of this Bill, Mr. Minister, and you have the same clause in there, you may: "designate any employee . . ."

And once again, Mr. Minister, I don't know why you're using these extraordinary powers. I just feel that, as I indicated before, I thought that the other Bill, Bill 34, should have been pulled and redrafted. I also want to indicate to you that I think that this is another bill that also should be pulled and redrafted because it's exactly the same. It gives the minister exactly the same powers, and also in this Bill if gives officers who are appointed the authority to go in and seize books and documents and take copies and return them, and I just think that this is the type of powers that you, as the minister, I'm sure, really should not have. And I don't believe that you would want these types of powers.

So, Mr. Chairman, Mr. Minister, I want to indicate to you again that I think that these are powers that should not be in here. I know you indicate that you get this type of information and then you go down the road, I think, once you implement it and you find out that you can run into a lot of problems.

I can remember when the decision was made by this department — and we made that decision to harvest a calf moose — and there was a lot of debate over that. I was always opposed to that legislation where you would sell licence to kill a calf moose every year, and I still maintain that that was a bad policy. And now we see it, as the years go on, that it's become a real detrimental policy to the moose population in our province.

This, I think, is the same thing. You're going to find out as we go through, you're going to run into problems with this by having that authority to be able to designate anybody to enforce these laws. And with that, Mr. Chairman, and I know, Mr. Minister, I'm not going to take the time of the House, I just want to make sure that you realize on this side of the House that we are opposed to this clause in the Bill.

Hon. Mr. Maxwell: — Mr. Chairman, I note the hon. member's concerns, and they're the same as in the previous Bill, and the answer I gave previously applies here. Again, the legal folk said it has to very broad because there a number of categories of individual

who are involved in enforcement, not just resource officers or conservation officers, but there are wildlife technicians, superintendents, supervisors, people of that nature. And I was told that it had to be phrased in this particular fashion to cover that.

So I note the hon. member's concerns. Again, I give him the assurance that the intent is not to be appointing everybody and their dog and cat to be out doing enforcement, not at all.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Mr. Chairman: — Clause 5, an amendment proposed by the minister:

Amend subsection 9.1(1) of the Act, as being enacted by section 5 of the printed Bill, by adding "and that there is evidence of the offence to be found at the place or premises or on the vehicle or boat to be searched," after "an offence against this Act or the regulations has occurred."

Amendment agreed to.

Clause 5 as amended agreed to.

Clauses 6 and 7 agreed to.

Mr. Chairman: — I'd like to thank the minister and his officials and ask the minister to report the Bill with amendment.

The committee agreed to report the Bill as amended.

Bill No. 60 — An Act to amend The Northern Municipalities Act

Mr. Chairman: — I'd ask the minister to introduce his officials.

Hon. Mr. Klein: — Thank you, Mr. Chairman. To my right I have Dave Innes, my deputy minister, and to his right I have Gerry Stinson, who is our director from the North from La Ronge.

Clause 1

Mr. Goulet: — Yes, on one of the sections there was a grandfathering clause in regards to certification. Now I wanted to know from the minister: how many of the people do not have proper certification, and what will be done in regards to the training of them, and what level of certification are we talking about?

Hon. Mr. Klein: — Mr. Chairman, we really don't anticipate a problem in this area, and I explained this to all of the councils in the North that I meet with regularly. What we're trying to do is, as time goes by and the clerks retire or more along or whatever, that the new clerks that come in, the new administrators, have taken the course, and I believe it's a two-year course. And there are some

young people in the North that have qualified themselves already for these jobs. But certainly the people that are sitting in the present positions are grandfathered; we don't plan on forcing anybody out of their existing employment, and this is just to protect the northern communities in the future.

I think that all of the communities in the North recognize this, and we don't have a problem with it. Neither do they, from my understanding of it.

Mr. Goulet: — My other question, a more specific question to you in regards to that was what was the exact level of certification required, and how many of the smaller communities still do not have this level of certification?

Hon. Mr. Klein: — Mr. Chairman, I understand that all but two presently qualify as a level C. And some of the hamlets, of course, because of their size, they don't have that certification, but the administrators and clerks there work closely with our northern officials. And all we're trying to do is upgrade their whole system so that we take a little bit of reliance from the department out of their responsibilities, and we're trying to get them and encourage them to work alone. But it will be a level C qualification, and I've been advised that all but two of the villages have that now.

Mr. Goulet: — How many hamlets would that be, Mr. Minister?

Hon. Mr. Klein: — We have about 14 hamlets now, and four or five are certified and the other are not.

Mr. Goulet: — So there's approximately 10 then that are not certified. What is being done then in regards to long-term upgrading of the people there? Is there any specific programming available to them to make sure that they're up to standard as time goes on, and are you working with the Department of Education to get this upgrading done?

Hon. Mr. Klein: — Presently, Mr. Chairman, there is a local government administration course that's available by correspondence from the University of Regina, and that's the one that they're taking. It's a two-year course. And Northlands College right now is presently looking at it to see if they should maybe include it and provide for that.

You have to recognize that, you know, that it's a limited opportunity, and although we want to upgrade those people, it's not a sense of 200 people, for instance, getting certified because there's simply not 200 administrators needed up there. But presently the University of Regina extension services are filling the needs for them.

Mr. Goulet: — What are the requirements to enter this program that at present that exist?

Hon. Mr. Klein: — Presently they are accepting them as a mature student basis and there are no academic qualifications required for them.

Mr. Goulet: — Okay, then I want to move on to the question of independent schools. And I'm just wondering, Mr. Minister, to what extent . . . what independent schools are we talking about in northern Saskatchewan in that case?

(0830)

Hon. Mr. Klein: — Presently there are none, and probably there will not be. And I have explained this again to the mayors and council. They're fully aware that what we're trying to do is get the northern Act almost identical in all respects to the urban Acts so that we can have similar . . . one Act throughout the entire province. So that provision is in there because it will be coming in the urban Act, and then the two Acts will be the same almost. And that provision has been in there just for that reason; there are no private schools, and to my knowledge there are none that will be there.

Mr. Goulet: — Are these the same schools that are referred to in the new education Act?

Hon. Mr. Klein: — Yes, they are the same ones.

Mr. Goulet: — In regards to the next one, section 16, you've imposed new conditions on grants, and I wanted to know what was the rationale for that, Mr. Minister.

Hon. Mr. Klein: — Mr. Chairman, it's just a simple housekeeping amendment to get it in line. It refers to The Planning and Development Act, and it just brings it into line with it. There is nothing there other than that; it's a cross-reference.

Mr. Rolfes: — Mr. Minister, one quick question on independent schools. The definition, I believe, in The Education Act, the new amendments to The Education Act refer to students of compulsory school age. Is that the same definition that you are using in your Act, only to students of compulsory school age, or does it extend beyond that?

Hon. Mr. Klein: — Yes, it is the same.

Mr. Rolfes: — I'm given to understand that only compulsory school age. It doesn't extend beyond the compulsory school age. Is that correct?

Hon. Mr. Klein: — Yes, Mr. Chairman, that's correct.

Clause 1 agreed to.

Clauses 2 to 61 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 26 — An Act to amend The Planning and Development Act, 1983

Clause 1

Mr. Van Mulligen: — Thank you, Mr. Chairman. Mr. Minister, during debate on second reading, I made the point that I thought that there should be explicit provisions for public input insofar as planning for the

northern administration district was concerned. What you're proposing to do in this Bill, in part, is to set into place a process by which you will lay down in effect the zoning by-laws for a number of cottage subdivisions in the northern administration district.

It's indicated that the advice that you receive in terms of amending or setting that zoning by-law in the first instance or those regulations, or amending that in the future, will come from your officials. But there's nothing explicitly suggested in terms of any public input. There's no reference, for example, to section 14 of the current Act which permits you, as any other council, to set up a municipal planning commission which might provide an opportunity to citizen input. And I wonder if you've given this any thought and if you have any comments to make in that regard.

Hon. Mr. Klein: — Mr. Chairman, the Bill does allow that provision, and I can establish . . . I, as the minister, or the minister can establish a municipal planning commission. It's not explicitly included in the Bill because the people may not want it in any particular area, and we don't want to make them subject to a provision that they may not want. It's our intention to provide that for them because we want public input, and the minister will have the authority to put in that municipal planning commission, but it will only be put in in the areas where the people would want that privilege and would want to do the work associated with it.

So I think that your concern is addressed, but we would rather not have it explicitly in the event that we couldn't get a commission together in an area, and the people may not want that.

Mr. Van Mulligen: — I wonder then, Mr. Minister, if you might briefly outline the provisions that you have now, or the steps that you'll be taking to ensure public input at this point before developing any zoning regulations pursuant to this Act, and subsequently in terms of any amendments. What steps are you planning to take to ensure that public input?

Hon. Mr. Klein: — Well I suppose under section 14 of the Act, that's where the provision for that is, and it's always been our intention to utilize that. It's not in this Bill, but under section 14 of the Act we have that provision. And again, all I can say is that we always do look for input from the public, and early public discussion is a vital element of any land use planning matter.

So we would use that and we would put these commissions in under section 14 of the Act rather than in this Bill. And it's our intention that if we run into any kind of a problem that's exactly what we would do.

Mr. Van Mulligen: — Earlier you said that you weren't sure whether people might want any municipal planning commissions subject to section 14. So what you're saying then is that you will proceed to solicit public input as you develop the zoning regulations in the manner prescribed under section 14, but if that's not satisfactory that you'll find some other way to ensure that there will be public input?

Hon. Mr. Klein: — Mr. Chairman, the member is right. Ideally, we would establish these planning commissions. There may be the odd isolated case, however, that the department would have to work with, for instance the Department of Parks. And it might involve a separate piece of land or something like that that a planning commission just simply wouldn't work, and you know, the government of the day would have to be able to make a decision on it.

So in those few instances that could occur. But generally speaking, what you would like to see happen will indeed be happening, and we will be establishing these committees where and when they're necessary.

Clause 1 agreed to.

Clauses 2 to 31 inclusive agreed.

Mr. Chairman: — House amendment moved by the Minister of Urban Affairs to amend section 32 of the printed Bill. Will the members take the amendment as read?

Amendment agreed to.

Clause 32 as amended agreed to.

Clauses 33 to 42 inclusive agreed to.

The committee agreed to report the Bill as amended.

(0845)

Bill No. 87 — An Act to amend The Urban Municipality Act, 1984

Clause 1

Mr. Van Mulligen: — Thank you, Mr. Chairman. I want to briefly, Mr. Minister, deal with the question of resort villages and the loophole that's there now in the legislation. Can you tell me how this loophole came to exist. Has it been there for a while, or how long it's been there?

Hon. Mr. Klein: — Mr. Chairman, in 1985 when we amended the urban Act, the ceilings that were in place were removed to give the local municipalities more autonomy. Obviously at that time we weren't anticipating the problem that arose now, and as a result we have to do something with it, and we're doing that in this Bill.

Mr. Van Mulligen: — Mr. Minister, I thank you for your answer. I just wondered, do you have any program in place now to get into some substantive discussions with the resort villages as to this whole question? I mean the question of Candle Lake, I think it is, where the problem arose with these discounts and doing an end run around paying school taxes, might be an isolated example, or maybe there was one other resort village that was doing it

But I think it was very symptomatic of the general frustration that resort villagers, cottage owners in Saskatchewan have about what they perceive to be

double taxes. And I wonder if this is not because you as a government are playing footsie with cottage owners and they're misinterpreting your signals, that you're trying to give them some impression that you agree that school taxes should be removed from cottage owners, and they're taking the lead now on this and calling your hand. I wonder if you have any clear definitive statement that you wish to make in this regard.

Hon. Mr. Klein: — Well, Mr. Chairman, I think about the only clear definitive statement that I could make is that we encourage the formation of PARCS (Provincial Association of Resort Communities of Saskatchewan) which is the provincial association of resort communities, because it was obvious, I think, to everybody, the problem that was starting to exist on the issue of the education portion of the property taxes in those areas. And PARCS, as a little fledgling association, had to get organized if they wanted to get anywhere on this issue, because it was very difficult to work in isolated instances where the single individual taxpayer simply complained about the level of taxation on the education side.

We attend regularly their annual conferences. I believe their third conference will be coming up this fall and SUMA (Saskatchewan Urban Municipalities Association) is working with them. They have made provisions for a member of the PARCS to sit in on their discussions. So where all this is going to lead to eventually, I don't know.

I know that in my discussions with them, you know, it's fair to say I ask them the question, what's in a name? You may not very well use the education system in your resort areas, but certainly the demand then would be there for other services, such as highways, that the municipalities must bear, and you know, if you simply changed the name to some other tax, would that work? So it's an issue that is really starting to come to light now.

You made a suggestion in your remarks in second reading that it may be time to take an issue like this out to the public. We don't have any plans, but along that idea, that's not a bad idea that you came up with. If you could organize some sort of a legitimate forum that would get you somewhere, other than representation by the people complaining about the level of taxation, because you know very well, you're experienced in this area to know that if you shifted any of that education tax portion out of the resort communities, you would shift it to the balance to the municipalities.

Well then SARM (Saskatchewan Association of Rural Municipalities) becomes involved, and they're not too pleased with that. So it is a problem, and it is a problem that will have to certainly be addressed as time goes by, and that time is rapidly approaching.

If we could come up with some kind of a plan on public process and public meetings where you could get to a definitive answer, that would be the ideal situation, of course. Whether we can get there or not, I don't know. So at this time we are simply working with everybody and getting more input, getting people to recognize each other's problems, and hopefully somewhere along the line that issue could then resolve itself somehow.

Mr. Van Mulligen: — My feeling is, or at least my assessment of the situation, Mr. Minister, is that it's not entirely clear where you as a government stand. And I guess it's important that you clearly enunciate your position, and that you need to know whether or not you're going to bow to the wishes of the resort villagers, the cottage owners. You indicated that you encouraged the formation of this provincial association of resort communities and, you know, I think legitimately so. But in the context of this issue you're saying that, you know, the value of the associations because they weren't getting anywhere at the time, or they were not getting anywhere on this issue, and therefore an association might help.

I guess my question is: is that a signal then to them that you have flexibility on that issue, that you are prepared to change the government's position on that issue, or do you as a government stand firm on that issue? And that's not entirely clear. And I think that for all concerned that there needs to be a public airing of this matter, and it needs to be clearer just where the government stands, because as long as these people have some impression that you might bend, they might continue to force your hand on this matter. And that's simply the point that I was making.

I think that a public airing of the whole issue to make it clear where you stand, and if you're going to show some flexibility what that might be, that that's what's required in this instance, otherwise we might see more repeats of the same situation.

So I don't have any further questions on this unless the minister wants to comment further on that.

Hon. Mr. Klein: — The only observation that I could make is that the government, regardless of the administration as times goes by, has got a problem here because traditionally the municipalities and school boards generate their revenues through the tax base. And the minute that you start excluding some particular group, such as the resort village owners, now then as a group you could have the farming community, now then as a group you could have the business community, and I think that any government has to proceed very cautiously.

The important thing right now is that we have the resort communities established as an association, and at least we have a focal point for discussions.

Mr. Brockelbank: — Mr. Chairman, I'd like to direct a question to the minister. Mr. Minister, are you familiar with the resort village of Mistusinne, which is just south of Elbow on Lake Diefenbaker? The resort village is withholding its school tax portion. And I wonder if you could distinguish between that and the Candle Lake issue from the department's point of view, and also distinguish between the people who have cottages in regional parks who pay no education tax whatsoever. Could you distinguish between that, as the department views it?

Hon. Mr. Klein: — Mr. Chairman, in the first issue it appears . . . or there indeed now is a court challenge, and as a result, you know, I don't want to speak too freely on it. But the difference there is that they collected the tax and apparently are illegally holding it, and that's what is

causing that one.

In the issue of Candle Lake, of course, we have the one that my critic and I discussed where there was the establishment of extremely high discounts to alleviate with the issue. So those are the two differences there. One played with the discount, while the other one collected it and is holding the money.

As far as it relates to the leases in the parks, those leases have been increased over the years and probably will continue to bring more parity to the situation between the communities that are established outside of park boundaries versus those that are within and are paying rent on a leased property.

Mr. Brockelbank: — Just, Mr. Chairman, a follow-up on the minister's comment.

As a minister of the department, what is your understanding of the reason why the resort village of Mistusinne is withholding their school tax portion? And when I draw attention to the regional parks that have cottages in them that pay no taxes whatsoever, the fact that they're increasing their fees doesn't answer the question that I raise with you. They pay no school tax, period.

Hon. Mr. Klein: — Well in regard to the issue of the parks, I've been informed that where they don't pay an education tax, the children then pay a tuition for the schools because as you're aware, of course, on Crown land no taxes can be collected, so that's the reason that the leases are in place. But the kinds that to go school then pay the tuition.

With regard to your first question, again, the reason why they held it is the reason why they're going to court, and I think we would just have to let the due process of law determine who's right or wrong on that issue.

Mr. Brockelbank: — Mr. Minister, I don't want you to get into the specifics of the situation because it's going to court, but I want you at least to deal with the generalities of the situation with regard to Mistusinne withholding their school tax.

With regard to the regional parks, you say if they don't have a school tax there, they pay tuition. So it follows logically that the only ones that pay tuition are those that send students to schools in that school district; therefore, consequently, the people that don't send children to schools that live in the regional parks don't pay school tax. That's the point I'm making, and what's the view of the minister on that?

Hon. Mr. Klein: — Well, Mr. Chairman, the point that the member makes is correct. And you know, what can I say more than that? The leases have been established a long time ago. The same operation continues. It's not a new policy; it was in existence before — still is. Whether that might be one of the things that we could look at as this whole issue of education tax unfolds, as I explained to my critic, that could be another point to take into consideration.

Mr. Brockelbank: — A final point, Mr. Chairman, with regard to the matter. I think, leaving aside the Candle Lake issue, which I regard as a separate issue, and dealing with the question of Mistusinne specifically, and with regional parks that have children, people living in them that pay no school tax, the issue appears to be an inequity of treatment. And what is the department's view on that if there is in fact an inequity in the way the system is administered?

Hon. Mr. Klein: — All I can respond to that, Mr. Chairman, is the fact that the prior administration had an awful long time to look at the very same issue and nothing was done. So at this point in time, it's not a big, major, burning issue out there. Perhaps that's why the prior administration of the NDP didn't do anything with it. But now, as I mentioned earlier and without being repetitive, may very well be the time if we're going to be looking at this whole issue to include that in it.

(0900)

Mr. Brockelbank: — With regard to the issue, and you rise and state the obvious, that the previous administration didn't do anything about it. The issue is coming to a head, Mr. Minister, with regard to the court case and so forth, and really what I want to find out is not what the history was, but what's your position. What are you going to do about it?

Hon. Mr. Klein: — Well, Mr. Chairman, I believe the member is confusing the issue again now as far as the court case is concerned. I've already said that we'll have to let the law take its course.

Mr. Van Mulligen: — I might say that we have no problem with the provisions that are intended to close the loophole, Mr. Minister, and would support those.

I do want to deal with the other aspect of the Bill, and that's to do with the question of property tax exemptions for registered independent schools or private schools. In a letter to you, Ted Cholod, the president of the Saskatchewan Urban Municipalities Association, SUMA, indicated not only his strong opposition to this proposed measure but also pointed out that the loss of local government tax revenue from the exemption to be granted for independent school property not previously exempted will amount to some \$200,000 a year, for which municipalities will be compensated only in the first two years.

Can you explain this? Do you have a plan to compensate municipalities who will have to forgo tax revenues as a result of this amendment, and can you tell us why this would be only for a period of two years?

Hon. Mr. Klein: — Mr. Chairman, the existing system, and there's several categories, is very inequitable. And I suppose that I can start off by saying that there's not a great deal of money involved throughout the province in this total thing, and what we're trying to do is bring some equity into the system. For example, no other province west of Quebec, and we're not sure about the balance of the country, but probably the balance of the country, no other provinces allow property taxation on independent,

non-profit school facilities now, so we're just coming into line with most of the country.

And when you look at the existing situation, it's all over the place. For instance, right now four out of nine Seventh Day Adventist schools pay taxes; and three out of five are unclassified; three out of nine are privately funded high schools. And it's a real hodgepodge. Some are excluded by local councils, other, as my critic is aware, are excluded by private member Bills, and this will just bring some equity into the entire system. And that equity and system will be under the control of the Minister of Education.

Mr. Van Mulligen: — Well I appreciate what you're trying to do, although I might say that to be different than other provinces west of Quebec on this particular issue causes me no great concern. In fact it's something that I would support.

But the question I put to you is: the president of SUMA wrote to you and talked of a compensation program, where obviously you had led him to believe that there would be some compensation package for municipalities as a result of this change to the Act. Now can you tell me: will there in fact be a compensation package; will it be for a period of two years?

Hon. Mr. Klein: — Mr. Chairman, it is a two-year phase-in, with the government providing a couple of years to the municipalities to make their needed adjustments. The original numbers that we were looking at, now that the final numbers are in, have been cut in half. Throughout the province it's not a large sum of dollars, and I don't believe that there's going to be any particular problems with it. I can't see why, although obviously some municipalities will indeed lose some tax revenue by the time the smoke clears.

Mr. Van Mulligen: — Well, Mr. Minister, with all due respect, I think you're trying to cover too many bases here. You can't on the one hand say that this is an issue that is of little or no effect or impact on municipalities across the province, then on the other hand have a two-year phase-in program to help municipalities adjust to this new situation. Either you have a problem or you don't have a problem. You can't take the position that we don't have a problem, and on the other hand say, but we have a phase-in package here, a program to help municipalities to adjust because of the problem that we're creating.

And I guess this thing sort of points out to the underlying concern for municipalities, that as far as they're concerned that, by this Bill, for some municipalities you are exempting certain property from taxation that then must be picked up by local property taxpayers without them having had any say in the matter whatsoever — any say in the matter whatsoever. And you seem to be saying, well gee, we agree with you and therefore the province should compensate. But you're only going to compensate for two years.

And I guess the question I have is that if you agree with municipalities that this is a burden for them, and it's a result of your initiative, not as a result of any decisions

made locally, then why don't you extend this further? Why don't you do a compensation plan for ever on this particular issue, as long as this amendment lasts? Why don't you do it for ever? Why don't you recognize that it's a provincial action and therefore it's something that should require provincial funds?

Hon. Mr. Klein: — Well, Mr. Chairman, as I mentioned earlier, what we're trying to do is bring some equity into the system. Right now throughout the province there are 16 that are exempted, while 30 pay taxes, and we've got to do something about that because in the case of Regina versus Saskatoon, some of the same schools that are paying taxes in Saskatoon are exempted in Regina, and vice versa.

When you consider that the total impact on the city of Saskatoon is going to be less than \$20,000 out of a budget of a hundred and some million, I think that after a couple of years of an adjustment period, they're going to be able to straighten that out without too much a problem — at least I would hope so when they've got over \$100 million budget.

Mr. Van Mulligen: — Well obviously, Mr. Minister, if you have 600-plus municipalities across Saskatchewan and you ask each of them in their own situations to determine whether or not they want to exempt any particular property from taxes or to abate taxes, you're not going to have equity and you're not going to have that kind of homogenous situation across the province. And it requires provincial law to do that. And if it requires provincial law to do that, and if it's because you feel that it's necessary, then why don't you pay for it?

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Well again, Mr. Chairman, it relates to a matter of fairness, and I had my figures inverted, 16 pay taxes and 30 are exempt now, either by municipalities or by by-laws within those municipalities. So all we're trying to do is bring some fairness to the entire system. And I don't see anything wrong with that when you're making it fair. If we were talking a whole big bunch of dollars, it might be something different. But when you're talking the small dollars and when you're an education budget of \$800 million, I don't believe that the matter of some \$50,000, or whatever the total would be in terms of overall budgets, are significant enough to put in a whole field of bureaucrats to figure out what we have to do with this.

Mr. Van Mulligen: — Well it doesn't require any bureaucrats. Why don't you simply let it up to local municipalities to decide for themselves if they want to give an abatement. And if one municipality wants to give an abatement or an exemption to a Seventh Day Adventist school, fine. If another one doesn't, fine. Let them make that determination. Let them decide for themselves.

Mr. Minister, you talk about fairness, and I think in this context, fairness is nothing but a weasel word — a weasel word. And let's not make any mistake about it, the amendment in this Act, the amendment to The Northern Municipalities Act, the amendment to The Rural Municipality Act, the amendment to The Education Act,

all of them are designed in concert to extend property tax exemptions for private schools. And it's just simply one way that you have as a provincial government, as a PC Party, to encourage the growth of private schools, to encourage the privatization of our education system.

Let's not use weasel words about fairness; let's be clear about the matter. You want to encourage private schools to develop in Saskatchewan. You want to do this at the expense of the public school system. You want to do this at the expense of the separate school system. Those are the facts of the matter. It's not a matter of fairness. That's your position. Why don't you be clear about it because . . . I don't have any argument with you being clear about, but I do have some . . . You're simply holding things up by using weasel words such as equity of fairness because that's simply not the case here.

You had your pal, Gordon Dirks, recommend to you that you should encourage private schools as they do in Alberta, as they do in British Columbia, as they do in other provinces, want to encourage private schools. That's what this is all about. You favour that; we oppose that. It's got nothing to do with the fairness and equity. It's how you perceive public school education to take shape in this province. You favour change; we do not. Let's be clear about that.

Hon. Mr. Klein: — Well, Mr. Chairman, I think that the member pretty well covered it. And if so many other provinces throughout the country encourage private schools the way the member just indicated, then why wouldn't Saskatchewan do the same thing? Why would Saskatchewan be the only one going in an opposite direction?

And if you deal with one particular group, the Seventh Day Adventists, and if you use the member's analogy, in one city you might have them paying taxes; in another you might have them exempt at the whim, if you want to call it, of the local municipality, depending on who might be council of the day. And some may exempt them, while others may not. This will then say, hey, if it's the same group, it's a matter of fairness to the whole system and it will apply throughout the province.

And I suppose the best comparison that I can use, Mr. Chairman, is the issue of business tax, which is exactly what you described, and it's all over the lot in this province right now. And look at the horrendous problem. Look what's happening between our two major cities, Regina and Saskatoon, where Saskatoon businesses pay a third or less of business tax compared to that of Regina. My home town, my city in Regina has got a heck of a problem encouraging new businesses to start in Regina versus Saskatoon because of the inequity that exists in the businesses tax. And you're proposing exactly the same thing.

What we're doing here now is nipping it in the bud. There's not very many of these private schools. They're exempted now by municipalities and by provincial legislation. So why not make the whole system fair? It only makes eminent sense.

(0915)

Mr. Van Mulligen: — Mr. Chairman, I simply want to make one more comment. The minister goes on about the situation in other provinces and how we want to be like other provinces. And I tell you, Mr. Minister, if, in the early 1960s the government of the day had taken the position that we want to be like other provinces, we would never have had medicare in this province and we wouldn't have had it in this country. No further comment.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5 agreed to on division.

Clauses 6 to 10 inclusive agreed to.

Clause 11 agreed to on division.

The committee agreed to report the Bill.

Hon. Mr. Klein: — At this time I would like to thank the opposition for basically going along with these three Acts that we've discussed this morning, and I appreciate the . . .

Mr. Chairman: — Order. After the Bill is moved to be reported there's no room for that kind of comment. I'd ask the member just to thank his officials.

Hon. Mr. Klein: — I'll thank my officials too.

Mr. Van Mulligen: — If I might, Mr. Chairman, we always appreciate the expert professionalism that the officials in Urban Affairs have brought to matters before us. I did want to take this opportunity to say that, yes, are we prepared to co-operate but there's some very strong divisions on some . . .

Mr. Chairman: — Order. There's no room for that comment after the Bill has been moved to report.

Bill No. 38 — An Act to amend The Saskatchewan Mining Development Corporation Reorganization Act

Mr. Chairman: — Would the minister introduce her officials?

Hon. Mrs. Smith: — On behalf of the Deputy Premier, I would like to introduce the chief executive officer of the Crown Management Board, Mr. Bill Gibson.

Clause 1

Mr. Goulet: — Mr. Chairman, just a comment — this is basically a no-escaping clause, and my own comment on it is that, I think, straightforward. It just gives us another example of the incompetence and mismanagement of the government in the sense that they always introduce these clauses after the fact.

The privatization of SMDC (Saskatchewan Mining Development Corporation) has been taking place for some time, and they saw this clause was missing, you know, from a legal basis, so they've introduced it after the

fact. And that's my comment.

The other thing is that you would think at this time that they might have changed that royalty Act of last year where they gave the corporations another 1 per cent, and that indeed the \$700 million worth of production would have netted the province approximately \$7 million, or whatever. And that indeed, that's the type of Act which should be discussing here at the legislature. Instead, we have another example of housekeeping and incompetence after the fact.

Hon. Mrs. Smith: — Just briefly, Mr. Chairman, I think that as it relates to legislation, there will always be amendments coming forth as it relates to technical matters, and the amendment is not more or no less than that.

On the issue of the royalties, that can be discussed, but not within this particular Bill. As the hon. member knows, royalties are looked after within Energy and Mines, and that's where he should pursue it.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Bill No. 86 — An Act respecting Co-operatives

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. Beside me is Mr. Kessler, deputy minister; behind me is Ron Zukowsky from policy and planning; and Monte Curle.

Clause 1

Mr. Pringle: — Thank you, Mr. Speaker. I just want to look at these two House amendment I just got.

Thank you, Mr. Chairman. Mr. Chairman, we're going to support these amendments. They're necessary amendments that are required; they're not significant. And again I would like to thank the minister for involving me or communicating with me along the way on these changes.

I just would like to reiterate a couple of points, and not particularly directed to this minister, but relate to the co-op and in that sense to the Bill. And that is that the co-operative sector is critically important to the province of Saskatchewan, to the people of the province, because we've got a proud tradition of co-operative development. And the co-ops are a very significant player — some 25 per cent of all our business volume is generated by co-ops in Saskatchewan.

But co-ops are important for employment. They generate many, many thousands of jobs, they help stabilize the economy, and they have great potential for the future in a mixed economy.

And of course I want to stress that one of the significant

things about the co-operative sector is that we've been able to make decisions in this province, unlike the way big business corporations operate. Saskatchewan co-ops are Saskatchewan people and we make local decisions here and the head offices are here, and that's the reason why I get upset when I see the government phase out the department of co-ops, because that serves a signal which certainly concerns people in the co-op sector.

And I'd make the point that our mixed economy which has included co-ops, as everyone well knows, has included the small-business sector, and public enterprise has served the province well. It's been a proven approach in this province. And these three sectors working in harmony is the approach that will work in the future. It's the only approach that will work in the future; it's the only viable option for real diversification in Saskatchewan.

And I think that the government does not understand this point. The PC single-minded approach to privatization is clearly failing. The out-migration's at record numbers. Unemployment, the rate is above the national average first time ever, under this government. They've lost control. We've lost control economically in many sectors and we're selling, giving away our assets, and I think the public is becoming very upset that this government is selling away their future.

And as I said on second reading, this is the first time under this government in the history of the province that there is no minister of co-operatives, but for the first time there's a minister of privatization. Now that's very significant because the co-op sector has performed so well. The privatization has performed so poorly and even though we've had a minister of privatization.

So we've had four or five years of privatization. It simply isn't working. Yet we see a cut of the department of co-ops and we see a down-sizing of the budget and a down-sizing of the positions, which in fact, if the government was committed to the co-operative sector and co-operative growth, we wouldn't have seen the phasing out of some of the program development staff. And so I want to make the point that this is not acceptable.

The department of co-ops has got to be re-established. We will re-establish it upon forming government. I've talked to many co-op people, as I'm sure the minister has, the Minister of Economic Development, as well as this minister. I've talked to co-op directors and co-op management people and staff and ordinary co-op members, and they're very leery of this government because of the kind of signals they're getting from the government in terms of the lack of importance in the co-op sector in the future.

And the government points to the upgrader as sort of the proof that they're committed to co-ops. Well that's an important venture, but they can't live on that one approach alone, the megaproject mentality. I mean, the megaprojects have some importance and the upgrader does, but the key thing about the co-op movement has been the grass-roots nature of co-ops all over the province providing needs to people in a variety of ways.

So in closing, Mr. Chairman, I would say to the

government, don't ignore and don't downgrade the importance of co-ops in Saskatchewan. They've served us well; they're community-based; they've been successful; they've been an important part of our history.

(0930)

And importantly, the co-ops are an important part of our mixed economy, the only kind of approach that will be successful in the future because privatization, the single approach of privatization has not worked in Montana, has not worked in North Dakota, and it will not work here.

So we support the amendments, and again I thank this minister for his communication regarding the amendments.

Hon. Mr. Meiklejohn: — Well just a couple of comments, Mr. Chairman, with regard to what the hon. member has said. There's no question about the commitment that this government has to co-operatives in this province. And I think that he made some comments which many of the people in the co-operative movement no longer would agree with because they see that there have been advantages in moving away from having a separate department.

I would point out that when you consider . . . (inaudible interjection) . . . Well if you'd just listen for a minute now. I listened to you.

When you consider the growth of some of the major co-operatives in this province, whether we talk about federated, the wheat pool, Credit Union Central, that they're some of the largest companies that we've got in the province. And I think that when you consider co-operatives in general, that many of them have reached a very high level of maturity that no longer require a separate department.

Now for you to say that there's been any denial of services or commitment, we now in fact have two ministers that are responsible for co-operatives in that you've got Economic Development and Tourism and also Consumer and Commercial Affairs.

I would also point out that the upgrader program, or project, in combination with the government — which you've mentioned — that's one of the better examples, I think, of a joint venture that we've ever seen in this province. And I would also like to point out that prior to the changes where we now have co-operatives being treated along with other types of business, co-operatives couldn't enjoy some of the other benefits that the business community had, so they see that there are definite advantages there.

And you know full well that in the last few years because of the economic situation where you have to start looking at areas where you can cut costs, there was a duplication of services that were being provided by both department of co-operatives and co-operative development and Consumer and Commercial Affairs. And with the combination, those things are all being covered . . . (inaudible interjection) . . . Well I don't think there are

gaps. Co-ops are still growing tremendously. We've had 46 new co-operatives registered since April 1 of this year.

So things are moving ahead very, very quickly and we're still committed to that. And we just have to consider that changes have to be made from time to time. And I appreciate the comments that you've made about the Bill, and as you've indicated, they are pretty well of a housekeeping nature. There has been a lot of consultation with yourself and also with the co-ops, and so I appreciate your comments.

Mr. Chairman: — The chair is asking for leave to go part by part.

Part 1 agreed to.

Parts 2 to 20 inclusive agreed to.

Part 21

Mr. Chairman: — Two House amendments in part 21 moved by the Minister of Science and Technology to amend section 237 of the printed Bill. Will the members take the amendment as read?

Amendment agreed to.

Clause 237 as amended agreed to.

Clause 238 agreed to.

Mr. Chairman: — House amendment by the Minister of Science and Technology to section 239 of the printed Bill. Will the members take the amendment as read?

Amendment agreed to.

Clause 239 as amended agreed to.

Part 21 as amended agreed to.

Parts 22 to 26 inclusive agreed to.

Clause 287 agreed to.

The committee agreed to report the Bill as amended.

Bill No. 76 — An Act to amend The Credit Union Act, 1985

Clause 1

Mr. Pringle: — Thank you, Mr. Chairman. Again, I would like to thank the minister for his consultation and communication along the way here in developing these amendments; I appreciate that. We will be supporting these amendments as they're really amendments that allow the credit unions to continue doing what they've been doing for a number of years, and so they're important to the credit union sector.

The only point I would like to make again is the credit unions are obviously co-ops as well, and I'd like to urge the government to re-establish, for Heaven's sake, the department of co-ops. There may be two ministers that

are responsible. But the Minister of Economic Development certainly will know that the co-op sector, the credit union sector is very concerned about the phasing out of the department of co-ops. And ask any day-care centre, any co-op day-care centre if they're getting the kind of support they need, and they will tell you that they're not, because I've talked to many of them around the province.

Now maybe the big players may not need developmental workers and support, but one of the valuable roles that the co-op sector, that the co-op department played was that they could provide a support to smaller co-ops, which is an important part of the concept of co-ops and an important part of our history. And some of the small co-ops don't have the administrative capacity and would appreciate . . . appreciated the kind of support that they have lost since the department of co-ops was phased out. So I think that there are some gaps that do need to be looked at, therefore I urge the re-establishment of the department of co-ops, if, again I say, if the government is serious about the value of co-ops in the province of Saskatchewan and the important role that they can play in our mixed economy and in rural Saskatchewan.

So the credit unions, as I said in second reading, provide a high quality of service. They have been very innovative in adjusting to the new time and the new demands in the financial field. They're very competitive. These amendments will allow them to feel secure about the kind of insurance services that they have been providing, and that they'll be able to do that in the future.

So again I thank the minister for his communication and consultation, and we'll support the amendments.

Hon. Mr. Meiklejohn: — Mr. Chairman, just two comments. I would point out to the member opposite that if he is aware of specific concerns that he has with regard to some of these co-operatives where we could be of assistance, certainly I would be interested in knowing more about them and see what we can do to help out.

I would thank the member as well, Mr. Chairman, for his co-operation and support with regard to the credit union Bill.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Mr. Chairman: — House amendment to clause 5, moved by the Minister of Science and Technology. Will the members take the amendment as read?

Amendment agreed to.

Clause 5 as amended agreed to.

Clauses 6 to 10 inclusive agreed to.

Clause 11

Mr. Chairman: — There's an amendment to section 11 of

the printed Bill, moved by the Minister of Consumer Affairs. Will the members take the amendment as read?

Amendment agreed to.

Clause 11 as amended agreed to.

The committee agreed to report the Bill as amended.

Bill No. 67 — An Act respecting Gaming and the Saskatchewan Gaming Commission

Clause 1

Mr. Calvert: — Mr. Chairman, the minister may want to introduce a new official that has joined us.

Hon. Mr. Meiklejohn: — Mr. Chairman, on my left is Dr. Bill McRae, the chairman of the Gaming Commission; and on my right is Ron Robinson, executive director of the Gaming Commission.

Mr. Calvert: — Mr. Chairman, and Mr. Minister, in our previous discussions of this legislation, both here in the House and more privately, I've identified that there is only one controversial aspect to this legislation, only one controversial part, only one part of the legislation that has received any significant opposition across the province, and that's part VII, the part of the legislation that will expand gambling in the province of Saskatchewan to include electronic gambling and will move your government into the position of conducting and managing that electronic gambling in Saskatchewan.

Mr. Minister, you have received, I'm aware, letters of opposition from a variety of groups in the province. Mr. Minister, this legislation can pass through this committee very, very quickly if you would be prepared at this point to simply withdraw this section of the legislation; to simply withdraw this portion of the legislation, this part of the legislation that permits the electronic gambling and moves your government into managing and conducting gambling in the province. The rest of the legislation is extremely acceptable to this side of the House and, I'm sure, to almost everyone in the province.

So, Mr. Minister, my first question is then: would you be prepared now just to remove that section from the Bill? I'm aware that an amendment to that effect would not be acceptable. Would you therefore be willing now to remove that section from the Bill that we might then just carry on.

Hon. Mr. Meiklejohn: — No, Mr. Chairman, we're not prepared to remove that from the Bill. And where the member opposite indicates that there has been a lot of opposition from throughout the province, I would agree certainly there was opposition with regard to Las Vegas-style casinos and slot machines, but that certainly has never been the intent of this government to get into that area. In so far as other types of electronic gaming, those are areas that can still be explored.

Mr. Calvert: — Well, Mr. Minister, there are certainly confusing messages in what you've said throughout the course of the history of this piece of legislation when at

one point in time you were talking about slot machines and now you're not talking about a lot machines. Mr. Minister, whether we're talking about slot machines or not, this piece of legislation will expand gambling opportunities in the province of Saskatchewan, whether we're talking about electronic bingo or keno or some other ideas that you may or may not have.

Mr. Minister, then would you please explain to this House and to the people of Saskatchewan why it is that your government feels it desirable that we should expand gambling opportunities in the province of Saskatchewan in this fashion.

Hon. Mr. Meiklejohn: — Well when you talk about expanding gambling operations within the province, I would point out that when we talk about something like electronic bingo, it's simply a new way of playing an old game. We're not talking about expansion. And we would, of course, have to take a close look at that with a pilot project to see whether or not it's acceptable in the province of Saskatchewan, but again, it's not an expansion. It's simply a new way of playing an old game.

(0945)

Mr. Calvert: — Well, Mr. Minister, it seems that what you say in the press one week and then what you say in the House the next is something quite different. Mr. Minister, back in June you were reported in the *Leader-Post* as having said that, quote:

Meiklejohn says electronic gaming offers exciting prospects for changing the demographics of bingo.

In British Columbia, he says, the high-technology version of the game has meant it isn't just for old ladies anymore.

"They have more people playing the game . . . Like young people and men."

Now, Mr. Minister, why is it that your government feels that it's essential to get young people and men out playing bingo? We're not talking about the same old game. You're trying to expand gambling. Why is that desirable?

Hon. Mr. Meiklejohn: — Well, I would certainly point out to the hon. member in the first instance that those were not comments that I made to the *Leader-Post*. That may have been what was printed, but I certainly made no indication as to old ladies playing bingo. That's a comment that I find particularly offensive.

They were asking questions as to what other precedents there were in Canada in so far as electronic bingo is concerned, and I was simply relating what is happening in the province of British Columbia and the demographics there and how they have changed.

And I indicated to them at that time that there are more men certainly playing than women. Also we find that the group that's playing in the electronic bingo is generally a younger age and also in a higher income group. So I mean, you like to make mention all the time that bingo is

for the poor. Well I'm pointing out to you that bingo is played by many people from many different walks of life and from many different levels of income.

Mr. Calvert: — Mr. Minister, you will not have heard me say that bingo is for the poor, even in this House, or anywhere else. Mr. Minister, I have asked a simple question. Why is it that you feel it's important that we expand gambling in this fashion? I've not heard an answer yet.

Hon. Mr. Meiklejohn: — There's always a demand for new ways of doing things, and I have pointed out earlier . . . I pointed out earlier, Mr. Chairman, as well, that this is the age of technology. And I think if you had taken the time or had visited one of the operations where electronic bingo is being utilized — and you had an example of that, I believe, in the city of Moose Jaw a couple of years ago, where a company there had produced an electronic bingo board and were experimenting with it. So you have some experience, certainly, in that regard.

But there are advantages and it does create a greater interest. I mean, people are making demands, I think, for changes in this regard at all times. So we have to be prepared to move along into the 1990s.

Mr. Calvert: — Well, Mr. Minister, if you want to refer to the experience of the electronic bingo in Moose Jaw, you know, you know that it was not acceptable to the bingo players in Moose Jaw. You know that that experiment was a failure in Moose Jaw; for whatever reason, it was a failure.

Mr. Minister, you're saying in the House this morning that you're doing this because there seems to be a great demand across the province for new experiences in bingo and perhaps keno and some other things. Mr. Minister, have you any studies to back that claim up? Have you any research that shows that to be true?

Hon. Mr. Meiklejohn: — I've indicated to you in the past that it's been very successful in British Columbia, and that before we got into it in any major way here that we would have to look at setting up a pilot project and seeing how acceptable it is here, and we certainly plan on doing that at some point.

But it's not something that's going to be set out widespread right throughout the province. Just because it's acceptable in British Columbia wouldn't necessarily mean that it is here. But it's something that's very much worth our exploring. You point out about the Moose jaw experience as far as electronic bingo. That's only one type of electronic bingo that was being tried, and it failed for several reasons. And of course one of the reasons that it did not continue, I suppose, there was because the hall shut down.

Mr. Calvert: — Well, Mr. Minister, we're not going to involve ourselves in a long discussion about the experience in Moose Jaw.

An Hon. Member: — No, I don't think you want to do that.

Mr. Calvert: — Well we certainly will if you want to take that time of this House.

Mr. Minister, the question, if you go ahead with this electronic gaming, where will the revenues go? Where will the proceeds from the electronic gaming go?

Hon. Mr. Meiklejohn: — The revenues from any type of electronic gaming ventures would be designated, I would assume, probably into the health field, in the same way that Nevada ticket sales with the hoteliers have gone over the last five or six years.

Mr. Calvert: — So what you're saying, Mr. Minister, is that revenue from electronic gaming in the province of Saskatchewan would go to the provincial treasury, to the general revenues of the provincial treasury. Is that what you're saying?

Hon. Mr. Meiklejohn: — I said it would be designated for health care.

Mr. Calvert: — But before it gets to health care, Mr. Minister, where does it go? It goes into the general treasury of the province of Saskatchewan. Is that correct?

Hon. Mr. Meiklejohn: — I would presume that would be the case. That's the normal process.

Mr. Calvert: — Like every other tax dollar, first it goes into the treasury, and then at the discretion of your government, whoever happens to be government of the day, that money then is dispensed as the government sees fit. Mr. Minister, then what you are doing is entering the gambling field as a government, competing for the gambling dollar, that you can take those gambling dollars and put them into your provincial treasury. Is that correct?

Hon. Mr. Meiklejohn: — Well I'd point out to the hon. member, Mr. Chairman, that the only way that any type of electronic gaming can be operated in the province is if the government does it. So that's clearly set down by the Criminal Code. That has to happen. But in the other case, as far as the moneys and what they would be used for, as I've indicated, it would be something that would be designated for health care in the same way that the lottery tax is now, or the hospitals tax, and the same way in which sales from break-open tickets have been designated from the hoteliers.

Mr. Calvert: — So, Mr. Minister, we may be approaching then more closely the real reason for this change, because I would submit that the real reason for this change is that your government wants to get into gambling as a source of revenue; that you see yourself in difficult financial situation, — and that's obvious to the whole province — and that you see in gambling another way to make a little bit of revenue. And so we're going to have the province or Saskatchewan operating electronic bingo casinos or, who knows?, slot machines, in an effort to raise money.

Now, Mr. Minister, what happens to the charities of this province? What happens to the service clubs who depend on gaming, primarily on bingo, to provide for their good works in this province if you, as the Government of Saskatchewan, are now a competitor in that field, taking

money for your purposes? You say it's going to be for health care. Well not many people in Saskatchewan will believe that.

Hon. Mr. Meiklejohn: — Well it's unfortunate that your leader has indicated to you that you have to continue making misleading statements when it comes to such things as talking about electronic gaming. It's been quite clear as to where the money is going to be spent. It's also been made quite clear to you that we're not talking about slot machines — but you continue on raising that.

I would also point out that the province is really into a type of electronic gaming today when you consider the 6/49 tickets. They're sold through the use of computers. So this is something that's not new.

And also you talk about lost revenues. We've got to keep in mind that there are many reasons or many advantages or benefits from the gaming that takes place in this province. And neither you nor I are in any position to dictate to people as to whether or not they should be gambling. That's up to them to decide that.

Certainly in so far as any funds that would be raised here, we would designate them, as I say, to health care. I don't necessarily see that there would be any offsetting disadvantage as far as the charitable organizations are concerned.

But again I'd point out to the member that we would have to look at setting up a pilot project initially to find out whether or not this was going to be working. The only obvious location for electronic bingo would be in the cities of Saskatoon or Regina, and we would anticipate that this would probably be what we would do. But again, this is a decision that has to be made by cabinet before we move ahead, in any regard.

Mr. Calvert: — Mr. Minister, is there any assurance in this legislation now before us that, one, slot machines are excluded; two, that any revenues raised through electronic gambling in the province of Saskatchewan would be used for health care. Are there any assurances in this legislation of either of those two things?

Hon. Mr. Meiklejohn: — Well I don't think that there is in either case, but I would point out, if you're not satisfied with the commitment that I have made and statements I made with regard to slot machines, I would certainly be prepared to entertain an amendment with regard to that that slot machines are in fact going to be excluded. I would also point out, I don't think there is anything with regard to moneys going to health, but that certainly is the intention.

The other idea I want to put forward as well is that it was the NDP government in the province of Manitoba which really got into gambling in a big way, and that they took over the operations of all the major bingo halls and also operated the casino there for many years, as you well know. This is not a new concept as far as having governments involved, and I certainly see that your party is very supportive of gambling in the province because that's one of the ways in which you raise money for your party. I think we have to take that into consideration as

well as to where you're coming from.

Mr. Calvert: — Mr. Minister, you gave your assurance that we're not looking at slot machines or that type of casino in the province. You've talked a little bit about electronic bingo. Are you also talking about a keno or any form of sports betting that would be a part of this?

Hon. Mr. Meiklejohn: — I've indicated to you in the past and to the media that we are talking about electronic bingo and possibly keno. That would be another area that we'd look at.

I think another very important point that you have to keep in mind as well, that when you start talking about electronic games, whether it's electronic bingo or keno in fact, that the auditing of these games is very, very important, and it's much easier to be done through computerized games than it is through the traditional bingo games that we find today. So it's very, very important.

I think we are also concerned, we're concerned about several things when we talk about gaming in the province. We're concerned for one thing that the players are treated in a fair manner, and also we're very concerned about the charities. We know that they are funds through different gaming processes. It's very important to the activities that they do, and we also have to be concerned about those who are engaged in the economic activity of operating bingo halls, or whatever. So there are several different areas that have to be considered when we talk about gaming, and we want to ensure that it is properly managed and that it is secure and also operated in a fair manner for the players.

Mr. Calvert: — Mr. Minister, just one other question regarding another part of the Bill, and that's in the naming of the chairperson of the gaming commission. As I understand it, it would be done by cabinet. Would there be any public input into the selection if at some future point we would need a new chairman for the gaming commission? Would there be any public input into that decision, or would it simply be a decision of cabinet?

Hon. Mr. Meiklejohn: — Well as you're aware, I'm sure, the present chairman is an order in council appointment. I'm not sure whether there'd be any other way of doing it or whether any type of public participation there would be appropriate or not.

Mr. Calvert: — Mr. Minister, just so I'm clear, so the process will continue that in future, if a new chairperson is named, it will be simply by an order in council, by cabinet.

Hon. Mr. Meiklejohn: — Same process, Mr. Chairman.

Clause 1 agreed to.

Clause 2 agreed to.

Clause 3

Mr. Chairman: — Amendment to clause 3 proposed by the minister:

Amend subsection 3(1) of the printed bill by adding “as a body corporate” after “hereby continued”.

Clause 3 as amended agreed to.

Clauses 4 to 14 inclusive agreed to.

Clause 15

Mr. Chairman: — Clause 15 amendment proposed by the minister:

Amend clause 15(1)(b) of the printed bill by striking out “does not exceed \$2,000” and substituting:

“does not exceed the lesser of:

(i) \$2,000; and

(ii) any lower amount that may be prescribed by the Lieutenant Governor in Council pursuant to the *Criminal Code* (Canada), as amended from time to time, with respect to the lottery scheme for which the licence was issued”.

Clause 15 as amended agreed to.

Clauses 16 to 23 inclusive agreed to.

Clause 24 agreed to on division.

Clauses 25 to 37 inclusive agreed to.

The committee agreed to report the Bill as amended.

(1000)

Hon. Mr. Meiklejohn: — Mr. Chairman, I’d just like to thank the officials for their support and co-operation on this Bill and also thank the member opposite.

Mr. Calvert: — I’d like to join with the minister in thanking his officials who have been with us today, and I know they’ve been . . . it’s been a tough year, I think, for his officials in this field. There’s been a lot of change, and I want to thank them for all the work that they’ve done for the people of Saskatchewan.

Bill 72 — An Act to raise Revenue for Hospitals by the Imposition and Collection of Taxes with respect to Participation in and the Operation of Lottery Schemes

Mr. Chairman: — I’d ask the minister to introduce his officials.

Hon. Mr. Meiklejohn: — Thank you, Mr. Chairman. On my left is Mr. Art Wakabayashi, deputy minister of Finance; behind him John Wright, executive director of taxation and economic policy division; and behind me, Murray Schafer, director of education and health tax, Saskatchewan Finance.

Clause 1

Mr. Kowalsky: — Well, Mr. Chairman, now that since the introduction of this tax this government has found that the reception of the tax may not have been quite as friendly as they had anticipated it might have been, in fact what we find is the people of Saskatchewan have looked at this tax as one that’s discretionary, and because it’s discretionary and because it was a vehicle that they could to show the government their dissatisfaction with the level of taxation in the province, have made a rather spontaneous but very demonstrative action by telling the government that they do not favour increased, and do not favour new, taxation, by staying away from the lottery kiosks in droves. The result has been rather a dramatic decrease in sales. The result has also been a lot of publicity and a lot of information going to the government about this tax, many cases asking the government to eliminate the tax.

I want to make sure during this committee stage, Mr. Chairman, that the government is actually getting the messages from the people. And I want to assure that the government is staying open to the message that the people of Saskatchewan are giving it. So I want to question on that.

I know that the government is set on a different task. It’s set on a task of selling off the assets of the province, and then the money sort of seems to disappear into thin air, and then they end up taxing the people. It’s becoming a “sell and tax” government, being known as a sell and tax government.

In this particular case on this tax is one place where people have had an opportunity to voice their strong opposition. So what I want to do is I want to ask the minister whether he’s hearing these messages. I want to ask the minister whether he’s taken the time over the last month or over, say, even in the last week — which probably would be more relevant — whether he’s taken the time to consult those people that are affected.

And in this case, in addition to the general thrust against . . . that the public is expressing against the level of taxation, and particularly new taxation in this province, there are actually some people . . . in addition to that there are people and groups that are substantially being affected. Number one, the kiosk operators and ticket vendors across the province and their businesses; number two, the cultural, charitable, and sport organizations that are funded throughout the province by the lottery scheme, and all of those service clubs who use the schemes to fund the various organizations throughout the province. So my first question is, Mr. Minister: have you consulted with the kiosk operators and the vendors to find out just what their opinions are about the tax, how it’s affecting them; and if you are, what are the results that you’ve gotten?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I point out to the member opposite that I’m sure that there’s a lot of feedback coming into the department, and also there’s a fair amount of consultation that’s going on. We are aware of the fact that sales are down, to some extent. We certainly don’t deny that. They’re also down in other provinces to what their projections had been. And I would also point out that sales were down, to some extent, prior to the tax coming in. So although the tax might have had a negative impact, certainly sales were on

the decline prior to July 1. And when one considers the economic situation in Saskatchewan, I'm sure that we can understand why sales would be down.

But you ask with regard to consultations during the last short period of time, and I would point out that we do in fact see the sales of lottery tickets are in fact on the increase again. There was a substantial decrease around the middle of July, but when one considers the sales that we find here for the week ending August 5, that they have come back substantially where they're not all that far behind what they were prior to July 1.

Mr. Kowalsky: — Mr. Minister, my concern here is not to hear your defence of the system. My concern here is to make sure that you have got your ears wide open and that you're listening, and by your responses you tell me that you're not.

You indicate, for example, you start defending by saying that the revenue was down prior to the tax coming on. And that's true, and I agree with you. And you got a letter from *Lottery Life* yourself where they indicated that the tax went down, the receipts went down the minute, or the month, rather, that the tax was announced. So immediately you were getting a message there. That message has now been in place for about four months, four or five months, and my consultations tell me that the August results are no different than July, that there's really no increase. There is in one or two places, but for every one place where they may be coming back up, there's two or three places that have . . . they're finding their receipts the same or lower in August than in July.

You indicate, Mr. Minister, that the sales in other provinces are down. That's exactly the opposite of the information I've been given by the Gaming Commission — exactly the opposite; that the Alberta sales have increased by 5 per cent; that the Manitoba sales have increased by 5 per cent; the unofficial figure, I guess not yet published, from B.C. is 11 per cent increase; Saskatchewan lost \$2.7 million.

So I don't think you should be trying to defend it. I think at this stage what you should be doing is taking a real close look at what the effect of it is, and the direction it's going, and the message that you're getting from the people, because you'll end up really hurting some groups.

I want to further indicate to you, Mr. Minister, that in a survey that I did that I got a response from approximately 130 kiosk vendors, that 98 per cent of them indicated that their sales had decreased. Of course you've confirmed that. The significant thing here is that 40 per cent of them said that their sales decreased by more than a half in the month of July.

Ninety-four per cent of them indicated that the collection of taxes causes an inconvenience to the vendors. I've already talked about that matter with the Minister of Finance. And 97 per cent of them indicated that the customers . . . pardon me, they've indicated that 90 per cent of their customers — that's their estimate and my average of their estimate — 97 per cent of their customers express a concern.

The kiosk operators have gone further than that. They have placed on their — voluntarily placed a petition, some of them have — placed petitions on or near their operations. To date they've submitted 7,000 signatures to this legislature. I've got another couple thousand that will be coming in tomorrow. The people are continuing to sign the petitions. There is definitely a message there, Mr. Minister.

I want to turn to the next phase of the questions here, Mr. Minister, and that is with respect to consulting with organizations that are affected. I'm wondering, Mr. Minister, whether you've been getting any kind of feedback from service organizations that are going to be affected through this, or whether you're taking any steps to consult the service organizations. I'm talking about those people that operate the bingos and sell the Nevada tickets and make money for their causes through that.

Hon. Mr. Meiklejohn: — Mr. Chairman, let me point out to the member opposite, he talks about me being defensive of the tax. You asked for information, and that's what I gave you. So if you consider that to be defensive, then that's rather unfortunate.

We are certainly monitoring the situation very closely and we are listening. And I would suggest that maybe you're not listening too well either, because when I made reference to the sales being down in other provinces, I indicated that they were down in regard to the projections that they had, in the same way that they were for Saskatchewan.

Now let me tell you what has happened then in the province of Saskatchewan with regard to the tax coming on, and the effect that it's had on the sales of lottery tickets. For the week ending July 1, we had \$1.8 million in sales. That dropped down to the week ending July 15, to 1.3, which was the worst of the whole bunch. That has now come up to the week ending of August 5, to over \$1.6 million. So we've come up substantially then, Mr. Chairman, to where we were in the week ending July 15. And this is why the Minister of Finance and others on this side of the House have indicated from time to time that it's too early to tell yet to see what the impact of this tax is going to be.

You're running around with your little surveys and giving out some misleading information, and I've talked to some of the same people that you've talked to, and the information that you've been giving them hasn't always been accurate. So I think that's something else that you should take into consideration over there.

With regard to . . .

Mr. Chairman: — Order, order. Let's allow the minister to respond. It's hard to hear what he's saying.

Hon. Mr. Meiklejohn: — I think we touched a nerve over there. I look forward to questions from some of the other members who really want to get into the debate here.

With regard to the consultation with the charitable organizations, Mr. Chairman, there were many meetings held prior to this tax being implemented and before the

whole thing was set up. We had a series of meetings around the province where we met with many, many different charitable organizations to get their input.

(1015)

And I'd point out that the tax doesn't only apply to lottery tickets, it applies to bingos, where we haven't really seen any impact there. Break-open tickets, I think that the same number of break-open tickets are probably being sold — we're averaging about \$7 million a month. So I don't think that it's had any major effect there.

But there was, Mr. Chairman, lots of consultation with the groups. They did, for the most part, agree with the concept of the money going to health care. The main concern that they had was how the tax was going to be implemented, and they were certainly allowed opportunity to have input into the implementation of the tax.

Mr. Kowalsky: — Well there's a couple of things here that you really ought to be corrected on — and I've taken upon myself to do so at this time — and that is with respect to projections of the other provinces. You say that the projections of Saskatchewan are close to the projections of the other provinces. That is blatantly not true, Mr. Minister, and you have the figures as well as I do — you have the figures as well as I do. And they came up to 98 per cent of their projections — 98 per cent. And where is Saskatchewan? Is it 98 per cent? Not nearly close to it; it's in the low '80s, low '80s.

I disagree strongly with you about the effect on the vendors. Small-business people are not impressed with this whatsoever. I tell you, you wouldn't have any small-business person, people that carry Tory cards in their pockets, you would not even begin to have them placing a petition close to their business place if they weren't strongly concerned about this.

In many cases they're considering dropping the selling of tickets. There's a mall in Saskatoon where the fellow has indicated that he's going to drop his business. He's accelerating his plans to get out of it because of the tax. There's a couple of other businesses that have written me notes and said that they've quit. These are in small towns in Saskatchewan. And it's there, Mr. Minister. It's hurting their businesses.

But the question that I had asked you was whether you had consulted with any of the service clubs that are handling this. And I want to bring to your attention an example of how it's hurting some of the service clubs. And in this case, the example that I want to use is the one of the Royal Canadian Legion, Nutana branch, right from your own city of Saskatoon. It has 870 members. They have considered it . . . considered the effect and what it's going to have to their service club and the people that they serve. And they tell me that what they do is they make:

. . . contributions to helping institutions and organizations like the 107 Air Cadets, like (the) Veterans' Homes, Senior Citizens Association, Police Soccer Club, (the) Bonnie Blue Bell's Pipe

Band, Legion Track and Field program, Senior Citizens Christmas Aid, St. Mary's Catholic School fund, Blind Skiers Association, Crisis Nursery, just to name a few . . .

And they say the contributions that they have given them would amount to well over 20,000, and they get their money largely from the Nevada sales.

They write a letter directly to the Minister of Parks, Recreation and Culture and in the letter they indicate, and I quote:

The Nevada sales income had directly helped small businesses in Saskatoon since it has allowed us to make expensive improvements to our grounds and tickets. The new 10% tax is not a tax on those who gamble since the cost of a ticket and the value of the prizes remain unchanged. The tax is hurting the ROYAL CANADIAN LEGION, the Business Community, and all of those projects that we have hitherto been supporting. We, like you, would like to see our hospitals obtain increased financial support, but not at the expense of those worthwhile and vital enterprises.

This is signed by the president of the Royal Canadian Legion, Nutana.

He makes two points then, Mr. Minister. First of all that this loss, the loss of revenue and what damage it's going to do to the good causes, in this particular case the Royal Canadian Legion, is supporting. And I would challenge you to question any of those projects as being unworthy. And the second point he makes is that the Nevada sales and the tax on the Nevada sales is not really a tax on the consumer; this is not a tax on the consumer of the tickets, it's a tax on the charities. And that is the big problem here is that you're ending up taxing charities.

I wonder, Mr. Minister, if you are familiar with another operation called Legs Unlimited, to make that same point. Legs Unlimited is a charitable organization as well. There are two operations, to my knowledge, to date in Saskatchewan of Legs Unlimited, and they have ambitions to expand. The one operation is in Saskatoon, and it's operated by a manager, Jack Benolkin. And there's another operation of Legs Unlimited in Prince Albert, and it's managed by Dale Anderson.

Both of these organizations have, as their source of funding, Nevada tickets. Both of these organizations use the funding from Nevada tickets to purchase motorized vehicles for the handicapped, the disabled, and the elderly, little motor scooters, little three-wheeled motor scooters that you might have seen around in the malls and in the communities of Saskatoon and Prince Albert, and I suppose other places, but in other places people may have purchased them themselves.

What they were doing is taking the money that they were able to earn from Nevada tickets and purchase these three-wheeled scooters and then rent them out at a subsidized rate to the disabled, to the elderly, to the handicapped, and they would keep them serviced. They would rent them on a monthly basis, on an hourly basis.

The people that started with them were paraplegics themselves. They were funded originally by the Kinsmen Foundation, by the Kinsmen club in Prince Albert, by the Kinette club in Prince Albert, I think the Optimist club, and a Masonic lodge out of Kinistino, to get their first batch of scooters. They set up in a mall in Prince Albert. The mall was so glad to have them, because of the business aspect, that they gave them free space. So their overhead is next to nil, with the exception that they pay about \$500 a month in expenses just to man the operation, to keep staff in place there so when people come they can get the things.

Now what do they tell me? All of their funding from now on — they are now a company, a non-profit company — has been coming from the sale of Nevada tickets. They used to be able to make \$200 on a box of Nevadas. Now, after they pay the tax — because it's them that pays, not the consumer; it's them that pays the tax — their profits are down to \$100 on a box of Nevadas. So effectively — those are round figures — so effectively it's halved their operations.

I invite you to go and talk to either one of these people and show them that you, in the government, can spend this money in a more efficient or a wiser manner than this charity is. The objection here, Mr. Minister, is that the government is taking money away from a very worthwhile operation — something that I'm sure that you would back. I'm sure that there is not a one of you that would have something bad to say about Legs Unlimited and to say that no, you shouldn't be making a profit. But effectively you're doing so indirectly by implementing this tax.

So I ask you, Mr. Minister, whether you would be, you know, prepared to send somebody to have a chat and find out for yourself about . . . from people like the Legion or Legs Unlimited.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I hope it's not the intention of the member opposite to repeat all of the questions that he's asked on several occasions of a couple of different ministers here in the past few weeks.

Let me point out to the member opposite a couple of things. Firstly, I want to just make the comparison with regard to what I was talking about with projections and what's happened to sales in other provinces, because he seems to have some quarrel with this. The province of Alberta up to the end of the week of August 5, they were at 88 per cent of their quota; Saskatchewan was at 83.2 per cent of their quota. Now those were the figures that I was giving you before, when I said that the other provinces were down, compared to their quota. So that's 88 per cent for Alberta; Saskatchewan was 83.2. That was for the week ending August 5. Now I just wanted to correct you on that.

The other point I wanted to make, you talk about all of the negative aspects of this particular tax, and I can understand your position on that, but I would point out as well that there have been many letters of support from hospitals and hospital foundations and health agencies that feel that this is a very positive step. They're very

supportive of it, and they understand the commitment that this government has to health programs in the province.

Now I certainly do not have any problem at all with the comments you make about the charitable organizations and the very worthwhile projects that they are into. I have been very involved with charitable organizations in the past, with Kinsmen and Lions and other organizations. And I know all of the worthwhile projects that they carry on, and I know also how difficult it is to raise funds. So every dollar that they raise, by whatever means, is very, very well earned, and it's very, very well spent. So I don't have any problem with your comments. And I certainly agree with you on the importance of what these organizations are doing, whether it's Legs Unlimited or whatever the case might be.

I would indicate to you that we certainly are aware of the fact that with the break-open tickets, even though the sales are up, that the amount of money that the charities are getting is going to be affected. And one of the problems that we've had there is that it's taken us a little bit longer to get the new tickets into action, or into operation, than what we had anticipated.

Now as I understand it, Mr. Chairman, that a new break-open ticket will be released next week which is going to cut down on the prize package. And this was something that was agreed to with all of the consultations that we had, and the groups that we met with in Prince Albert were telling us the same thing. In the past the prizes for the break-open tickets have averaged around 73 per cent, which I think for the most part is considerably higher than in most parts of Canada. The new tickets now are going to be in the neighbourhood of 70 per cent, so that will of course have an effect on the charities, and the amount that they're getting.

The one thing that is going to be happening very shortly, Mr. Chairman, to this point charitable organizations that have been selling break-open tickets in conjunction with bingos have generally had to pay a \$50 fee to rent a booth. This, of course, is going to be done away with, and that will be another \$50 that the charity will now have at its disposal. So that will partially offset any change that there's been or any decrease that there's been with the profits that they've been getting.

Mr. Calvert: — Mr. Minister, I have a very specific question about a portion of this piece of legislation, and that's part 2 of clause 5. That's the part of this legislation that will let you on September 1 begin to levy a head tax on the exhibition board casino operations in the province.

Mr. Minister, just so that I'm sure that this is correct, currently the exhibition board casinos are paying a tax to your government of 7 per cent on the hold, minus the wages they pay out. I understand that this legislation will change that to provide for a tax to your government of 10 per cent on the hold alone before the wages are paid. In addition to that then, Mr. Minister, this legislation and what you intend to do on September 1 is to also levy a head tax at the door, so that anyone coming through the door of the casinos at the exhibitions would be liable to

pay a \$5 entry fee or a head tax at the door.

I have several questions, Mr. Minister. The casinos around the province, who you well know, provide the financial backing for our exhibition boards. They are saying that this head tax is simply going to be unacceptable, and it holds the potential of lowering their business by some 50 per cent, if not higher.

Mr. Minister my question is: why have you decided to put a head tax on the casinos, not on bingo halls, but on casinos? So there's the double taxation here; they're paying their 10 per cent, and then they're paying a head tax. They say it's going to destroy their business. Mr. Minister, are you prepared to assist with the collection of this tax in the casinos, or are the casinos going to have to provide staff at the door to collect this tax? Is the tax going to apply to everybody who comes through the door? What about the spouse who wants to come into the casino, who doesn't want to gamble, just wants to come in? Will that person have to pay the tax? I would like you to address some of those concerns that are brought up by the exhibition boards.

(1030)

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I believe the member has raised those questions in the past and they have been answered, but I will certainly answer those questions at this time. There will be a head tax, yes, and the head tax is on the consumer. It's not on the exhibition board; it's on the consumer. The exhibition board will, yes, be paying 10 per cent on the net revenues. So you talk about a double tax. The one tax certainly is on the consumer; the other is on the exhibition board.

We had several meetings . . . (inaudible interjection) . . . Well let me just go on and finish off here. We had several meetings with the exhibition boards. We asked them for proposals to be put forward as to how they wanted to see this done. These were suggestions that they were in fact making, and they were talking about a head tax and they were also talking about the tax on the net revenue, such as they had been paying. So these aren't suggestions that have come solely from the government; these were coming from the exhibition boards. So they were asked for their proposals.

I would also point out when you talk about people going in whether they're gambling or not, if you go to the horse races, anybody passing in through the gate also pays a fee whether they're going to bet on the horses or whatever the case might be, so there are other precedents.

Mr. Calvert: — Mr. Minister, one question was left . . . maybe all of my questions were left unanswered but at least one was left even unaddressed, and that's the question of providing staff at the door, staff at the door to collect this tax. Would your government be accepting that cost? Will you be providing people at the door of the casinos to collect your tax?

Hon. Mr. Meiklejohn: — A commission will be provided to the casino for the collection of the tax.

Mr. Calvert: — Well, Mr. Minister, will that commission that you're going to provide cover the cost of a staff person to be at the door the entire time that the casino is open?

Hon. Mr. Meiklejohn: — The same commission will be paid to the casinos for the collection of this tax that is now applied to the collection of sales tax and lottery tax.

Mr. Calvert: — So, Mr. Minister, could you give us the figure then? What is this commission going to be?

Hon. Mr. Meiklejohn: — Mr. Chairman, at 7 per cent on the first \$300, 1 per cent over 300, to a maximum of 5,000.

Mr. Calvert: — Mr. Minister, again specifically related to casinos, your colleague, the Minister of Finance, will receive this letter today, I think. It comes from the casino people in Prince Albert. I'm sure it could have come from any one of the casinos operating in the province. Mr. Stevenson writes to the Minister of Finance, and he says and I quote:

The currently proposed flat tax of five dollars “(\$5.00)” (the head tax at the door) will without question have a devastating effect on the operations of Saskatchewan Agricultural Exhibitions and, in specific, reduce our Casino operations “(including an appropriate portion of our Casino payroll)” (people will be losing their jobs) by somewhere (he says) between fifty to seventy percent “(50% - 70%)”.

That's his prediction, 50 to 70 per cent.

Unfortunately (he goes on to say), this neither allows the Exhibitions to continue (their) current operations nor allows the appropriate funds to be collected by the new tax.

Mr. Minister, I think what has happened here is that your government decided how much money you wanted out of the casinos. You set that figure up, and then you figured out the system that would produce that much money. Well, Mr. Minister, if in fact the predictions of the casino people become reality, that their business drops by 50 to 70 per cent, their point is well made. They are not going to be able to continue the valuable work they're doing in our communities through the exhibitions boards, and you're not going to get anywhere near the amount of money that you hope to get.

Would you address those points that are made by Mr. Stevenson in his letter to the Minister of Finance.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would think it's difficult for anyone to speculate exactly what losses are going to be incurred in this particular case, if any are. After all, the tax is not going to be implemented until September 1, and that's only going to affect casinos that are going to be operating shortly after that, which probably would only apply to the cities of Saskatoon and Regina.

The other casinos or the other exhibition boards have been given a two-month extension. Of course that got

them through the summer months when they were having their fairs. So we will be monitoring the situation certainly to see what the impact is.

Now with regard to your suggestion that we arrived at a certain figure as to how much money we wanted to get out of casinos, yes, the original estimate was — and this was taken on the amount based on the amount of money that is spent on casinos now — we had estimated initially \$2.1 million. But the current proposal now with the new formula with the head tax and with the 10 per cent on net revenues is \$630,000. So I mean, for you to stand in your place and say that we have a preconceived figure and then we set up a formula that we would arrive at that figure is just not accurate.

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

Clause 19

Mr. Kowalsky: — As a final statement on this Act, Mr. Chairman, I would ask the minister and the government to consider at this time what's happening in Saskatchewan. We have the games on. Saskatchewan people have just won 31 medals — a record for us. It's been a very positive experience. It's come about as a result of the money that's been put into the cultural, charitable, and sports organizations — in this case, the sports organizations — through out lottery scheme, a very valuable and worthwhile operation that's taken years and years to build up. And it's helped by just increasing our own image of Saskatchewan tremendously over this last two weeks, the self-esteem of youngsters. And that's the kind of image we want to project in Saskatchewan.

And I ask you to reconsider, and in caucus over the next couple of weeks or however long it takes, about the advisability of maintaining this tax because I don't think that you want to, as a government, have the image of becoming and sell-and-tax government. I think you want to maintain the kind of image that is happening in Saskatchewan and in Saskatoon right now.

Hon. Mr. Meiklejohn: — Mr. Chairman, just a brief comment. Certainly we are very proud of the results with the games in Saskatoon, and what the Saskatchewan athletes are accomplishing. And there have been many, many positive reports made with regard to what Sask First has done. The minister has made a commitment of \$10 million to this program and we certainly are very supportive of what's happening and will continue to be.

The division bells rang from 10:38 to 11:02 a.m.

Clause 19 agreed to on the following recorded division.

Yeas — 25

Muller	Klein
Duncan	Meiklejohn
McLeod	Martin
Andrew	McLaren
Bernston	Hopfner
Taylor	Martens

Smith	Baker
Swan	Gleim
Muirhead	Neudorf
Maxwell	Kopelchuk
Hodgins	Saxinger
Gerich	Britton
Hardy	

Nays — 17

Romanow	Solomon
Rolfes	Goulet
Lingenfelter	Pringle
Tchorzewski	Calvert
Koskie	Lautermilch
Thompson	Trew
Brockelbank	Smart
Upshall	Van Mulligen
Kowalsky	

The committee agreed to report the Bill.

Bill No. 82 — An Act respecting Small Business Investment Incentives

Mr. Chairman: — Would the minister introduce her officials.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I have with me today Jim Zatulsky, who is the director of our small-business investment programs in the department; and Tony Koshinsky from the Department of Justice.

Mr. Lautermilch: — Thank you very much, Mr. Chairman. As I've indicated before in the House, Madam Minister, we on this side of the House support this Bill in principle.

We do have some concerns though regarding this particular piece of legislation. It's not unlike other pieces of legislation that this government has put before the House in that there are many areas that are left to regulation and not defined in statute, meaning the cabinet have the ability to make some fairly wide-sweeping changes that we have some concerns about. And I would ask the minister to give some thought to this before passing of the Bill.

Some of the areas that we do have concern that are put to regulation that we're just not quite clear on. Under section 4(1)(g) indicates: "the corporation meets the other prescribed conditions."

And really, Madam Minister, it doesn't give us any indication of what these prescribed conditions may be under the application for registration.

As we move through the Bill under section 5(b), again in terms of eligibility the registration requires a list of regulations and we're not really quite clear what that might be, regulations of course being done by cabinet. And I would like the minister to give some thought as to if she may in fact want to make some clarification in these areas.

I think the other concern we have, Madam Minister, is in section 15 under the recapture section of this Bill, in that we've seen, on a number of occasions, this government put money into a private enterprise, the people of this province ending up stuck with the bill. And I don't really believe that under section 15 the recapture area is tight enough, and I'm wondering if you would want to make some comments on that.

We've seen in other departments where the GigaText operation has cost the taxpayers, through SEDCO, some five and a quarter million dollars — maybe more, we're not sure at this point — and it does give some concern to members on this side of the House when government is involved in stimulating one particular area of our economy or another. And for that reason, we're questioning that particular area of the bill, and I'm wondering if you would want to make some comments regarding that, Madam Minister.

Hon. Mrs. Duncan: — In response to the hon. member, this Bill, even though you say that too much is left to regulation, we feel that we have expanded it substantially to take care of the few problems that we did have under the old Bill, that this Bill is designed to restrict entry into the program. If you look at the venture capital corporation Act before, it was really open to everyone. With this new Act, there is restrictions and there is . . . it's designed to allow the department to move quickly in the case of infractions. You specifically had mentioned Joytec. With the new Act if . . . Under the old Act the company has two years to pay back the venture capital credit. Under this Act immediately, if 75 per cent of the wages are not being paid in the province, we can move in the next day, so to speak.

We also have expanded the Bill so that we can go after directors if there are infractions of regulations or of statutes. So we think that it's a tighter Bill; it will accomplish what's it's supposed to, but it is a tighter Bill.

Mr. Lautermilch: — Well, Madam Minister, I guess your first comment just indicated very clearly to me why I had some cause for concern in terms of the regulations. You indicated that the old venture capital was open to everyone. Under these conditions you've set out in this Bill, I'm not sure if this is just open to friends of the PC Party or if it's open to Saskatchewan business people in general. And that's why we're concerned about the regulations, Madam Minister.

I thought we could pass this Bill, we could let this go in a matter of five, 10 minutes because as I said, we do agree with the concept of this piece of legislation. But your comments today really put me at ease, and I'm not so sure that we want to support this Bill. Maybe you want to clarify that.

Hon. Mrs. Duncan: — Well this particular Act, Mr. Chairman, is brought in to help small businesses, and by small businesses, we are looking at research and development companies, businesses related to the tourism industry, manufacturing and processing. So those are the types of businesses that will be eligible.

I think the member must recognize that no Act can foresee all problems that may arise, so what we want with this Act is the ability to move quickly if it appears that a loophole surfaces. So that's really the intent of the Act — to promote small business in the province, but also, to have the ability to move quickly in the areas that we would have to.

(1115)

Mr. Lautermilch: — Well, Madam Minister, that's all fine and well, you know, and I appreciate the concern in terms of research and development and involving small business, tourism, manufacturing and processing. But the point I'm trying to raise is the fact that there is so much left to regulation and there is so much ministerial discretion that I'm concerned that there may not be room for other than PC people who are wanting to be involved in research and development, tourism, and manufacturing and processing.

I'm just indicating, Madam Minister, that because we do support the concept of this Bill and the intent of the Bill that we will be supporting, but I would want, Madam Minister, to indicate to you that we will be keeping a very close eye on the way you're distributing these grants for these corporations.

You talk about having the discretion, your department having the discretion to move quickly if you do see a problem area, and that I want to say to you, I do appreciate. In light of the fact that this government has just loaned five and a quarter million dollars through the GigaText operation, Crown investments corporation, and then involving SEDCO, we do really appreciate the fact, and we will hold you, Madam Minister, accountable in that you have indicated you have the ability to move quickly. We will be watching in two areas: number one, that there is an ability for the people of this province, all of the people of this province, to be involved in business ventures, meaning that it will cross party lines and that it doesn't require a particular membership in a particular political party to be involved; and that, number two, if and when there are some problems with a particular corporation, you will not delay action on moving and protecting the taxpayers' money as you did in the Principal Trust fiasco.

There are some credibility problems, I'm sure you will understand, and there is some concern on this side of the House and by people of this province in terms of your ability to administer. And I would just want to indicate to you, Madam Minister, that we will be closely scrutinizing the grants this Bill and the actions of your department surrounding this Bill.

In terms of recapture, you may want to elaborate to the members on this side of the House, Madam Minister, just how that will be handled; how you will be scrutinizing these corporations or these investors, and how you will be guarding the taxpayers' dollars, and just how you will be handling the recapture portion of this Bill.

Hon. Mrs. Duncan: — I think, Mr. Chairman, that the member doesn't understand the Bill. I mean he rambles on and on about friends of the Tories, and I would say that

probably the majority of small-business owners in the province are Tories. I will admit that; I'm sure he will admit that.

There are eligibility criteria, Mr. Chairman, in the Bill, and I would tell the hon. member that if a small business that is eligible under the Act applies for a grant, the minister does not have the authority or the ability to disallow it. So any business that is eligible under the program, that meets the requirements of the program, will be approved, because the minister has no authority to do the type of things that the member is suggesting.

The minister did not have the authority to disallow eligible businesses under the old program, and will not have that ability under this program.

I would point out, Mr. Chairman, that over the last five years of venture capital corporation Act that was in effect before, we have over 190 venture capital corporations structured in the province, and over \$90 million was invested through these corporations.

So the intent of the Act is still there. We feel this is a better Act. It cleans up some areas that we had concern, and it is a support for small business.

Mr. Lautermilch: — Well, Madam Minister, I don't happen to agree with you in terms of the number of small-business people that support the PC Party or the Tory government, but we'll leave that to an election day and we'll leave that to a time when they have a chance to pass judgement on this government. And I think the record will clearly show that that statement is wrong.

We're still a little concerned in terms of . . . you indicate that the minister has no discretion in order to disallow one particular applicant or another. You haven't satisfied me in terms of that under section 4(1)(g):

the corporation meets the other prescribed conditions.

Who prescribes those conditions?

Hon. Mrs. Duncan: — That is of an administrative nature, and those things will be prescribed in regulation which will be gazetted, I imagine. And it deals with the articles of the business and the fact that the department would have to be provided with a list of the shareholders, to pay the incentive, and that type of thing. All those things will be prescribed in regulation.

Mr. Lautermilch: — Madam Minister, I only have one more question before we allow this Bill to proceed. Would you have a list of those regulations, and would you be able to share those with this House?

Hon. Mrs. Duncan: — We will send you a copy of the regulations, Member, as soon as they are completed.

Mr. Lautermilch: — Thank you very much, Madam Minister.

Mr. Chairman: — Chair is asking permission to go page by page.

Pages 1 to 18 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 27 — An Act to amend The Mineral Resources Act, 1985

Mr. Chairman: — Order. Would the minister introduce her officials?

Hon. Mrs. Smith: — Thank you, Mr. Chairman. This morning I have with me, to the right, deputy minister of Energy and Mines, John Reid; immediately behind him is Pat Youzwa, the assistant deputy minister of resource policy and economics; next to her, Mr. Maurice Hall, director of industrial minerals; and at the back, Mr. Dan McFadyen, the director of the branch.

Clause 1

Mr. Solomon: — Thank you, Mr. Chairman. Madam Minister, the amendment is not a major one, but I have about four or five questions I want to raise on it.

Can you just explain to the House what prompted the amendment at this time?

Hon. Mrs. Smith: — Mr. Chairman, for some time several provinces in Canada have had reciprocal agreements with one another in exchange for information as it relates to the mining industry. We have had several discussions at ministerial meetings and discussions between officials of various provinces, mainly because various companies are beginning to locate in more than one province.

It is often mostly used for auditing purposes, and that is the intent of this amendment in there. It is to allow us in fact to be able to audit properly if we should have a mining company that is also located in another province.

I believe there are approximately four or five other provinces that have such arrangements, and I am aware that a couple of other provinces along with Saskatchewan are looking at putting in the reciprocal agreements, along with the four that are presently there.

Mr. Solomon: — So the agreements . . . this amendment will provide reciprocity with all of the governments in Canada, or just the ones that you can negotiate reciprocity with?

Hon. Mrs. Smith: — No, these be will individual agreements with individual jurisdictions.

Mr. Solomon: — Can you explain how that'll work, Madam Minister?

Hon. Mrs. Smith: — Well for example, Nova Scotia, Manitoba, Ontario, and British Columbia — and there may be one more, I'm not too sure about Quebec — do in fact have reciprocal agreements with one another, and we would, for example, begin discussions with those four provinces if that's what we needed to do if there was a mining company in Saskatchewan that was also mining

in that province. And we would sit down and put together an agreement as agreed upon by both sides, individually with each jurisdiction.

Mr. Solomon: — Has there been a circumstance to date in which you've dealt with these provinces to obtain information, and if so, what kind of information are we talking about? The Bill is pretty general and refers to all kinds of information, yet in your remarks the other day in second reading you referred specifically to tax audit information.

Hon. Mrs. Smith: — It's basically financial information, as I had indicated in second reading the other day and in discussion with you after that. Under the current regulations that we operate under, we cannot reveal taxation information to other jurisdictions at their request without having such an agreement into place. If we had a company, for example, in Nova Scotia that also mined in Saskatchewan and we wanted to do some auditing of not only their financial matters in Saskatchewan, but in Nova Scotia, we would not be able to do that without having the agreement in place with that province.

Mr. Solomon: — Has there been a requirement to date to search out that information with one or more of the companies that operate in Saskatchewan? Madam Minister, my question is very simply, you're introducing this amendment to obviously obtain information. Other governments have reciprocal agreements, but my question deals with the need to do this. Has there been an example with one or more of the mineral companies that operate in Saskatchewan that you requested information of and were not able to obtain it and only through this amendment can you obtain it?

Hon. Mrs. Smith: — No, we have to date not had any specific requests or a need. But I think the industry is at a point where indeed that may very well be possible in the very near future. Whether it's potash between New Brunswick, for example, and Saskatchewan, we share a common producer. The gold, the gold mining industry is very much in a growth stage in this province, and as the hon. member knows, the mining companies in gold often move from one province to another and in fact not only locate but the activity carries on in more than one province. And we see for the very near future a very real need for this to take place.

(1130)

Mr. Solomon: — How have you been able to monitor the actions of the companies that operate in Saskatchewan to date? Just give us an example of how that is done and whether you foresee an immediate need to have this amendment in place to obtain information that they would not co-operate in providing?

Hon. Mrs. Smith: — Well the producers or miners in Saskatchewan agree to let our auditors in to in fact look at their books.

Mr. Solomon: — Could the minister request a report on some specific area of the industry under the guise of intergovernmental information exchange and then use that information, or officials in their department leak that

information for some private business interest? I guess that's a question, Minister, but especially businesses that are trying to attract the government, for example, into a joint venture deal or vice versa. Is that a possibility? The concern I have is the possible abuse of that confidentiality being breached, and what requirements would you have on the officials in Saskatchewan, as well as those in other provinces that you provide information to, to adhere to the confidentiality clause?

Hon. Mrs. Smith: — Well I think it's recognized that despite what system you have in place you may run the risk of some abuse taking place, and I guess that's why it's important to make sure that those bases are covered and that there in fact is a check and balance within the system. Any kind of intergovernmental agreements in the past, and now and in the future, provide for the exchange of information; they must contain appropriate confidentiality provisions. That is a standard practice in dealing with intergovernmental agreements.

Mr. Solomon: — Could you briefly, Minister, explain what a confidentiality agreement is. What are the requirements and what are the penalties for breaching that agreement?

Hon. Mrs. Smith: — What the Act says is that we would, in fact, if you had a reciprocal agreement, you would provide the information to another government at their request in order for them to enforce their taxing laws, as that's what we would want to do. That's why we would do that. If in fact we thought that the tax system had a loophole somewhere or a company was perhaps moving depreciation of capital or something like that from one area to another, then we would request that of another government.

If another government were to break that confidentiality — and I would remind you that that is a very serious matter when you're talking about taxation measures — if they were to in fact break that, two things would immediately be open to you, and I would think one would do. One would be the agreement would be broken. It is an agreement recognized in law. The court system would be open to you at that point. And secondly, I don't think you would probably be giving them information for some time to come.

Mr. Solomon: — Final question, Madam Minister. Has the industry been consulted, and what has been their general response to this amendment?

Hon. Mrs. Smith: — Yes, and they will not object to this.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Bill No. 89 — An Act to amend The Department of Energy and Mines Act

Clause 1

Mr. Solomon: — Thank you, Mr. Chairman. Madam

Minister, again this is a very small, or should I say a short Bill amending The Department of Energy and Mines Act. I have some very general questions and maybe some specific ones. Minister, section 9 is changed so that rather obtaining approval from the Lieutenant Governor in Council, you can enter into agreements on behalf of the Saskatchewan government. Could you describe what that agreement might be?

Hon. Mrs. Smith: — These are the agreements that fall under the fossil fuels technology development program and are used for R&D (research and development) development.

Mr. Solomon: — Could the minister describe how these agreements operate? Do people apply for some kind of grant, and what is the criteria for the application? And what kind of success response rate is there for those who apply? And what kind of money are we looking at in individual grants? And what's the annual budget?

Hon. Mrs. Smith: — A company or individual that was interested in looking at a project under this particular program would in fact apply to the department. A technical evaluation would be done within the Department of Energy and Mines at that point, and if the department officials should choose, they would also ask for an evaluation outside by a consulting engineer or someone with that background before given its final approval.

Once the approval is given, then they enter into a detailed mechanism with the applicant, and that also includes the reports that will come in on the project. There is monitoring that takes place during and at the end of the life span of a project. The dollars can range anywhere from a few thousand . . . for example, if you had a very major project in heavy oil it might be a couple of hundred thousand — there is a wide variance there.

I believe your last question was the budget of the fossil fuels program, is 2.1 million.

Mr. Solomon: — Okay. Thanks, Madam Minister. And you're asking for, obviously, evaluations from the applicants, and there's criteria they must meet. Under this Bill:

“(2) The minister shall not make a grant pursuant to subsection (1) in excess of \$10,000 unless:

you meet certain requirements. Are you saying then, as a result of this amendment becoming law, you would be able to authorize without an order in council grants for greater than 10,000 in the vicinity that you described of around \$100,000? Is that correct?

Hon. Mrs. Smith: — What we're talking about here are signed agreements, okay? I think our observation is a fair one if in fact this were a totally new system, so I'm going to go back and tell you what was in place before. The Heritage Fund was where the funding for the agreements came out of before, and that did not require Energy and Mines to obtain orders in councils for projects approved under the terms of the agreement.

Now when the new Saskatchewan fossils fuels technology development program was initiated in 1988 and '89, the program that year was funded out of economic diversification and the investment fund, and therefore the provisions of the Heritage Fund which allowed for that before were no longer applicable. As a consequence, Justice informed us that we require this agreement in order to do it as we had been doing it before. It was simply a matter of changing funding departments. I hope that clarifies it for the member.

Mr. Solomon: — Thank you, Madam Minister. Your colleague's remarks in second reading, the member from Weyburn, indicated that the amendment was an administrative and housekeeping nature, one of the amendments, and that it changes two of the current limits on the authority of the minister to make grants and enter into agreements with other governments, powers, persons and organizations, etc.

I'm curious to know, you may not be aware of this but if you do, please to inform whether other departments are . . . your colleagues are getting into the same circumstance whereby orders in councils are becoming . . . limits on them are becoming higher and higher, and that these housekeeping things are being done to ensure that the . . . or results in having cabinet members really have more confidentiality in terms of the orders in councils they sign allowing for the expenditures of taxpayers' dollars.

Hon. Mrs. Smith: — No, the ceiling on the level for orders in councils has not changed.

Mr. Solomon: — Are the regulations published now in the Gazette, as the apply to this program?

Hon. Mrs. Smith: — There are no regulations for this program because this is contracts between the department and companies.

Mr. Solomon: — Madam Minister, in the Act amendment here says, and I quote:

4 Subsection 9(2) is repealed and the following substituted:

“(2) The Minister shall not make a grant pursuant to subsection (1) in excess of \$10,000 unless:

- a) the minister obtains the approval of the Lieutenant Governor in Council before making the grant; or
- b) the grant is made in accordance with any terms or conditions that are prescribed in regulations made by the Lieutenant Governor in Council”.

I was referring to those regulations. The concern I have, Minister, is that if you're getting away from providing an order in council for these grants. Orders in council are usually quite public, and we can have access to them, and expenditures are held accountable, whereas if you're making expenditures without an order in council and according to regulations, that also provides some accountability. But you're saying there's no regulations,

and I'm curious to know then how you would make those grants, if there's no regulations, that would give you some guide-lines?

(1145)

Hon. Mrs. Smith: — Well there's . . . I think you're thinking about the occasional grant that the department may make, for example, to the Canada energy research, which does not come under the fossils fuels program. The fossils fuels program stands by itself and very specific, and people must apply for it. It is very much different than the kind of a grant that any department would give out — \$5,000 or \$6,000. Regulations for the occasional grant that the department might put out that is not under the fossils fuels program, but outside of it, would in fact be covered by regulations. This is specifically the fossils fuels program.

Mr. Solomon: — Why do you want to make the changes then from an order in council to this new system? Could you give us your comments on that? The member from Weyburn did, and they don't seem to coincide with yours.

Hon. Mrs. Smith: — Well I gave you the history of this and why it necessitated a change. And the system that was in place previous to needing this change was very effective and very efficient. We simply want to restore that into place and do it legally, and as a consequence the administrative changes here.

Mr. Solomon: — Well, Madam Minister, you're saying you want to do it legally now. What do you mean by that? Have you been undertaking to provide these grants illegally?

Hon. Mrs. Smith: — We want to re-establish in laws as it was before when it was out of the Heritage Fund, okay? They had the power to do that. The source of the funding has changed to economic development and something else, and the legislation presently in place does not allow us to go over that 10,000 without that OC (order in council). We want to restore what was there before so it can run as efficiently as it did before.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 34 — An Act to amend The Parks Act

Hon. Mr. Hodgins: — 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. 71 — An Act to amend The Renewable Resources, Recreation and Culture Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that the

amendments be now read the first and second time.

Motion agreed to.

Mr. Deputy Speaker: — When will this Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now, Mr. Speaker.

Leave not granted.

Bill No. 60 — An Act to amend The Northern Municipalities Act

Hon. Mr. Hodgins: — 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. 26 — An Act to amend The Planning and Development Act, 1983

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

Mr. Deputy Speaker: — When will the Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now.

Leave not granted.

Bill No. 87 — An Act to amend the Urban Municipality Act, 1984

Hon. Mr. Hodgins: — 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. 38 — An Act to amend The Saskatchewan Mining Development Corporation Reorganization Act

Hon. Mr. Hodgins: — 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. 86 — An Act respecting Co-operatives

Hon. Mr. Hodgins: — Mr. Speaker, I move that those amendments be now read a first and second time.

Motion agreed to.

Mr. Deputy Speaker: — When will this Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now, Mr. Speaker.

Leave not granted.

**Bill No. 76 — An Act to amend The Credit Union Act,
1985**

under its title.

The Assembly recessed until 1 p.m.

Hon. Mr. Hodgins: — Mr. Speaker, I move that those amendments be now read the first and second time.

Motion agreed to.

Mr. Deputy Speaker: — When will this Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now.

Leave not granted.

**Bill No. 67 — An Act respecting Gaming and the
Saskatchewan Gaming Commission**

Hon. Mr. Hodgins: — Mr. Speaker, I move that those amendments be now read the first and second time.

Motion agreed to.

Mr. Deputy Speaker: — When will the Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now, Mr. Speaker.

Leave not granted.

**Bill No. 72 — An Act to raise Revenue for Hospitals by
the Imposition and Collection of Taxes with respect to
Participation in and the Operation of Lottery Schemes**

Hon. Mr. Hodgins: — Mr. Speaker, I move that the 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. 82 — An Act respecting Small Business
Investment Incentives**

Hon. Mr. Hodgins: — Mr. Speaker, I move that the 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. 27 — An Act to amend The Mineral Resources
Act, 1985**

Hon. Mr. Hodgins: — Mr. Speaker, I move that the 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. 89 — An Act to amend The Department of
Energy and Mines Act**

Hon. Mr. Hodgins: — 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