

EVENING SITTING

COMMITTEE OF THE WHOLE

**Bill No. 28 — An Act respecting Investments by
Saskatchewan Residents in Support of Community
Diversification and Environmental Protection**

Clause 1

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

Hon. Mr. Schmidt: — Thank you, Mr. Deputy Chairman. I want to introduce to the Assembly Mr. Graham Parsons, the associate deputy minister of Economic Diversification and Trade, and Mr. Bryan Hebb, the director of investment. These are the only two officials I have with me this evening. We are ready to proceed.

Mr. Mitchell: — Thank you, Mr. Chairman.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — That's very encouraging, Mr. Chairman, as I begin my remarks to the minister. I spoke to this matter briefly on second reading and I had observed that the idea of a community development mechanism was an old idea. And I think the minister agrees with that in the sense that it has been around the literature of regional and economic development for decades now. It's certainly an idea that the preceding government, the Blakeney government, had considered in relation to the development problems that existed and still exist in northern Saskatchewan.

And I had pointed out to the minister the other day that, in fact, there are community development corporations in existence in northern Saskatchewan — I should amend that and say there were. I'm not aware of whether they still exist or not, but at the time of the board of inquiry into the proposed uranium mine at Key Lake, there were such corporations. And I think of Pinehouse, for example, as a community where there was an active corporation.

They had also been in existence in the Northwest Territories, in the Arctic, in the Yukon. And it's been quite a well researched idea with quite a lot of literature, and an idea with quite a bit of potential, given certain local conditions that would permit the idea to take root and to be properly organized and properly run.

The question that faced all of us at that time was: to what extent and in what manner could governments — both at the provincial and the federal level — support the activities or proposed activities of community development corporations? And a number of instruments were considered as potential instruments for doing that. And probably the answer, at least in the 1960s and the 1970s, was that some combinations of instruments would be necessary in order for government to assist these community development corporations to get off the ground and to generate economic activity in the community for the benefit of the people who live there.

And I well recall, and I believe the minister is aware, that grant programs, the various kinds, were considered, as

well as loans and loan guarantees and indeed equity participation by governments in economic development initiatives that may be undertaken by the community development corporation.

Now I think the fact is that these community development corporations, for the most part, were ideas on paper and ideas that existed in the minds of researchers and the minds of various consultants who were trying to fulfil contracts to come up with ideas about community development and didn't see the light of day quite as often as one might have wished.

To my knowledge, the idea that the government has incorporated in this Bill, of guaranteed bonds, was not prominent in the literature of the time. I have been wondering why that is so, and I think the answer is that the communities where economic development was an issue in the 1960s and 1970s were communities where there was no wealth, Minister, where there was simply no pool of untapped capital that could be drawn out of the savings accounts and out of the mattresses, so to speak, and be put to work in the community. And so they had to consider other means of getting these corporations up and running and funding them to the point where they could, in fact, undertake some activities.

Now in Saskatchewan, we see really the shocking, almost shocking — I think shocking is the right word — spectacle of some of our finest, oldest communities, small towns, some towns not so small, small cities, that are really up against it as far as economic activity and local employment is concerned, and they're trying very, very hard to generate something.

I can see that this Bill is in some small part a response by the government to try and assist the communities to get something going, to develop some industry, to develop some employment creation within their communities. I think that's a first, at least the first in a long time, Minister, that some of these well established and wealthy communities are, in fact, facing economic adversity to the point where something like this is necessary. To my knowledge, my experience, which extends through the '60s, '70s, and early '80s in regional development questions, programs such as community development corporations in some of the established communities in Saskatchewan was an unheard-of idea, an unheard-of idea. There were, of course, economic development programs in existence in Saskatchewan, as elsewhere, where grants of various kinds were available to local industries to get them started or assist them in expansions, but the idea of community development corporations of the sort that's contemplated by this Bill had just never crossed anybody's mind. The need in the late 1980s, indeed in 1990, is clearly there but was not there in anything like the current situation in the 1970s.

Now, Mr. Chairman, the minister and I are planning to have a fairly constructive discussion about the principles of this Bill, and we hope that we're able to continue that in spite of the catcalls from the peanut gallery there.

This idea, Minister, would have, in the 1960s and 1970s, been considered a very conservative and limited

response to the problems that would be encountered by a community development corporation. If you took this idea of community bonds to a community like Pinehouse in northern Saskatchewan, where you would be prepared to guarantee bonds sold within the community, you would not have brought them a useful instrument; they couldn't take advantage of it; whereas now I see plainly what you're trying to do is to pull out some of the savings in the rural communities and use them to generate economic activity in those communities. And in principle, Minister, we are not opposed to that idea. It's not what we would have done, I think, but it is not a bad idea, and we're certainly prepared to permit passage of the Bill and give the idea a chance although, as I say, in the context of the whole sweep of the notion of community development, it is quite a conservative and limited response even for your government. But it is not the big deal that you, Minister, and the Premier, tried to make out as you announced it the other day. It's not a bad idea but it's certainly not the kind of big deal that you were trumpeting across Saskatchewan some 10 days ago.

The other problem, Minister, is that — and I'll be coming back to this as we consider the Bill tonight — the indication we have is that there isn't much trust out there that your government will deliver this program properly. There is concern out there that this program will be used politically, for political purposes; that it may be more freely available, more available in target ridings of the Conservative Party than it is in other ridings; and that indeed considerations like that will bend the administration of this Act. And that's a concern that is expressed very often to members of my caucus as we have been talking to our constituents. And it's a concern engendered by other situations that have been the subject of a lot of discussion and questions and comments in this House, and it's a situation that is of concern as you try to launch this program, and I hope that you will be aware of that and will try to ensure that this program is administered in a sound and appropriate manner.

The other thing that I mentioned about this Bill when I spoke to it in second reading — rather abbreviated comments at the time — was that, for reasons that I don't fully understand, it centralizes too much control in the provincial government. Now I know the problem with that — I saw your press statements on that and I've heard you on it — that you're committing public funds here and so you have to have some kind of mechanism to ensure that that is done properly.

The literature, Minister, the extensive literature on the idea of community development through community owned and controlled corporations has always stressed the importance of control at the community level. Now that was a rather easier idea, I know, when you're talking about a corporation to which money is loaned or to which grants are made or to which loans are guaranteed. And you're making the motion of throwing money, and I understand what you're saying when you do that. But you will agree that, I'm sure, that the whole concept of community development corporations envisioned that the money would have to come from somewhere by way of a loan or a grant or both.

(1915)

But that having been done, the whole idea of community-owned corporations set up for the purpose of community economic development went hand in hand with the idea of the community being in control of their local situation and of hunting out their economic development opportunities and deciding how to set them up and how to fund them and how to run them and how they would be accounted for and those related matters. And I draw to your attention the obvious fact that your Bill envisages a great deal of control, indeed the final say in respect of whether a community development bond will be issued at all, and secondly and rather surprisingly, how the money raised locally into community development bonds will be expended.

I'm distinguishing here between the project-specific bonds and the investment pool bonds. And one would have thought that it wouldn't be necessary for you, Minister, and your government, to have the kind of control over how that money is in fact expended that you have taken for yourself in the Bill. And there are, I believe, if I read the Bill correctly, two distinct ideas here. First of all, will this community development bond be approved, number one, and number two, how will the money in these investment pools in fact be spent?

And as I read the Bill, Minister, you have expressed, as I said the other day, you have expressed a lack of confidence in these communities to be able to make a lot of the decisions about economic development that we would expect those communities to properly have. It's their community, it's their money, it's their future, it's their people who are going to be employed there. And I would think it would be their decision as to what kind of business they're going to get in and how they're going to raise their money and what kind of interest, if any, they're going to pay and all those related matters.

And my first question to you, Minister, is: on what basis do you justify the degree of control that the government has laid down in these Bills over those two matters that I've raised — the issue of the bonds and the spending of the money from the investment pools?

Hon. Mr. Schmidt: — Thank you. I'll try to address briefly some of the concerns you've had.

I'm pleased that we are in agreement that we have to look for different vehicles in which communities can address investment in their own projects and their own communities. And I'm sure that the member opposite will agree that we cannot expect foreign people to come in and build our own economy, and that is something that they have been opposed to all of my lifetime. I've heard the members of the NDP say we should not have foreign ownership and foreign control. So we have to find a means for our local people to build something that is locally owned and controlled.

Now it has worked to a limited extent in the co-operative system, but not to the extent that we have diversified Saskatchewan. If you go back to the member indicating that in the past we haven't had to develop a rural southern Saskatchewan, I think he is in error there. What we had was, when the NDP were government, we had something

you'd call POW — potash, oil, and wheat. And the prices of those were high, and when the price of those commodities are high, then people forget about economic diversification. And when the price falls, then we all suffer as a province and then people get serious about economic diversification.

And so while the member says that we didn't have to diversify, I disagree. We should have diversified when we had the cash to do it, and the problem we have is that we didn't, and now we have to try to do it when we are short of cash. But I agree with you. There are savings out there that can be put to use.

The idea of community bonds has been in the literature, as you say, for quite some time. There's a big difference here though, and what we're doing here is that we're taking it out of the literature and we're putting it into practice. And I don't really care who had the idea first. I give this commitment, that it's going to work this time because it's going to be done somewhat differently than the idealism that is written in the literature over the last 20 years or so.

They'll do it from a pragmatic way. And what you have here is a real question of a balance between the role of government and leaving some local incentive. And if you just throw cash on it and the government closes its eyes and doesn't look to see what's happening to this cash, the people at the community will take the cash and they won't have their own money at stake and they won't invest and they won't pay attention to what has to be done.

This is not a process of throwing cash into local communities and saying, okay, there now you go, here's the cash, you go ahead and build something. When it's the people's own money, guaranteed by the province, they are guaranteed their capital, but they're guaranteed only a return if they make it themselves. There is no absolute guarantee on a return.

Therefore there is a balance here, and it's surprising to hear the opposition criticize that there is too much government control. Maybe it's enlightening to hear the opposition speak in that terminology — too much government control. Maybe it's a sign of the future and some policy changes within the NDP that they are not in favour of so much government control.

So I take that criticism to heart. If you really mean there is too much government control, then I will try to explain why there is some government control. And it's very simple. We are not making gifts to the communities; we are making guarantees on their principal. This is a guarantee, not a gift. But guarantee requires some government control as to what kind of things the money is going into. It has to meet the criteria of the Act and has to meet the test of commercial viability before the taxpayers should risk their guarantee on it.

So we have to have a balance between some government control and local control. And we've tried to achieve that in this Bill.

Your question that you concluded with is . . . Maybe you

can remind me here because it was a rather long question . . . (inaudible interjection) . . . Why is there control at both the issue of the bond and at the time of investment. That's your question? All right.

Let's look at this process. First of all there has to be a review before a community bond corporation goes out and gathers money from the public, for several reasons. You have to be certain that they are complying with the rules and regulations of the Act. And you can't simply just set community bond corporations loose and let them raise money and then it turns out that some of it isn't qualified. And they have to be following the Act. So it's a preliminary screening. I don't think it will be very onerous but it will be a preliminary screening.

You'll find in the regulations that will be available soon that there will be a standard form of prospectus and a standard form of share certificate which will have printed right on it that this share is guaranteed in principal for face value by the Government of Saskatchewan. So you will have standards there that have to be met by the community bond corporations.

With respect to the actual investment, the test is commercial viability, and different people have different ideas of what is commercial viability. What we are looking at here is a twofold standard: number one, that after the term of the bond is expired that the investment will have a means of repaying at least the principal; and secondly, that it has a reasonable expectation of return for the community shareholders.

We believe they should not be investing in matters in the community that do not project a return of some sort; and they have to satisfy themselves what that return would be, and then sell the community bonds on the basis of the projected return. There has to be some government review; there is in the private sector and there is in this quasi-private, quasi-government sector here.

So that's the explanation. We will try not to have too much government control but we feel we have to have a little.

Mr. Mitchell: — It's on that last point that I want to test your thinking a bit further, Minister. But before I get to that, I don't know where in the world you would get the impression — you who pride yourself in the fact that you were once a member of this party — where you would get the impression that we would want the kind of control that you have retained for yourself in these circumstances.

On the contrary, it has long been an established policy within this party — and you must recall that, Minister, if you were as active as you are always claiming that you were — that we want as much local control and as much local community involvement as we possibly can. And our record, dating all the way back to the 1940s and the development of the larger school units and all of those long-time institutions of Saskatchewan, are testimony to the fact of our belief in community involvement.

An Hon. Member: — Big brother all the way.

Mr. Mitchell: — My friend across the way says, big brother all the way. And all I can say is that my friend is believing his own rhetoric, but that his rhetoric is not borne out by the facts, not at all. And the minister who, as I say, prides himself in the fact that once having been a member of this party, must be aware of that.

Now, Minister, I can understand that you would want to satisfy yourself that a community bond issue is being set up properly and that it is in accordance with the Act and that it meets the requirements of the Act and the requirements of the regulations, whatever they're going to be. I can understand that because that just makes sense. And they're going to go out and they're going to raise money from the members of the community to be put into this investment fund on the basis of the way in which they're set up and the purposes for which they're set up.

But that having been done, Minister, and the community development corporation having gotten off the ground, as it were, raised the money locally, got it all together; and hired their consultants to talk to them about what might be a viable economic activity; and their own local board of directors having sat down with those consultants and having worked it out and said okay, we're prepared to go with this, we're prepared to put our community money into this thing; why in the world wouldn't you be prepared to accept that?

What is it about a handful of appointments — up to eight appointments to this review board — what is it about those eight people that enables them to pass upon each and every expenditure of each and every development corporation all across this province? Why is that decision better made in Regina than it is locally? And even if this review committee is supported by a large bureaucracy or any kind of a bureaucracy, what is there about those bureaucrats that enables them to see more clearly than the people at the local level and the consultants who they hire and in whom they have confidence? Why is that degree of control a necessary part of this plan?

Hon. Mr. Schmidt: — Well the member opposite is mistaken in saying that I pride myself in having been a member of the NDP. Let's say that I confessed to having been a member of the NDP. And in 1976 I quit that particular party, having before Deng Xiaoping and Gorbachev and the revolution of eastern Europe in 1989, come to the conclusion that socialism would not work. So I do confess to having been a member of your party and I pride myself in having seen the light and left before the rest of the world did the same.

So I consider myself to that extent to be a revolutionary. But the members opposite question whether I ever was a member. I have my card. I keep everything; I'm a pack-rat. I can prove I was a member. In due course I will table the card . . . (inaudible interjection) . . . One has to have proof, you know, so . . .

The question here is with respect to accepting consultants' reports. The bottom line is this. You cannot delegate government to consultants. Because there's a guarantee by the Department of Finance, we are of the view that there must be a final decision made by government to invoke the guarantee. We don't intend to

interfere to any great extent, but there has to be, with respect to the guarantee, a government decision, decision made by a competent committee.

And the bottom line is, and I think you would criticize us for that, if we delegated government to consultants. Governments are elected to make decisions, not to delegate to consultants how to govern. So that is the bottom line. We don't intend to interfere but we have to make those decisions to protect the taxpayer.

(1930)

Mr. Mitchell: — I want to comment on your answer, Minister. It's not a question of delegating the responsibility or the power to consultants. It's a question of whether these community development corporations, with their boards of directors headed as they will be by municipal reeves or mayors or their appointees, made up of members of the community, whether those people who are in a very significant way democratically appointed or elected representatives of their community; whether they can make the decision or whether that decision has to be approved by a group of eight people appointed by yourself or by your government sitting in Regina, second guessing or passing judgement on all of the little decisions made by community development corporations in the various communities.

It's not a question of delegating this decision to consultants, it's a question of these boards making those decisions on the basis of advice for consultants as, Minister, you will be making your decision on the basis of advice given to you by professional people, either people on your staff or people retained by you from the private sector. So it's a question of whose advice is the best. And what is it about your advice that makes it better than the advice that's received at the local level?

I'm inclined to be sympathetic for you wanting to make sure that the bond issue is in order, that the corporation is set up for purposes which are consistent with the Act. I can see that, but I cannot see that your advisors are any better able to help you make a decision than the advisors of the community development corporation are able to advise them properly on making a decision about whether they will invest their money in a particular project.

We've been through that and you can comment on it when you get up, Minister, but I want to leave you with that thought and the thought that you really have . . . your powers under this Bill are such that you really have these development corporations by the throat in the sense that they can't decide anything about how to spend their money without your say-so, indeed that the power of spending that money is in a real sense yours.

I want to turn to the composition of this review committee. And I think you will agree that that review committee is carrying the large share of the responsibility here, being entitled to review all projects up to \$2 million, all expenditures up to \$2 million. The composition of that committee is, a chairperson which is going to be appointed by you; another member which will be appointed by the Minister of Finance; two people from

outside government who are going to be appointed by the cabinet; and up to four other members who are going to be appointed by the cabinet — and when I say cabinet I mean the Lieutenant Governor in Council — which makes a review committee of up to eight people, all of whom are appointed by you.

Now I wonder about that, Minister, why on that committee you do not draw from the community development community. And there is a large, significant community development community in Saskatchewan. You will know who I mean — community development committee members from all manner of cities and towns in Saskatchewan and indeed permanent civic employees whose job it is to deal with community development matters. How come these people weren't brought in to sit on your review committee and assist you in making decisions that are not just focused in Regina but rather representative of the entire province?

Hon. Mr. Schmidt: — Well there's another consideration that you have to have with respect to the reason for a review committee, that there should be some degree of protection for the local investors who are guaranteed on the principal but have no guarantee on the return. So the committee will review it to see that there is at least a reasonable chance of return on their investment. And the test of commercial viability has to be there.

Now the question is at the local level, you know, why should they be subject to this kind of supervision? Well without the guarantee they don't have to have any government supervision. They can raise money at the community level in the ordinary way that's been available to them for 40 or 50 or 60 years, and then there is no supervision and there is no guarantee. But to get a guarantee you have to have a review because the ultimate responsibility stops right here. Right here on the government side, the ultimate responsibility for the guarantees and the taxpayers' interest stops right here.

So we have to have a balance. And you cannot go headlong into community development without taking into account the consequences. The communities are interested in development but the province has to protect the treasury province-wide.

With respect to your suggestion that the community development community be involved in the review process, they would have several problems. On any given occasion some of them may end up in a conflict of interest where they are paid by a community and also sit on a review committee. So what do you do, have them exclude themselves? It's complicated.

We could appoint someone from that area and we are seeking input and nominations. And if you have a potential community development officer, for the most part I don't think they'd want to be on the review committee. This is going to take a fair amount of work. I've insisted that when this committee is appointed it meet weekly if necessary to expedite the decisions.

There may be times where they have to call for more information or request changes, so they're going to have to meet often. I've indicated they have to meet weekly if

necessary. And I don't think any of the publicly paid for community development offices around Saskatchewan should be using their local taxpayers' time or be distracted from their job of finding community developments and economic activity for their area.

So I don't think it's that workable although I've instructed my staff to call upon the Saskatchewan chamber of commerce for nominees, to call upon the Canadian Federation of Independent Business for nominees. I'm prepared to have other groups propose nominees for the review committee, so the door is not closed there. And we will consider those people. But we really need people who may have been in business, understand business, may be retired and out of business so they won't have conflicts. We don't want anybody working on their own schemes while they're approving other schemes. That's a problem. We want it as clean as possible.

Mr. Mitchell: — Well, Minister, we are not going to agree tonight that you need this kind of control over the spending of the moneys in these funds that are generated by the sale of bonds at the community level. I think it's obvious we're not going to agree so maybe we'll just stop talking about it.

But let's then turn to the review committee. And I appreciate that you have asked for suggestions of names from the chamber and from the Canadian Federation of Independent Business. You have no interest, Minister, I suggest — if it's different, you should tell me — but you have no interest in controlling the work of this committee. Let me suggest that to you, and you can respond to it when you get up. You have no interest in controlling it.

And so I see no reason why you could not accept, and agree in this Bill to accept, the nominees of a number of interest groups, two of which you've mentioned. We could add to that the Saskatchewan Association of Rural Municipalities and SUMA (Saskatchewan Urban Municipalities Association), the urban municipalities. I think the rural development corporations have an organization that would permit them to put forward a nominee, or at least even if there is no organization like that they could be asked to collaborate on putting forward a nominee.

And the other one that occurred to me is the organization of resort communities or resort villages who have an interest in this kind of development, I would think. And, Minister, because you have no interest in controlling this committee you ought to be able to accept in this Bill the formal requirement to name to this committee the nominees of groups like I have mentioned.

Now I've just scratched these out and I'm not making a fully considered presentation to you, but I've suggested a number, and there are probably others that could be asked to name nominees to this review board . . . or the review committee. And the whole purpose of it, Minister, is to make clear to the public that you're not trying to control these expenditures.

It hearkens back to the point I made earlier, that there is a fear that you will try to use this mechanism to political advantage. I've no idea whether you are or not, but there

are a lot of public out there who think you are, and they think they have some reason for saying that. And if you accepted a mechanism like this and established a review committee made up of people who, while you appoint them you don't really decide who they are, would go a long way towards allaying that fear.

So my question, Minister, is whether you would agree to a friendly amendment to section 13 which would accomplish the suggestion that I've just made.

Hon. Mr. Schmidt: — Well, Mr. Deputy Chairman, we've discussed the need for some government supervision because of the guarantee and because of the local investment factor. And we will add to our list of people invited to nominate people of the review committee, those that you have suggested.

However, we will not agree to have government by interest groups. That is not something that is part of our democratic process. We will consult interested groups, but we cannot delegate government to interest groups, because in the end we are responsible to the taxpayers as a whole, not to interest groups.

But your idea of using this kind of an organization for crass political purposes is something I hadn't thought of. Now it's probably understandable that the opposition would come up with this kind of a suggestion. And it's an insult to my record of fair treatment of the constituents in my constituency in particular and the people whom I have dealt with over the years as a minister in various portfolios.

I can tell you this, that in rural Saskatchewan we control all the constituencies but two, and those two are under consideration just as all the others. Northern Saskatchewan have already indicated to the people of northern Saskatchewan on the TV satellite hook-up that we will look at special ways of including them, and I have not discounted taxpayers' equity in their projects if they are commercially viable. I've said that publicly to a thousand people on the uplink that we had last Friday.

So with respect to Regina, Saskatoon, Prince Albert, and Moose Jaw, they were concerned that this would be a rural program and that is not the case. Regina, Saskatoon, Prince Albert, Moose Jaw are just as qualified to organize rural development corporations as anywhere else in Saskatchewan. And the crucial test will be commercial viability and the desire of the local citizens in the larger cities to invest in projects in their city.

So there is no exclusion of any part of the province. And I do acknowledge that capital is harder to raise in northern Saskatchewan, and we will do what is possible to assist them in projects. What we need them to do in northern Saskatchewan is to come up with ideas that are commercially viable and fit into the criteria of this particular Act.

So I think you should cease and desist. I stand on my record for fair treatment, and I'm not just saying that the record is enough. You just watch how fair and broadly based this economic policy will be spread all over Saskatchewan, and then we will see if anyone dares to

stand up and say that they are not being treated fairly.

I will say this. Yes, there will be some people to which the community project will either not qualify under the regulations or to some that will not qualify under the commercial viability test, and those will be disaffected. It's like when you tender and 10 people tender — only one person gets the contract; nine people are unhappy. You cannot please everyone, but there will be fairness if not total satisfaction.

Mr. Mitchell: — Minister, if you were able to do just any fraction of what you've just said you will do in terms of fairness and equity, then you would be a first in the government opposite. You would be a first. You have no more chance of selling the line that you've given to me to the people of Saskatchewan than you have of being able to fly out of this Chamber.

The people believe, and with all kinds of justification, that this government has been a patronage ridden government from the very beginning and that it does favours for its friends; that if you're a friend of the government you can get all kinds of things. You can get a job, you can get a grant, you can get a special kind of treatment, you can have a chance to profit from this, that, or the other thing.

(1945)

And the stories are legion. The examples are legion. We've raised a few of them in this House and there are dozens of times that . . . stories lurking all through the communities. So you have no chance of selling that line. No chance at all.

And we'll be interested in watching how you're going to set this up in such a way as to try and ensure that this program is in fact fairly administered. And key to that will be the appointments that you make to your review committee, and I suspect that you'll be announcing that in the near future. And we'll see how fair your community development bond program is going to be in the first instance by the personnel on that committee.

I want to ask you with respect to the Bill, how much money the government plans to dedicate to this program in, say, each of the next three years. I note in the Bill that the review committee shall not approve the issue and distribution of community bonds beyond the amount that is prescribed in the regulations. Now we don't know what that is, and I hope you're in a position to tell us what it's going to be for the first, second, and third years.

And also in the Bill it is clear, both in section 16(1) and 16(2), that the review committee is held in check and reined in sharply on this question by the regulation that will say the amount that the government is prepared to guarantee. So can I know what those figures are for each of the first three years of this program?

Hon. Mr. Schmidt: — Mr. Chairman, we thought we would start with a \$20 million cap this year. It hasn't been fixed, but this is a figure that I've used publicly. And I've indicated that if that is too low, we were prepared to raise it. And I don't know if you were present in question period when I indicated that if there was an uptake of qualified

investment, we were prepared to go up to 300 million if that's what it takes.

We're prepared to start modestly with 20 million. We already have coming into the bonds office, proposals that are up to the \$20 million range already when you add the total. Now that doesn't mean that all of them would get through the review committee, but before we even pass the Bill we have \$20 million in proposals already.

So it's quite likely that we would have to raise that sum. But we didn't want to start with a gigantic sum. We'll start with a modest sum and if there's an uptake — and you said earlier you had doubts about the degree of uptake there would be — if there was an uptake that exceeds 20 million this year we would increase the guarantee accordingly. We're not going to hold the people back for a lack of guarantee commitment.

Mr. Mitchell: — I don't recall having said that there wouldn't be uptake on it. I did say that it is too little too late considering the enormity of the problem that has developed in Saskatchewan and that you have allowed to develop in Saskatchewan.

Did I understand you correctly to say that you were prepared to go up to \$300 million per year?

Hon. Mr. Schmidt: — I said we'd be prepared — I don't know about per year — but certainly we're prepared to go up to \$300 million if that's what the uptake is.

The top end would be what the treasury could afford in guarantees. And the commercial viability will be the test. And as long as there's commercial viability we will not stop. We will guarantee to the very last cent that we can afford to guarantee so as not to slow down economic development.

Mr. Mitchell: — Now on the question on commercial viability, I have some sense of how the community development corporations are going to be assessing their viability. I believe they're going to be working with consultants in order to do that.

How do you plan to review those, Minister? Let me just leave the question there. By what process do you plan to review these proposals that come in and bear the approval or at least the consent of or the . . . I'll say approval of a private consultant. How does the department plan to deal with these?

Hon. Mr. Schmidt: — Well, Mr. Chairman, the size of the project would determine the expertise of the consultants. So that if it were a very small project the review committee would be given guide-lines either in the regulations or in policy that the larger the project the more they should question the expertise of the consultant that prepared the report, because to a large extent they're going to rely on the consultant's report.

And so therefore, if you have very large projects we would expect that you would have the very largest and most experienced consultants on those large projects. And as the projects are smaller you could allow less experienced consultants. I would expect that most of

them would be certified accountants, either chartered accountants or certified management accountants. Most of them doing the reports would have to have that kind of expertise.

We are discussing a proposal with the College of Commerce with respect to the very small community development projects, to set up as a pilot project a form of commercial aid similar to what we have with respect to legal aid. And the College of Commerce, with their interim program and their professors supervising, would prepare business plans for the very small communities with the very small projects. We have not set a limit. We're looking at projects under \$100,000 total capital investment or under 150,000, in that range.

So we are negotiating with the College of Commerce and are making good progress. A suggestion of theirs that there be input for their interim students, much like we have articling students out in the legal profession, so that would tie in Saskatchewan young people with their very future in Saskatchewan. And with respect to what they learn on the smaller project, they may be then be able to apply that, after they graduate, to the larger projects which they may end up managing five years or three years down the road.

Mr. Mitchell: — Minister, as you answered the question a thought went through my mind and I don't recall having read it in the Bill. Is it recognized by the legislation that these corporations will have a lot of up-front expenditures? The legal expenditure and the accounting expenditure is obvious. But also obvious is the need for the services of consultants as we've just mentioned. It may be that you can develop a program where some of that is available at little or no cost, but for a project of any size there's going to be a considerable cost to assess its viability through the use of economic development consultants of one sort or another.

And is it recognized that these community development corporations will be able to spend funds that they have raised in order to get to the stage where they have projects ready to go and ready for approval by you? Do you recognize their right to do that? Or is that something where they also need approvals from you or the department or the review committee or somebody like that?

Hon. Mr. Schmidt: — I think I gave you part of the answer when I started explaining to you the proposal for commercial aid, and that would be for the smaller projects. And there are some already that have been brought to my attention that are in the \$100,000 range for the total project, and you know, two or three employees and \$100,000 of capital investment.

But with respect to the larger projects, let me explain. What you would have here is you would have two corporations. One would be a community bond corporation that would raise capital and reinvest it in a project or several projects. And what you have there is a new legal entity that is basically this Bill, which gives the rules for a new legal entity which is a community bond investment corporation. This corporation would reinvest that money into a project corporation.

And so what you would have is a situation where, for example, if you were to have something that were to manufacture glasses, if a drinking glass manufacturer came to the community and said, we have the expertise but we need some capital for a new kind of drinking glass which we think will sell, then there are various ways that the community bond corporation could raise the cost of doing the economic studies.

First of all, there is a provision — that will be in the regulations if it's not in the Bill; I don't believe it's in the Bill but it will be in the regulations — that will say that the community bond corporations are not to pay operating expenses out of capital, which means that they cannot dip into the capital of the bond money and dip into the government's principal guarantee so that after five years they have used up for operating expenses their capital and come to the government and say, here, we're out of money; pay the guarantee.

In order to avoid the community bond corporations doing anything like that, or anybody getting any ideas that that is possible, we will prohibit the expenditure of expenses, the operating capital, out of capital, so out of income. So when they gather in the bond money, they're required to put it in a chartered bank or credit union. The interest they can use for their expenses. The income that comes in from the investment in the project company can be used, first of all, to pay expenses; and secondly, then has to be paid out to the bondholders as income. What we would encourage them to do, because it is merely an investment corporation, is to limit their overhead and their expenditure. And I would think that not everyone in the community has to be paid to attend directors' meetings. I would think that some people could sit on the board as volunteers, and maybe if they have to have their mileage paid to a meeting that's another matter, but the expenses should be minimal.

We're not creating here a cash cow for the local citizens to act as directors and dip money out of it. So this is not a livelihood for anyone; this is a community service to serve as a director, much the same way as people have served on boards, recreation boards, and things throughout Saskatchewan for many years.

Where then would they get the money? Well the first source we would encourage them to look at is the entrepreneur who may own a majority or minority interest in the project corporation that manufactures the new drinking glass. Say if this is your idea and you want investment from this community, you will have to pay for the feasibility study, which would have to be paid in any event, because if you went for bank financing or any other financing, they would have to pay that anyway.

If this were a community bond corporation where the corporation is going to own primarily most of the business project, the glass manufacturing company, then they would have to raise it in other ways. Maybe they would go to the participating municipalities in that jurisdiction and say, will you pay the cost of doing the economic feasibility study after which, if it's viable, we will apply to be registered as a community bond corporation and take that study with us.

It is also open for them to do fund raising in the community to raise that money. It's open for service clubs to put up the 5 or \$10,000 that the community may need. So what we're saying is that they will have to raise it in the community to pay the costs of starting up the corporation.

Now we anticipate that you should not need a lawyer to register and incorporate community bond corporations.

And we were going to design the regulations so that we will have more or less an invest-by-numbers corporation, where they fill in the standard-type forms, follow the standard rules, register with our department, and they will have their community bond corporation.

We anticipate that they will have an annual statement, and we require it; that the expense on that should not be extremely complicated. And I don't doubt that as far as an annual statement, in a community venture — and I know in my community — the accountants will be very reasonable in assisting this. And you and I are lawyers and you know we've all helped out. I recall our firm incorporating things as a community service with respect to community organizations like Lions Clubs and things like that.

So we anticipate that there will be some community effort. As a matter of fact, I recall incorporating some commercial ventures as a charitable donation for which I've never been paid, and I'm sure you know all about that as well. So we all do from time to time some community work, whether we looked at it that way to start with or not.

(2000)

These are the options available to the community to raise the money to get started. And we do not feel that the government should grant actual cash for them to do feasibility studies and for them to do the final consultancy for study or the business plan.

And so we've drawn the line. We've made it fair for everybody; we're not going to pay for anybody. Now that doesn't mean that in northern Saskatchewan they couldn't piggyback on other programs. And this is an interesting concept, in that municipalities, like everyone else, are entitled to invest up to \$50,000. So in northern Saskatchewan the municipality receives extra money from the government because of their limited tax base. They could plough some of that back into a community bond corporation.

Mr. Mitchell: — Minister, I thank you for that answer. I want to go back for a moment to the question of the administration of the program in a fair and appropriate way that is not political. And you spoke with some emotion about that and reminded us of your record and asked us to accept your assurance that it would be done properly.

I want to follow that up with this suggestion, Minister, so that we can all leave here with some assurance that that will, in fact, happen — let me put it that way — some assurance that will, in fact, happen. Can I ask you, Minister, to undertake to me, to us, to keep us informed,

to keep me informed about applications that are made to you and referred by you to the review committee and the nature of that application and from whom it comes and the disposition of that application by the review committee.

This is information that we're entitled to in the long run anyway, but if we had it at the time, if we had it in a timely way, we would be in a position to know that you are in fact able to deliver on your assurance. I know that one mustn't jump to any conclusions about any small number of statistics about that, but overall we'd be able to get an impression in the long run that either you were or you were not administering this program in an appropriate way.

I wonder if you could give us, give me your assurance that you are prepared to provide me, and through me the official opposition, with that information, Minister.

Hon. Mr. Schmidt: — Firstly, in answer to your question, there will be a public registry at my department that will be open to the public with respect to all community bond corporations registered in Saskatchewan. We plan to also have that information available on the consumer and corporate affairs computer system with respect to corporations. So the community bond corporation would show up on the computer. If you searched the corporation it would say, community bond corporation; for details see registry at Economic Diversification and Trade.

So that part will be public completely. I will also attempt to — and I can't absolutely guarantee you this because I may miss one or two — but I will attempt to make public to all Saskatchewan citizens all of the applications received for community bond corporations and all of the approvals given. And those that have not been approved will either have been rejected or will still be under consideration for further information, further compliance.

So that by the time I am finished giving you all the information publicly, you will probably complain that I'm giving too much. So you have my assurance that I am not going to hide this program — it's not really a program but an economic policy — that the success of this will be told. I don't anticipate using any government advertising money but it will be made public and the public media can carry it if they wish.

Mr. Mitchell: — Well that's a very interesting answer, Minister, and I want to give one of my own. And that is that I will never complain that you are giving me too much information about the administration of this or any other program.

I want to deal with another matter — and again I referred to this in my second reading remarks — and that is the really extraordinary amount of information or requirements with respect to this program that aren't written in the Act. And this is a complaint that we on this side of House have had of your government for some considerable time.

I think that your government achieved some kind of

record in the agriculture finance Bill that it passed in this House in the last session where we had a Bill about very important aspects of agricultural finance which contained almost nothing. You could read the Bill and not have any idea what government policy was, or what policy had been approved by this House. What this House in fact ended up approving was a Bill that gave all the power to the cabinet to make the law.

In this Bill we see very much the same thing, Minister — not as bad as the agriculture Bill, I'll admit that, because the agriculture Bill was in a class by itself, but in this one I suggest that you have just left away too much to regulation. For example, there is something said about the ground rules for eligibility in section 3(3), but in the same section you reserve unto yourself the power to change the ground rules for eligibility whenever you like just by passing a regulation or amending a regulation.

And you have in section 9 the power to prohibit a community bond corporation from doing practically anything, any other thing. Language like that, Minister, has no business in the laws of this province. We went through this again and again.

I remember the party that is now the government sitting in opposition and criticizing at great length and with great heat the government headed by Allan Blakeney for introducing legislation into this House which provided for regulation-making power which doesn't even compare to this — very, very minor compared to this. And it was a major, major public issue.

One of the things I expected out of this government when it took power was that it wouldn't do this sort of thing, but here we are with all kinds of very important aspects of this policy to be left to a regulation, including a question that I've just asked you about, and that was the maximum amount that could be approved in any year, or the maximum amount of any bond that would be approved. But I also notice in section 19, the content of the offering memorandum will be governed by regulations. Now there is something, the content of the offering memorandum that could be easily dealt with in statute.

You have only to look at The Business Corporations Act to see an exhaustive list of what has to be included in a prospectus, which is what an offering memorandum really is. But if you look at section 19 of your Bill, these community development bonds are going to have offering memoranda that contain the information prescribed in the regulations. Now what kind of a Bill is that to bring before us?

It is well within the skill of your advisors and your department and of other people within government to prescribe in the Bill, plainly for everybody to see, what has to be included in an offering memorandum. And that's just an example. When we get over to section 24, we find that you can pass regulations as to how a community bond corporation may hold its money.

Well why isn't that set out in the Bill? Why aren't we allowed the opportunity to debate that important question of policy in this House? Why is that something that has to be passed later? And you know, Minister, you

know perfectly well that it is a difficult proposition under the rules of this House to debate the content of a regulation, to debate the appropriateness of regulations; whereas if you bring it before this House in the form of a Bill and you set out those details in the Bill, that gives the opposition an opportunity to make comments on it, to criticize it, to make suggestions which you may find valuable and which may in fact improve the program, and that's part of our role. And by bringing it in in this way, you deny us the opportunity to play the role that we are supposed to play in our democracy.

Finally, I refer you to section 32, which is your regulation-making section. And I won't take the time of the House to go through those many, many sections as to the regulation power which you've reserved unto yourself, except to make my general point that far too much is left to regulation and far too little is contained in the Bill. Some of these regulation-making powers contain huge amounts of policy that this House ought to have the opportunity to debate.

In short, Minister, this is shoddy drafting. This is shoddy policy development. And it is incumbent upon you, as it is incumbent upon all ministers, to bring your policy ideas to this House in the form of legislation, where the policy itself is reflected in the legislation rather than reserved to the cabinet to be laid down at some later date.

So what I would like you to do, Minister, is to just review some of these sections and see whether you can't bring amendments to this House which will lay out what your policy is going to be — lay out what the requirements are going to be.

You've indicated, I think, in your remarks earlier, that these regulations will be along fairly soon. Well if they are, they must be almost ready to go. And if they're almost ready to go, then they could be put in this Bill as substantial requirements of the legislation rather than the content of regulations to be passed at a later date. Will you do that, Minister?

Hon. Mr. Schmidt: — Mr. Speaker, members opposite know that this Bill is in a complex area. We tried to condense it down to something understandable. It still is 26 pages.

So you're in a complex area. It incorporates parts of The Business Corporations Act; it incorporates large parts of The Business Corporations Act so that the general rules there would apply except as amended by this particular Bill. The member opposite is a lawyer, as I am, and knows that these are complex legal matters; that the Bill and some of the sections he's referred to give us the power to expand the eligibility. And he knows that if we pass absolutely every detail of the policy, regulations, and Act in one large thick Act, that there is no flexibility to adjust to the injustices that could happen. And you'd have to wait many months to come back to the legislature to allow some community in, because there was a strict, absolute prohibition somewhere in the Bill with respect to their idea.

It gets complex with respect to environmental bonds; it gets complex with respect to commercial water projects;

it gets complex with respect to destination tourism; and you have to have a chance to amend things if there is some fine tuning necessary. And the member opposite started this evening's discussion of the Bill by saying that this kind of concept was only written up in the literature and had never seriously been tried, to his knowledge, anywhere. And I agree; it hasn't been tried, at least in Canada. I'm not so sure of anywhere in North America. I don't know of anywhere in the world that something exactly like this has been tried. And therefore it is not going to be perfect or flawless.

There will have to be some fine tuning, and the regulation power gives us the power to do some fine tuning as we are working through this Bill. And I know the opposition, while they may wish Saskatchewan to succeed, does not have any other policy for how you build Saskatchewan. And if they genuinely want Saskatchewan to succeed, then we have to try this experiment as others have been tried in the past. With respect, this is an economic policy experiment that has to be fine tuned and the key is the implementation. Here is a document that is legalistic, maybe somewhat academic in that it has never been implemented before. The responsibility falls upon myself as minister to implement this, to take it from 20 years of academic thought to practice in Saskatchewan where we are in desperate need of more and more diversification to catch up from what we haven't had in the past.

(2015)

Mr. Mitchell: — I recognize as well as anyone that legislation in some respects needs to be flexible, and we all do. But there's so much flexibility here, Minister, that you could just go around as many corners as you want to without straining the fabric of the Bill. I mean, it practically is a power to rewrite the Bill if you so wish.

Now I spent many years, and you'll know this, Minister, in the public service in Ottawa and in the public service in Saskatchewan, here as a deputy minister. And the standing instructions, both from the federal government in Ottawa and the provincial government in Saskatchewan, was that regulation-making powers were to be kept as narrow as possible — as narrow as possible. And many times, Minister, I had the experience of having my drafting turned back to me to redo the regulation-making section and to translate those regulation-making powers into substantial provisions in the Bill. And in large part it was to ensure that democracy could work, so that the opposition could see just what your policy was.

You mentioned environmental bonds and I'll mention that as a good example. Part IV of your Bill deals with environmental bonds. Nobody knows what an environmental bond is. You look in section (2)(b) and you see that they're projects that "are designed to better manage environmental resources or improve the quality of the environment;" and that's all it says. That's all it says, except that it does say that those environmental bonds have to "meet the criteria prescribed for environmental bonds in the regulations."

Now you're coming into this House asking us to approve this. You're asking this House to approve this idea of an

environmental bond. And you tease us with those two lines that I mentioned earlier, and then you say you're going to reserve to yourself the right to lay down the criteria for those bonds in regulations which you've told me you intend to have ready in the near future and to table in the near future.

Now, Minister, that's just not good enough. We're entitled in this House to see those criteria and we're entitled to be able to debate them here and to criticize them . . .

An Hon. Member: — Nothing is ever good enough.

Mr. Mitchell: — . . . and to fulfil our role as an opposition.

The minister says it's never good enough. That's right; it's not good enough. This is shoddy, shoddy legislative practice and you ought to quit it. And you ought to quit.

Now I made that remark before, I make it again, and I sincerely invite you to take the draft regulations which I believe you have with respect to these environmental bonds and to introduce them into this legislature as an amendment to this Bill so that we can have an opportunity to properly debate them.

Now, Minister, on that basis we're prepared to proceed with a clause by clause consideration of the Bill.

Hon. Mr. Schmidt: — Mr. Chairman, I think we should go to clause by clause consideration because if the member has specific questions, I will answer them and I will answer them as to what the proposed regulation would be.

There has to be a degree of flexibility. Environmental bonds have never ever been considered by anyone and never been put into practice. And we need the flexibility there to adjust to what is necessary in a fast-changing area. And I will agree that this area is not as specific as other parts of the Bill, nor is the specific area of the environmental concerns and what can be done about them, what is commercially viable with respect to enhancement projects for the environment.

So we need a degree of flexibility there, and I acknowledge that there could be a little more information, but we need, especially in the environment, an opportunity to fine tune and adjust the changing conditions, changing studies. There's scientific data that goes this way and then that way and we have to be able to adjust to the environmental concerns, and therefore we need a broadly-based environmental bond so that we can bring in environment enhancement projects that are commercially viable.

Mr. Hopfner: — Thank you, Mr. Chairman. I don't want to be too long at this, Mr. Chairman, but I do have some concern regarding the Bill. In regards to the community bond issue, there's no secret that the minister and I have had some meetings in regards to the community bond and at the time of the announcement. And basically I'd like to just pursue some of that because it is definitely in the interests of the people in the city of Lloydminster.

As you well know, Mr. Minister, the city of Lloydminster is neither all Saskatchewan or all Alberta. In fact, the city of Lloydminster, if you understand the situation there, does have its own charter. And I'd ask the member from Prince Albert to maybe pay attention. But the city of Lloydminster, I guess, as some people may indicate, is kind of a unique situation. It is the only border city in Canada which takes in two provinces. And through that charter there are many difficulties.

I guess probably in light of that charter the minister would understand that through education and health and many other social programs . . . And education, health, pretty well all pillars of government, are handled on a very, very different sort of way because it definitely is not an easy situation to represent a community that has to be under two administrations.

My first question to you, Mr. Minister, would be this: would, in the case scenario, if a bonding corporation wished to form in Lloydminster, Saskatchewan and being under the Lloydminster charter, if this Saskatchewan corporation had the opportunity of accepting, would the Saskatchewan corporation have the opportunity of accepting some Lloydminster, Alberta residents within that corporation?

Hon. Mr. Schmidt: — The question is very complex. First of all, I'm not totally familiar with the Lloydminster charter and I will have to study it further. And you in no uncertain terms invited me to come to Lloydminster and study the unique situation further and also study the charter situation. Let me answer the question as best I can.

Section 21 of the Bill would say that an individual is eligible purchaser if they are Saskatchewan resident. So that, as an individual, that would limit it to Saskatchewan residents. However, if you go to section (1) of the definition of municipalities, it says, "and includes any municipality administered by the Minister of Urban Affairs."

I don't know what the jurisdiction of the Minister of Urban Affairs is with respect to the Alberta side, and we would have to study the details of the charter if that crosses borders from Saskatchewan to Alberta and vice versa. Those details will have to be studied. Let me say further, though, that other eligible purchasers are thus, and that is under section 21 of the Bill, "a corporation that has its head office in Saskatchewan," which means that if the head office of a corporation were in Lloydminster, Saskatchewan, there could be shareholders in that corporation resident outside of Saskatchewan. But the head office must be in Saskatchewan.

So it is possible that residents on the Alberta side, through the use of an investment corporation or a specific corporation, could invest up to \$50,000 out of a Saskatchewan head office corporation, even though not all of the residents were on the Saskatchewan side. This is a grey area that is technically complicated.

The criteria, though, is that you must be a Saskatchewan head office corporation in order to be guaranteed up to the \$50,000 like other corporations. So you have to pay your Saskatchewan corporate income tax, have your

head office, and do the majority of your business in Saskatchewan.

So if we can study the charter further, we will look at ways, but as far as individual residents of Alberta, they could invest in the project corporation. For example, use the example I used earlier of a company manufacturing a drinking glass. That company could be owned by Alberta residents and have investment from the Saskatchewan side through the community bond corporation. Their place of manufacture would have to be on the Saskatchewan side, but the company could be owned by Alberta residents resident on the Alberta side with an investment from Saskatchewan residents through their community bond corporation.

So there's not a total ban, but we cannot go so far as to guarantee the principal investment of Alberta residents because then it gets complicated as to how far do we go. Do we go to the city limits or do we go to the community limits or do we go as far as Vegreville? It gets very complicated. Somewhere there has to be a border. Unfortunately in Lloydminster it goes right through the centre of the city and that makes it complicated.

Mr. Hopfner: — Well, Mr. Minister, I can understand that some people find it fairly difficult to administer in the city of Lloydminster, and no doubt it does at time to time give the members, both of us, the member from Alberta and the member, as I am, for Cutknife-Lloydminster, some fairly great difficulty in deciphering.

But I do appreciate the fact that you will be checking the charter. And I know that through the charter there has been some very direct reminders that the border does not end where the line is drawn as far as the map is concerned, but the city itself has always been regarded — especially under the part where we'll finally have two administrations that are governed by two Tory governments — and finally for the city of Lloydminster, they've been able to get along over the past eight years. And I would hate to see a resurgence of the fact that administrations can no longer co-operate and get along. And I appreciate some of the remarks you've made here tonight.

I guess a lot of those other questions will be asked. As you have indicated, I have invited you into the city of Lloydminster, and I'm sure that the public, as well as the mayor of Lloyd, will be very interested in some of the remarks that you may have indeed regarding the community bond issue and as others.

My other question to you then is, and it'll be a final question because, as I said, it will be difficult to really get into it in a great stage here: but if there are those examples that you have given where it could be an Albertan company but the majority of the manufacturing and everything else would be on the Saskatchewan side, I would think that there may not be any great difficulty to that.

And I realize that it's pretty hard for us to, I guess, back any or guarantee any kinds of dollars to an Albertan resident, but I think probably in some essence here, even if I as a member that represents Lloydminster, that I could

possibly get you to and have your assurance that you will study that charter in great detail.

And with that understanding, I think, as you come away from that charter, you'll understand that the charter does not basically travel outside the city limits of Lloydminster, so you don't having to worry too much about Vegreville or Vermilion or other parts. But the city of Lloydminster, I would indeed like you to consider when you're setting your regulations in regards to Bill 28.

Some Hon. Members: Hear, hear!

(2030)

Hon. Mr. Schmidt: — Let me just say that I would encourage the Government of Alberta to implement a community bonds program like this. I think it would do wonders in rural Alberta. And specifically if they could put in a community bonds corporation Act, as long as they were guaranteeing the residents on the Alberta side, joint ventures would be very, very possible. And we would come back and amend the legislation, if necessary, to make joint ventures possible and community bonds in the total community in the Alberta-Saskatchewan side. But we would have to have the Alberta government at least experimenting with community bonds in Lloydminster, Alberta, which I think is something that they should seriously consider.

The other thing that I want to make quite clear: that the project company, not the community bond company, could be headquartered in Saskatchewan and owned by Alberta residents with its plant on the Saskatchewan side, and it could be owned and controlled by Alberta residents. And the community bond corporation on the Saskatchewan side would have to decide what percentage of ownership it would want to take in that company. The project company is not limited just to Saskatchewan shareholders, so there is some room here. We'll have to see what the details are.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Mr. Mitchell: — Thank you, Mr. Chairman. Mr. Minister, this section allows you to go to court to do some pretty heavy things as far as these community bond corporations are concerned. And one of the things that you can do is apply to the court to liquidate and dissolve the community bond corporation. I'd like you to tell the House in what circumstances you'd exercise a power like that.

Hon. Mr. Schmidt: — Mr. Chairman, the answer to the question is that this is yes, a powerful tool in the hands of a minister, and power cannot be abused. I understand the power in this, and because I personally supervised the drafting of this Bill, I understand all of the reasons why these clauses are in this Bill. As I said earlier, this is a new legal entity. And with respect to this new legal entity, it is in the hands of the government to protect the minority shareholders where necessary. This section gives the

government, the minister, the power to make community bond corporations function in the interests of the community. It gives us the power to prevent the misuse of funds used for improper purposes. It helps us protect minority shareholders. It prevents the company from doing things that are financially contrary to the Act, unqualified investments. It prevents the company, if it should fail to make financial disclosure as required under the Act, so that its bondholders have information. It gives the minister some clout to enforce this without having community bondholders, who may be minority shareholders with small interest, try to take their own corporation to court.

So the minister has the power to make them comply, and this is in the interest of protecting the little guy. And that's why we need that kind of powerful power, whereas The Business Corporations Act doesn't give the little guy that kind of protection. And co-operatives, they usually don't need it; and non-profit organizations get a little squabbling once in a while. But in this kind of legal entity gives us the power to protect the little guy, and we intend not to abuse that power.

Clause 5 agreed to.

Clauses 6 to 16 inclusive agreed to.

Clause 17

Mr. Mitchell: — Thank you, Mr. Chairman. Mr. Minister, clause 17 is the clause that says that the Minister of Finance may guarantee these bonds. Now we've been through earlier in this committee the review committee and its mandate and the necessity for the review committee, and I questioned the necessity of that committee and I questioned its composition. But this section adds another layer of administration to this concept that I frankly don't understand. If it's necessary to have a review committee, as you have said, and if it's necessary that it have the kind of power that it has, and if it is necessary that it be staffed in the way that it is, then how is it that at the end of all of that process, at the end of all of that process, the Minister of Finance still appears to have a discretion not to issue the guarantee? What kind of program is this when one of your compatriot cabinet ministers have the right to throw a spoke in your wheel and say that, I won't guarantee this?

And what I'm referring to, of course, is that the legislation doesn't require the minister to guarantee. It says he "may guarantee." And you and I know that that means he may not guarantee either, it's up to him. Why would we leave him with that discretion?

Hon. Mr. Schmidt: — Well, Mr. Chairman, originally I had drafted it to say "shall," but the Minister of Finance is a tough guy and he said, no, if I got to guarantee this, I want to have some absolute say. The Minister of Finance is not so certain that maybe the Minister of Economic Diversification and Trade doesn't get wrapped up in all this economic development and appoint a committee of review that's too lenient and that the public purse is not protected. So this tough guy, the Minister of Finance, insists that he may guarantee them. And he says that he will not abuse his power of the purse unnecessarily

and that subject to him having money in the purse to guarantee this, he will generally go along with what we've proposed.

Mr. Mitchell: — What I think we've seen develop tonight, Minister, is that you don't trust the community development corporations with respect to its proposal, so you retain the right to approve or disapprove. And then we have the Minister of Finance coming along saying he doesn't quite trust you either, so he retains the right to approve or not approve. Do you think I have it right?

Hon. Mr. Schmidt: — Mr. Chairman, I believe the Minister of Finance trusts the Minister of Economic Diversification and Trade. It's just that the Minister of Finance is a little short of cash and so he gets stubborn about these kind of things. And if I were Minister of Finance, I think I would take his position as well.

In the front benches here, we will work out these details of how much we can guarantee. The Minister of Finance indicates that the ultimate jurisdiction over the finances of Saskatchewan has to be in the hands of the Minister of Finance, not in the hands of the Minister of Economic Diversification and Trade who is maybe a bit more of a risk taker than the Minister of Finance.

Clause 17 agreed to.

Clause 18

Mr. Mitchell: — One short question there. As I read section 18(1), the government isn't responsible in its guarantee until the maturity date of the community bond. What happens, Minister, if this is a project bond and the project goes down the tubes and it's bankrupt and there is no possibility of it being revived? Are you really going to make the bondholders wait for the full term of the maturity of the bond, which may be up to 10 years, before they're entitled to claim their guarantee on their principal, probably without interest?

Hon. Mr. Schmidt: — Well, Mr. Chairman, if you look further on to subsection (4) you will see that (4)(a) where the owner of a community bond dies, the Government of Saskatchewan shall pay on its guarantee as soon as practical, so we wouldn't hold up the administration of estates; (b) in the case of a project bond where there's a receivership order, bankruptcy, etc., or any other conditions prescribed in the regulations.

So that we expect that there will be some failures in the project corporations. We are realistic. What we want to do is keep them down to a minimum and have many more winners than losers. So in order to reduce the amount that has to be paid out, we insist on all the criteria we've talked about earlier, a review committee, to reduce the chances of having losers as compared to winners with respect to local development.

So there, that section and the regulation power give us the power to pay out sooner if there were a failure, so that the citizens wouldn't have to drive past their local factory and say, that sure makes me angry; I have to wait three more years to get my principal guarantee. So there is that flexibility in the regulations, and hopefully we don't have

to use it.

But I'm realistic. I know that there will be the occasional failure, and we expect that. We've taken that into account. The government here is sharing the risk on the principal, and the local investors are sharing the risk with respect to their return.

Clause 18 agreed to.

Clauses 19 to 24 inclusive agreed to.

Clause 25

Mr. Mitchell: — Mr. Chairman, Mr. Minister, clause 25 deals with the matter of environmental bonds, and I was critical of you a few moments ago for including so little information in the Bill and leaving yourself such a wide power to make regulations setting out the criteria for environmental bonds.

Now I believe that you indicated earlier that you have a fairly good idea of what those criteria are. And could you enlighten the House as to the contents of the regulations that you propose to pass under section 25.

Hon. Mr. Schmidt: — An environmental bond is basically a community development bond with some added features. And let me list them for you.

And it wouldn't have to be as much of a community base. It could be a provincial, or a city-wide, or an area base that people who are concerned about a particular problem in the environment could form a community bond corporation and find a head office somewhere in Saskatchewan where the local municipality would authorize the formation of a community bond corporation that would be an environmental bond corporation.

Secondly, it must be a project that enhances the environment, not that it just complies with the environmental rules of the province, but it enhances the environment.

If that is the case and it's so designated by the Department of the Environment then the question that it should be commercially viable but it allows in an environmental bond a broader base. So whereas community bonds would be in processing, manufacturing, destination tourism, commercial water projects, the base is broadened to anything that enhances the environment and is commercially viable to the extent that there is provision made for the repayment of the principal after the 5 or 10 years, or maybe some people are prepared to forego a return for the social and environmental benefits of that kind of a project or a bond.

(2045)

In addition, an environmental project would be considered by the environmental protection fund for government equity in the project depending on the value to the enhancement of the environment.

And lastly, we would consider some degree of return, a

varying rate depending on the project which would be a principal guarantee and possibly a return guarantee of a certain sum depending on the social value of the project and the environmental value of the project. This really is kind of a super community bond directed at environmental enhancement.

Clause 25 agreed to.

Clause 26 to 35 inclusive agreed to.

The committee agreed to report the Bill.

Mr. Chairman: — I'd like to thank the minister and his officials.

Bill No. 2 — An Act respecting Family and Community Services

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

Hon. Mr. Martin: — Yes, Mr. Chairman. On my right, the president of the Family Foundation, Dan Perrins; immediately behind him, Shelley Hoover, policy analyst; and administrative co-ordinator, Linda S. Martin, behind me.

Clause 1

Mr. Pringle: — Thank you very much, Mr. Chairman. I wish to join the minister in welcoming his officials this evening. I would like to just make a few comments if I could and then I have some questions that I'm sure that the minister will be able to answer. And as I've made fairly extensive comments last day, I will be fairly short here. But I would like to make a few comments.

I indicated the other day that I hoped that the ministry of the Family, which I see as having a lot of potential . . . I have to see it that way; I've been the critic of the Family and youth for the last couple of years, and I credit the Leader of the Opposition with recognizing the importance of assessing the impact of government policies on families and communities. So I see the potential of the Family ministry. And my fear is, from what I've seen to date though, it may be a bit of a PR (public relations) exercise and I sincerely hope that that isn't the case.

I indicated last time that I do see the Minister of the Family as a very sincere minister, and I see him working very hard. I am supportive to the thrust of the mandate; we on this side are supportive to the thrust of the mandate. I have some specific questions, but we are supportive to the mandate. In fact I would suggest that the Minister of Health and Social Services and Education particularly, should in fact be following this mandate already, as of course should the Minister of Labour and Employment.

I would like to say that Saskatchewan does have a proud history of co-operation and of supporting families. The families have been a place of security for many years in this province. We valued our families; we valued our young people. In fact the family in Saskatchewan is the backbone of the fabric of our society.

So we have a very proud record in the province and if I could, I would say that our party, successive CCF (Co-operative Commonwealth Federation), NDP governments indeed have a good record in working with families over the years, over many, many years, to build the Saskatchewan pride, to build a strong sense of community that we see in Saskatchewan today.

So at the outset I want to say that we very much support the notion of supporting families. We endorse that. We endorse the notion of community building, and we in fact have had a proud record in working with Saskatchewan people, as governments, to do that.

The other thing I talked about the other day was, well, a mandate is one thing. A mandate is a series of words that are important because that gives some direction in terms of the objectives you're trying to pursue. But I must say that there also has to be a will to carry out that mandate. And I would say that the record of this government, while I won't go into the detail that I did last time, but the record of this government in supporting, or lack thereof, families and communities is something that is a major concern to almost all of Saskatchewan.

We know that our economy is performing very, very poorly. We know that we've got a very, very poor record of job creation, the only province that in fact last year had a net decrease in the employment . . . in the labour force. We know that we have about 36, 38,000 people unemployed. We know that Saskatchewan small-business families in 1987 to '89 had record levels of bankruptcies, and we know that 1990 the bankruptcy rate is up some 22 per cent over this time last year.

We're talking about family businesses here to a large degree, small family businesses. Of course we know the situation in agriculture. We've spent lots of time this session talking about the lack of long-term policies in agriculture, and given the eight years that this government has been in power and the five years that the federal government has been in power, we really have not come to grips with land transfers from generation to generation. With the debt on the farm, we're losing some 1,000 families off the farm every single year. And we really are kind of sad on this side of the House that the government has chosen on three occasions not to join us to express our concerns about the high interest rate policy of the federal government.

We're very concerned about the ever increasing rate and number of young people who are forced to leave the province, and young families. We're concerned about the fact that there's a very high level of taxation on families in Saskatchewan, the debt load. We know that today in question period, we're aware that we've now had two credit rating reductions, drops, in the last week or so. And that we find out that we have some \$4 billion due in interest over the next — not in interest, but in payments — over the next year. And that's placing a tremendous burden on Saskatchewan families.

We know of course as I talked about last day, the situation in the education field, whether it's K to 12 or the technical system or the universities, where those systems are in a

crisis. And we know that the special education moneys have been severely cut back by this government, and I'm referring specifically to a call I got today regarding cut-backs to the hearing impaired. There's a major concern about that.

We know that since this Family minister came to power, and I don't blame him necessarily, but we've gone from having the second highest rate of family poverty to now having the highest rate of family poverty in all of Canada. We certainly are concerned about health care underfunding to seniors whether it's home care or the prescription drug program. And so we are concerned about cuts to important services that affect families.

No, if we're really concerned about supporting families then we would provide sufficient funding for transition houses. We would provide sufficient funding to support native farm stress and sufficient funding for rural communities. We had a budget cut in Rural Development in the last budget. So on that level, where the specific impact of the policies of this government have affected families, I'm very concerned about that.

There is another level that I'm also concerned as to how they impact on families, and that's been the, I suppose the lack of honesty with this government in terms of its promises, the election promises, whether that's in regards to taxes or health care or privatization. The government said it wouldn't privatize and then tried to do just that.

And we're concerned about the lack of accountability. Again that affects families, the fact that the provincial auditor said that the government is breaking its own laws and not being accountable.

We're concerned about the fact that the mismanagement and waste of hundreds of millions of dollars by the government has a tremendous impact on families in that it takes away money that could be supportive to programs that families need, plus it puts our young people into a high future debt situation.

The sell-off of our assets again will affect our ability to recover and to provide supports and services and jobs and opportunities for our young people, not to mention that those took many, many years to build up.

So the sense of mismanagement on the one hand, and sort of the integrity question on the other as we blame families as we have a confrontationist approach by this government, is something that I think is a concern to many, many families in the province and to many communities.

So, Mr. Minister, the point I'm trying to make is that most of the indicators that affect the health and the viability and the functioning of Saskatchewan families and communities, most of the indicators are, in fact, going the wrong way. And I have some hope that through your family ministry that you will help to turn that situation around, that you will be able to convince the Premier and the Minister of Finance and some of the other colleagues in the front benches to in fact make the indicators go in a more positive direction.

So I would like to say that I support your mandate; we support your mandate. I support your ministry, I support the notion of building communities and supporting families, and I wish you well in your endeavours. One of the concerns I do have is that I didn't really see a plan in the throne speech, and I'm not going to get into that, but I really didn't see a plan in the throne speech to deal with the indicators here that I'm suggesting are going in the wrong direction.

In the budget — and I assume that this is because of some input by you and I'll give you credit for that — there was some acknowledgement of waste and mismanagement; there was some acknowledgement of the issue of poverty. And I would thank you if you convinced your ministers that in fact that situation does exist because that's plain to the vast majority of Saskatchewan people. And I assume that you had some input into the budget to make that acknowledgement because that was a first that we've heard your government acknowledge that.

However, I was concerned in the budget that there were cuts to youth unemployment programs, that ordinary families . . . In fact, the impact of the budget has been to put more debt on families; to in fact, despite what the Minister of Finance said, has been to increase the debt load on families, the taxation increases. I'm concerned about rural development cuts, and the university and just general educational underfunding.

(2100)

I guess I'm also concerned, and I'll ask you some questions about this later in estimates, about the \$740,000 that was designated to combat poverty. I guess it was designated to combat poverty. We've had some conflicting messages about what that \$740,000 is about or is for, and I will be asking you some questions regarding that.

Now, Mr. Minister, \$740,000, which equals about the yearly salary and benefits of Chuck Childers, is simply not enough to feed and deal with some 64,000 children who are officially living below the poverty line in Saskatchewan. Now I know you're shaking your head as if that isn't true. I'm talking about official StatsCanada poverty figures, and so if those aren't correct I would ask you to correct StatsCanada on that.

But there's money for Chuck Childers, there's money for Cargill, there's money for WESTBRIDGE, there's money for Weyerhaeuser and Guy Montpetit and the whole GigaText fiasco.

So I would suggest that some families are doing very well, and I know that you will want to continue to advocate with your colleagues to get more money for employment programs, more money for education and health care, and more money for poor people, and money to subsidize food to the North, which used to be the case in Saskatchewan but isn't any more.

Mr. Minister, as I say, I'm not blaming you for the record, the last eight years of this government, as it has placed incredible stress on families. In fact, I'm putting my hope in you that you will be able to help deal with the situation.

I will conclude by saying that I hope that you will suggest to the minister from Melville, the Minister of Labour and Employment, that Saskatchewan people with Saskatchewan families are not 25 years behind the rest of the world. But in fact we have been pioneers and we have led the world in many ways — in health care and education and economic development. So I hope that, through your influence, you will convince him that we in Saskatchewan are not a quarter of a decade behind the rest of the world.

I hope you will use your mandate to support families in a meaningful way. I hope you will use your mandate and your influence to make sure that average Saskatchewan citizens are treated to fair taxation, that small-business people will get some support from your government. All they're asking for is the same kind of benefits that Cargill has and the big players. And I know that you will be pursuing fairer policies for small-business people with your colleagues.

I know that you will be just as concerned as Saskatchewan young people and families are about the 17 per cent unemployment rate for young people, and the fact that our number of people in the labour force is shrinking. I know that will be a concern of yours because that has a direct impact on families and communities as they migrate to other provinces.

I know that you support good health care. I've heard you say that and I believe that you do. I know that you support good education. You have three or four of your daughters in university. And I know that you would want to see all young people in Saskatchewan get that opportunity to go to university to get an education which will help them to adapt to the changing world, and to not only adapt but to help influence the direction in which those changes occur so that they occur for the better in terms of supporting our families and our communities.

I know, Mr. Minister, as Minister of the Family, when money is so badly needed, that you will hold your ministers accountable to make sure that waste and mismanagement is dealt with and that there will be better financial accounting to the people of Saskatchewan.

Mr. Minister, I would suggest that if you put people first as a Minister of the Family, that if you put people first and I believe you will, and if you influence your colleagues to restore fairness in Saskatchewan, fairness to ordinary families, and that you help provide security and opportunities, and in essence you help provide — contrary to what the Red Cross study says — that if you help to provide hope for young people in Saskatchewan families, then you will have made a great contribution. And I will applaud you for that contribution, Mr. Minister, as I do for your outreach workers in North Battleford. I commend you for responding with the community of North Battleford to that need.

Now I know that you will be asking yourself the question, why are there street gangs in North Battleford anyway? Does it relate — you'll be looking with your officials — does it relate to lack of employment? Does it relate to poverty? Are there street gangs because of lack of

recreation and social opportunities in North Battleford? I know that you'll be looking at those questions.

And I give you credit for providing, with the community of North Battleford, for providing emergency support to that community, and view that as an important emergency solution, and that you will be addressing the long-term root causes with the community, of the fact that street gangs could evolve.

I also have given you credit for sponsoring the family forums, and I do so again this evening. I give you credit for your community consultations. And as I say, if you impact on your government to make sure that there are opportunities for employment and education for young people, so our seniors can live in dignity and not in poverty, and that there can be a sense of hope provided to our families, that I will applaud you for that.

Mr. Minister, I would like to turn to the Bill for a minute if I could. I guess one of the things that I'm not aware of from the Bill is what powers — I understand the mandate — I'm not aware of what powers you actually will have as Minister of the Family under this Bill, what powers you will have with your colleagues in cabinet, whether it'll be the powers only of persuasion or whether you have some money at your disposal apart from the 740,000 in the budget, or where you will access your money to carry out the support to families that you refer to in a number of the sections.

I have four or five questions that I would like to ask you but I guess that would be the first one. Mr. Minister, would you like me to give you these one at a time? One at a time?

Okay, I'd be interested in the powers that you have in your new duties as family ministry in terms of the resources that you're going to need to support families and communities.

Hon. Mr. Martin: — Well much of what you said tonight was just a repeat of what you said the other night in your opening remarks, and I kind of had the feeling that I was responsible for just about everything since the Second World War. And I don't mean to be flippant about it because I get credit for nothing and criticism for virtually everything this government's done since 1982.

Now you mentioned young people leaving this province. I grew up in this province, been my entire life in this province. Every one of my friends back in the 1950s left this province because there were no jobs for them. Virtually every one of my friends left this province. They went to Alberta, they went to British Columbia, they went to Ontario, they went to United States. Virtually every one of my friends that I grew up with left this province because educated as they were, they left unless they became doctors or lawyers or teachers.

And at the same time . . . I guess the question is, we had a million people in this province in 1932 — a million people in 1932. Well today we've got a million people, 1932. In 1932 this province was larger than Alberta. But how come Alberta's twice as large as us now? Because all the people of Saskatchewan went to Alberta. Alberta, you might recall, has been virtually a Tory government for

ever. Social Credit before that, which is virtually Tory. And why have the people of this province gone? Let's just take the last 15 years, for instance. Let's start in 1970-1971.

During the times when oil prices were high and mineral prices were high in all those provinces, what did Alberta do with their money during that time? They diversified and created an infrastructure within their province to create a variety of types of jobs. Not a few types of jobs, but a variety of types of jobs. They expanded, they diversified in Alberta back in the 1970s. And virtually a lot of the young people in this province left during that time.

And what did we do with our money in Saskatchewan in the 1970s? Well I don't want to get into that litany of criticism that we hear here very often about the government in 1970 spending their money on potash plants that we already own. Why didn't you diversify? Why didn't the NDP government diversify, create the infrastructure that Alberta and British Columbia did during those years when mineral prices and prices were high for all the products that were available in this province. We had a lot of money in those days. Where did it all go? It certainly didn't go into creating jobs for young people in Saskatchewan. So you want to know why young people leave this province today as they did back in 1950? Because the jobs are in Alberta; the jobs are in British Columbia. Because those governments had the foresight to see that the only way you can keep people in a province is to provide them with good jobs. All right?

Now having said that, let's talk about increases in health. I mean I don't have to tell you that a substantial increase in health costs, or health spending by this government since 1982 — it's virtually doubled.

And education, increases in education — and you know something about education — have increased as well, substantially since 1982. There have been a large expansion, particularly in this last budget in terms of regional colleges. Why expand into regional colleges? Why do we want to spend money in rural Saskatchewan for rural Saskatchewan regional colleges? Because the people in rural Saskatchewan want to have access to education just as well as the people in the cities do.

You know, if you live in Swift Current and you have to go to university in Regina or university in Saskatoon, the biggest expense you have is not the cost of getting into the university, but the day-to-day cost, the living cost, living in Saskatoon or living in Regina or Calgary or wherever they want to go to university. If we can offer first and second university classes in Swift Current, in Melfort, in Yorkton, and a variety of other areas in the province, the young people living in those cities and those towns can go from their home to go to school. If they live 15 or 20 miles or 30 miles out of town they can drive to those schools during the day; they can live at home. It also gives them the opportunity to hold part-time jobs in the community in which they live, so their expenses are cut substantially.

The reason you expand in rural Saskatchewan, the regional colleges, is because you allow thousands more

young people the opportunity to get a university degree. You can't continue to fill the universities in Regina and Saskatoon. Why should we, when we can provide an education out in rural Saskatchewan? They deserve good education just as well as they do in Regina, or living in Saskatoon. It's all very well for those of you who grew up in Saskatoon, 15 minutes from the university, and say, you're not spending enough money on the university in Saskatoon.

What about the people who live 2 or 300 miles away, like in Swift Current or in some other place? They can go to school there. There's a tremendous advantage in that. That's where the money for colleges and university should be going. It should be going into the regional colleges. The University of Regina and the university of Saskatoon have been doing very well, thank you.

Now you talked about youth unemployment, and you said youth employment for the summer. And you said that there had been a substantial cut in youth employment for summer students. The fact of the matter is there's exactly the same number as last year. I don't know how many times I have to tell you that. I must have said it 15 times in this House.

What we did was took \$500,000 from Public Service Commission and put it into an environmental youth core. It's the same amount of money. That \$500,000 or half a million dollars has gone into a youth corps for environmental projects in Saskatchewan. The money is exactly the same for summer student employment. Now try to remember that, will you?

You talk about 64,000 hungry children in this province. There are not 64,000 hungry children in this province. There may be 64,000 children living in homes below the low income cut-off, but that doesn't mean they're all hungry. What you're suggesting is that the people of this province, the poorer people, if I may phrase it that way, are not feeding their children. Not only is it an insult to the people, not only is it wrong, but it's an insult to the people of this province who live low income.

Don't think for one minute that the people of this province who are living on lower incomes are not feeding their children. So stop using that 64,000 hungry children number; it just doesn't work. It's an insult to the people out there and nobody believes it.

(2115)

Now let's just get to the seniors. Home care. He talked about home care — \$30,405,200 is budgeted for home care in the 1990-1991 budget. That's a 128.6 per cent increase since 1981-1982 — 126 per cent increase since 1982 in home care. And I think that the Directions on Health Care that recently came down, that report, indicated that seniors want more home care. And if that's what they want and that's what they indicate to this government, I wouldn't be a bit surprised if that's the way it goes, because home care is working very well.

Now let's talk about the Saskatchewan income plan which is of course, as you know, a program that tops up seniors' income. The current maximum benefits of \$80

per month to a single senior represents a 220 per cent increase over benefit levels of 1983-1984. The current maximum benefits of \$135 per month to a senior couple represents a 200 per cent increase over maximum benefits in 1983-1984. And as was indicated in the budget, we're going to increase it even further.

Now you indicated that since I came on board as a cabinet minister in October that I've done virtually nothing. The member from Prince Albert said that I was nothing but a dupe for this government. He felt sorry for me because I'm nothing but a dupe for this government.

Let me point out to you the things that have happened since October 3, 1989. First of all the Saskatoon family support centres, now I'm not responsible for all these. I did however have input into them because these are programs that have been introduced by this government since October 3, 1989 and I feel that I was part of that process.

Saskatoon family support centre, established in June 1989 to establish programs to help strengthen families and prevent family breakdown. Services include: parenting education; outreach to victims of family violence; drop-in support services; teen-young parent program; child care to parents involved in family support centre services.

School-based family centres in five urban schools — two in Regina and three in Saskatoon.

This is a situation in which a social worker, or a home economist — whichever the school wishes to hire — works directly with the benefit . . . with the parents, or the family I should say, of a student who has been identified by the teacher as having a problem. This is the famous Haultain project that started in Regina — in Haultain school in Regina — has now expanded to other schools in the province.

Now increasing minimum wage from \$4.50 an hour to 4.75, January 1, to \$5 an hour effective July 1.

Forums about families; 57 forums about families have been held in communities across the province involving more than 14,000 — actually it's closer to 15,000 — participants.

Seven hundred and forty thousand dollars for addressing the problem of child hunger. The province will provide a long-term strategy of family support, education, and parental involvement, as well as short-term co-ordinating feeding.

The province will be responsive to the regional, community, and educational needs which communities themselves have identified. Now we've been around this province since early in . . . late in October actually, I suppose, early November probably, on a series of consultations. And we have now the result — the North Battleford two street workers was a response to that.

We are now waiting. I had a letter in my office from the mayor of Regina indicating that they are studying their program and very shortly will get back to us. We've been

waiting for that, from Mayor Archer in Regina, for their response to that. We know that part of the problem exists in the community schools, and there's an area that we'd like to look at a little more seriously.

We are waiting for other communities to come forward with their responses to that. Saskatoon has asked for support for the child hunger and education program. I think they're going to get what they're asking for; we haven't completed the arrangements with them yet.

Prince Albert is asking for two street workers, as North Battleford did, because in Prince Albert they told me that the people of Prince Albert will feed the children of Prince Albert. They say, we need two street workers in Prince Albert. There are a variety of street . . . a variety of feeding programs going on in Prince Albert right now which are very effective. They're going to try to expand that, and I think we'll be able to help them. But they want two street workers in Prince Albert, and I think probably they're going to get them.

Now let's talk about child counsellors in transition houses, an area that I think is particularly important. And I work very closely with the Minister of Social Services on here, on this particular issue, and I compliment him for responding so quickly to the issue.

Child counsellors are approved for three transition houses; they work with youngsters who are a product of a home with a spousal abuse situation. Interval House in Saskatoon, YWCA, the Isobel Johnson Shelter here in Regina, and the Regina Transition House now have child counsellors working directly with the children. Prior to this there were no counsellors working . . . well there was one in the transition house in Regina but that was short-term project. But now there are three child-care workers — counsellors — working with children who come from abused homes.

The social assistance plan which was announced recently by the Minister of Social Services — \$10 per month per child increase effective June 1, 1990 — so that's already in effect, an increase of approximately \$3 million a year, and \$10 per month increase for shelter and utilities. It's a total in the SAP (Saskatchewan assistance plan) increases of \$4 million. That was announced just a few weeks ago.

The SIP (Saskatchewan income plan) increase provides additional funds to seniors who have little or no income other than old age security, that is OAS (old age security) — I spoke about this a few minutes ago, and the guaranteed income supplement paid by the federal government — an increase of \$1.3 million has been approved. One point three million dollars has been approved. That's over and above last year. The administration of the increase is currently under examination.

And finally, automatic enforcement of maintenance orders: since March of 1986 this program has recovered more than \$14.5 million on behalf of claimants, relieving them of the burden and the expense of enforcing court orders for maintenance. In other words, claimants — a wife or a husband — who are suppose to be receiving

money from their spouse, have been ordered by the court to pay it, are not receiving it; they have recovered \$14.5 million.

So quite frankly not only does this department have potential, but I think we're doing the job.

Now the question you asked was: what powers does the minister have under this Act, okay? The family foundation . . . Your criticism has been that the family foundation is a powerless department created only for public relations purposes or political purposes.

Here's the response: the family foundation is needed to provide a program of policy focussed for issues affecting the family — a program and policy focussed for issues affecting the family. The foundation is designed to serve all Saskatchewan families, not just the vulnerable families. Ten per cent of the population in this province receives over \$400 million a year from Social Services. What about the other 90 per cent? We're interested in those as well. The Act would provide the minister with the power to: consult, co-ordinate, and develop community services, conduct research, communicate with rural and urban families and with a wide range of organizations affecting families — and we've been doing that, we've met with hundred of groups around this province, out in their communities as well as in my office — provide policy leadership on family issues including the power to develop policies and programs to improve family relations, monitor all aspects of government for their impact on families and recommend changes, recommend ways of improving family living skills, evaluate the impact of government economic and social policies on families.

Forums about families is an example of the family foundation assisting community groups and organizations identifying community needs and conduct workshops that focus on issues critical to the family. These are workshops that they, themselves, design because they identify the problems in their community. They organize the community workshops or the family forums. We supply a little bit of money to them for it, but they do most of the work because that's the way they want.

Taking the lead role on the hunger issue is an example of the family foundation working across government departments to meet the needs of province's hungry children.

And, finally, will the minister have the capability of providing funding. I think that was also part of your first question. The Family and Community Services Act does not provide the minister with funding capability. The minister has the ability to provide funding through The Government Organization Act.

Mr. Pringle: — Mr. Minister, perhaps I gave you too much credit when I was talking about the potential of your office for some of the initiatives that I thought were good short-term solutions. And I guess in the face, Mr. Minister, in the face of record numbers of young people leaving and young families leaving, and you've been in power for eight years, for you to go back to when you were a child and all your friends were leaving under an NDP

government, that is not an answer.

You now, Mr. Minister, are charged with the responsibility of turning this situation around. And if you're just going to be a cheer-leader for policies which have contributed to some 62,000 people leaving over the last five years, some 40 or 50 per cent of those people being young, if you're not going to take a serious look at that as an issue and try and address that as the Minister of the Family, then I don't think young people, any young people that are watching or any family members or any seniors who are concerned about their grandchildren, they're not going to have too much hope that you're going to make a difference.

So if you're just going to defend high out-migration numbers, a high debt load, a thousand families going off the farm a year, young people not being able to get into education, the fact that we have 64,000 children living below the poverty line which I'm glad tonight you acknowledge for the first time — now you didn't say what you were going to do about it, but you at least acknowledged it for the first time, and that's a start — if you're not going to seriously address those problems, then you're missing the point on one of the major areas in your mandate, and that, Mr. Minister, is where you say that . . . and I might add it's at the very end, it's at the very end of the Bill where you talk about monitoring government programs and services and initiatives relating to the family to determine their impact on the family.

You've got that almost last in your mandate, and you've got very last section 3(d)(iv):

evaluate the impact of government economic and social policies on Saskatchewan families.

Now if you're not starting there by first of all evaluating the impact of all of these indicators that are going the wrong way, if you're not starting there in your analysis of what's happening to Saskatchewan families and communities, then there's some credibility to me saying that maybe this is just a public relations exercise.

Surely, surely in the face of the major problems facing families in the province you would start with analysing government policies and their impact on families. That doesn't even warrant a section of its own in this Bill. And it would seem to me that that's a starting point, Mr. Minister, given the fact that there's a 17 per cent unemployment rate for young people. What on earth is your advice to the Minister of Labour and Employment to deal with youth unemployment?

So I'm concerned about why on earth you would tack that onto the end as if it's an afterthought. What I view, and I think quite frankly many people in the province view as to one of the major things that you should be doing is analysing the impact of many of the economic and financial policies of your government, which is failing Saskatchewan people, that you should be analysing those. If you correct those problems, then a lot of other problems will take care of themselves.

Well, Mr. Minister, I'd like to ask you if in that \$740,000

that was designated in the budget, these two street workers from North Battleford, is that money taken from that 740,000 to fund those two street workers?

Hon. Mr. Martin: — Well which question do you want me to answer first — the one on the Act or the one on the \$740,000 having to deal with North Battleford? You asked two questions. Which one do you want first?

Mr. Pringle: — Address both of them. I guess I want to know why when I view and I think many people of Saskatchewan view that the Family minister should assess the impact of government programs on families, when many people view that as your role, and I assume make suggestions that would improve the situation for families and communities, why is it sort of tacked on as an afterthought?

(2130)

And then secondly, the question about the \$740,000. Is the money for the two street workers in North Battleford taken from that 740,000?

Hon. Mr. Martin: — Well the answer to your first question is under . . . if you look in section 3, subsection (2)(a), and 3, subsection (2)(b), which is provide the ability to consult, co-ordinate, and develop community services and conduct research, which is what we did when we went around and consulted, like North Battleford where they said they needed street workers and not money to feed the hungry kids because Senator Sparrow was doing that in North Battleford.

The answer to your second question is yes.

Mr. Pringle: — So yes, that \$740,000 is, in fact, not going towards feeding hungry children, some 22,000 hungry children that used the food banks in Saskatchewan in 1989. It's not even 740,000, Mr. Minister. How much of that money is going towards feeding hungry children? That in itself at 740 was only 3 cents a day for a hungry child. And so you're not even going to spend 740.

While you're up I'd like you to . . . I'd hate to ask you two questions again, but maybe you can answer the second question because it relates to the 740,000. You said last week that that \$740,000 is not cost shared under the Canada assistance plan.

Now I assume that money is coming from Social Services. I would like to clarify tonight: is that 740 cost shared or is it not cost shared?

Hon. Mr. Martin: — Well the first question about the hungry children is that's what that \$4 million was for. That's what the staff increase was for — directed to hungry children.

Seven hundred and forty thousand dollars, or rather the money then went to the youngsters in North Battleford . . . Street kids are hungry as well. And not only hungry; they're directionless as well. Prince Albert said for their hungry children that are walking the streets, they want street workers to work with these kids, so we responded in that direction. The \$740,000 that's earmarked for hunger

is not cost shared.

I should clarify that because the portion in North Battleford could possibly be — could possibly be — cost shared.

Mr. Pringle: — Mr. Minister, I find it hard to believe. I find it hard to believe that you don't know, under the Canada assistance plan, whether or not this money is cost shared with the federal government or it isn't cost shared. Either it is or it isn't.

I happen to have been in a position in the past where I know whether programs are not or they are. We know those things. So I want to know . . . a clear answer . . . (inaudible interjection) . . . Well I suspect that the minister doesn't know.

I want to know whether that \$740,000 is cost shared or not. If some of it isn't cost shared, then I would like you to provide me, not necessarily tonight, but I'd like you to provide me with an explanation tonight and some more detail in the next day or two, because you have given different messages about this \$740,000.

And just while I'm on my feet, I would like to say that I'm not just talking about hungry children who happen to be on social assistance. I already gave you credit for raising those rates \$10 a month per child. That still makes them very, very low, but I already gave you credit for that. There are many, many children living below the poverty line where their parents are not on assistance. Some 70 per cent of working, full-time working single parent moms live in poverty; their children live in poverty.

Now I want to know whether or not that is cost shared, and I'd like a straight answer on that.

Hon. Mr. Martin: — Well currently Canada assistance plan will provide cost sharing for direct feeding programs only where the recipients are shown to be eligible for social assistance or a needs test is applied. For a local group feeding children in a school or community centre, needs testing would both destroy the spirit of community service and create administrative complications that would undermine the program. Cost sharing arrangements through the Canada assistance plan inhibit the development of innovative community solutions to the hunger problem, and we feel that the community involvement, the partnership within the community and the government, is absolutely critical to the success of these programs. We've had good success in that respect.

Direct feeding programs are sharable only when they are delivered by an eligible agency — schools do not qualify — establish a charge which reflects the full cost of the meal, administer a test of need consistent with the Saskatchewan assistance plan regulations, to families whose children are fed through the program. Families who do not meet the requirements of the needs test must pay the fee that has been established. Co-ordination of existing feeding programs will likely not be sharable because the feeding programs themselves do not meet CAP (Canada assistance plan) eligibility requirements.

For street worker programs to be sharable, they must be

delivered by a CAP-listable, non-profit, social service agency. The major focus cannot be upon education or recreation. They must emphasize the provision of counselling and/or information and referral services. They must employ at least one staff person.

And if you're not satisfied with that answer, I would invite you to meet with my officials and members of the Social Services department just so you'll understand it better if you're not happy with that answer.

Mr. Pringle: — Well I'm not happy that you didn't know that, Mr. Minister. But, Mr. Minister, I'd like to take a look at section (2)(b) regarding conducting research on the most effective methods of providing community services. And my question there, Mr. Minister, is that I wouldn't disagree with that, but my question to you is: does this have anything to do with the possibility of privatizing any social services?

Now you will be aware of the recent poll that was done that asked the public the question about privatizing social services, and there was a very strong desire not to privatize social services. My concern with regard to that section is that if that's your agenda — and I think the public is quite sceptical about your agenda on privatization — you could do it under that section. Do you have any plans to privatize under this section any parts of Social Services?

Hon. Mr. Martin: — The research that we've been doing really has been centred around finding out the best way to deliver the programs that are being delivered and/or improve on those programs with the research that we gather, not only in this province, but also across Canada and maybe even in the United States, wherever programs are being delivered. That's really the purpose of the research.

Mr. Pringle: — Thank you, Mr. Minister. Mr. Minister, on (2)(c) we talk about establishing and maintaining effective communication with families, and you mention their cultural groups. And I know that you will be well aware of the terrible situation that our aboriginal people live in, the terrible situation with regard to poverty and unemployment — some 75, 80 per cent unemployment in the north, 90 to 95 with regard to young people, the high rates of disease in the North, the suicide rates and so on. And I'm wondering, in establishing this Bill and in looking at how you would operationalize this particular section, have you had any discussions with native organizations or do you plan to do that in the future regarding native families and aboriginal families, as you refer to, in terms of your concern about various cultural groups?

Hon. Mr. Martin: — Well I personally have met with a number of native organizations or individuals, and I know that my officials have also met with a number of native organizations and individuals. And this is a problem of great concern to everyone, or should be of great concern to everyone. And I agree with you on that. Quite frankly, I would appreciate any good ideas that you might have as to how we could help resolve the problem that natives have in this province.

Mr. Pringle: — Thank you, Mr. Minister. I do have some ideas and in fact I have a file of suggestions based on some reports that we have done that I will be happy to give to you. And if there is anything useful there, then feel free to use it.

Mr. Minister, I guess in closing I would just say that . . . Again, as I said at the outset, I think this is a positive mandate. I worry a little bit that you may not have the kind of influence that you're going to need to successfully carry out your mandate. I worry a little bit that you maybe are acting a bit too much like a cheer-leader, and I hope that you will give serious consideration to critically — I say that in a positive way — to critically analysing the impact of government economic financial and social policies on Saskatchewan families and that you will influence your colleagues to provide constructive solutions and alternatives and suggestions.

And I will be asking you when we look at estimates in a few minutes what some of those concrete suggestions are that you are giving to your colleagues who are charged with providing more opportunities to young people and families in regard to employment and education, and so on.

So, Mr. Minister, I would suggest to you that if you take seriously the provision where you will monitor your programs and that you approach your job in the way I think you will, with some compassion and some sensitivity, and that you commit yourself to the principle of fairness to all Saskatchewan families, not just the Hills and the Childers and the other families, but to all . . .

(2145)

An Hon. Member: — Come off it.

Mr. Pringle: — No, seriously. I'm serious. You've got \$3.5 million for Chuck Childers, and you're telling me to get off it. The fact of the matter is, the disparity between the few families who have a lot and the many families who live in poverty is a major concern to Saskatchewan families, so don't dismiss it. It's a major concern to Saskatchewan families. If you're going to take the attitude that your government is treating all families in Saskatchewan fairly and with justice and fairness and compassion, then you are going to fail as a Family minister. What we don't need is another cheer-leader over there, Mr. Minister, we need somebody who is going to . . .

Some Hon. Members: Hear, hear!

Mr. Pringle: — We need somebody over there who is going to make a difference, who is going to make a difference to average, ordinary Saskatchewan families. We're putting our hope in you because you've got the mandate that would suggest that you can have that kind of impact.

But if you're going to defend the fact that 62,000 people left in the last five years and that we've got a 17 per cent unemployment rate of young people and we've got poverty in the North and on and on and on, then not much is going to be accomplished.

Therefore my question was: is this just a public relations exercise? And I think unless you demonstrate that you understand the very real problems facing Saskatchewan families, the hardships facing Saskatchewan families, then you are not going to make a difference as the Minister of the Family.

So I plead with you: we don't need another cheer-leader, we need somebody who will offer and forward constructive ideas to the front benches to deal with the very real problems facing all Saskatchewan families and young people so that there can be opportunities provided in Saskatchewan so people don't have to leave and there can be a sense of security in our communities and Saskatchewan and so that most of all, Mr. Minister, that families of the province — young people, seniors, others — can have a sense of hope.

The Red Cross study said that the Saskatchewan pride is almost broke. They talk about that being a very proud pride. They talk about all the issues that I've talked about tonight, and in a very gentle way they lay a fair amount of the responsibility on your doorstep. So I urge you to take your job seriously and then you have a chance to make a difference to the people of Saskatchewan and the average family of Saskatchewan. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — I've met with literally hundreds of people, hundreds and hundreds of people in this province since October. I've met with seniors, I've met with families, I've met with teenagers, in the Legislative Building and all over this province. I will continue to listen to what they say. I will continue to hear what they're telling me. I will continue to take that message to the cabinet table, and I will continue to make a difference in the cabinet room on behalf of the people of this province.

Mr. Pringle: — Mr. Minister, with respect, I would say that it doesn't matter how many people you've met with; it doesn't matter what your mandate is. Unless when you meet with people you hear them, unless you take their advice, and unless we start seeing some changes, some concrete changes, then you as Family minister are not going to give much hope to Saskatchewan families and Saskatchewan young people.

Need I remind you that since you've become minister, we've gone from having the second highest rate of family poverty in all of Canada — I know you don't like to hear this — we've gone from the second highest rate of family poverty to now having the highest rate of family poverty. That's since you've become Minister of the Family.

Mr. Minister, since you have become Minister of the Family we've got two additional food banks that have opened, one in Melfort and one in Carlyle. Now surely that is a disgrace in the bread-basket of the world. I know the member from Wilkie says that we can't afford to feed our hungry children, that the province just can't afford to do that. On this side of the House we say you can't afford not to, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Pringle: — You say you can't afford to fund the health care system properly. On this side of the House we say you can't afford not to have a healthy population.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Mr. Minister, your government has cut some \$7.5 million from student employment programs since 1986-87. You're the Family minister. You know that young people have a 17 per cent unemployment rate. You know that tuition fees have gone back up. You know that it's harder to get into university because you've cut back on student loan programs and bursary programs. And you allowed the Minister of Finance to cut another \$1 million from youth employment. And you talk in some devious way about putting money into the environment — \$500,000 into the environment — but you can't say, because we've asked you, how many jobs that's going to create.

So don't tell me that you're going around the province and you've listened to 15,000 people, because what I'm hearing around the province is that you're not listening. You're not even listening now. You don't have to give me your attention, Mr. Minister, but you have to give your attention to the people in the province.

I've got some more questions for you when we get into estimates in a few minutes, Mr. Minister, and I hope to get some clear answers from you, because I think, Mr. Minister, what you've done in this legislature is you have demonstrated tonight again, as you have in previous days, that you don't understand the real issue facing Saskatchewan families, that you're not even accepting the fact that we've had the poorest job creation record in all of Canada — in fact, the only province whose labour force dropped — that that's a serious problem. Fourteen thousand fewer people in the labour force in December of 1989 than in December of 1988.

Now it's your government; you're the Minister of the Family. We're talking about the loss of jobs for bread winners of families. And I expect that your charge was giving advice to the Minister of Labour and Employment. He's going to need your advice, and your very stern advice, because this is a guy — the member from Melville — who's made a habit, who spent three and a half years beating up on poor people.

Now I know you don't like to hear that, but you have got a major challenge on your hands, Mr. Minister, to convince your front-benchers that families are hurting in the province and that something's got to be done to provide real solutions.

And until you acknowledge some of these problems, until you acknowledge that these indicators are going in the wrong way, the ones we talked about tonight, and I don't think the public of Saskatchewan, that the families of Saskatchewan are going to be too reassured that you're going to have constructive solutions to provide and that you're going to be able to carry out this mandate.

Some Hon. Members: Hear, hear!

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 28 — An Act respecting Investments by Saskatchewan Residents in Support of Community Diversification and Environmental Protection

Hon. Mr. Hodgins: — 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. 2 — An Act respecting Family and Community Services

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.

The Assembly adjourned at 10 p.m.