

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Ms. Haverstock: — Thank you, Mr. Speaker. I give notice that I shall on Monday next ask the government the following question:

Regarding the government communications procurement July announcement of a market research competition: (1) For what department are these surveys being conducted? (2) What are the objectives of these surveys? (3) Will these surveys involve opinion polling? (4) How much money will be allocated to these surveys? and (5) Will the results be made public given that the surveys will be paid for with public monies?

INTRODUCTION OF GUESTS

Ms. Haverstock: — Thank you, Mr. Speaker. It is with great honour that I introduce through you and to you to the members of the Assembly, Wilf Gardiner behind the bar. He was elected to this Assembly in 1956 as the member for Melville, and in 1964 became the minister of Public Works, a post that he held until 1967.

Given that yesterday we celebrated Canada Day, I would also like to point out that Mr. Gardiner's father was the premier of this province in 1926 to 1929, the only individual as a premier to be re-elected after a defeat, in 1934. In 1935 he went to Ottawa and became the minister of Agriculture for our country as well as the minister for National War Services. So please warmly welcome Wilf Gardiner.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Mr. Martens: — Thank you, Mr. Speaker. It's with a great deal of pleasure that I acknowledge the anniversary and the celebrations that took place at the little St. Peter and St. Paul Ukrainian Catholic Church just south of Hodgeville on Monday. They celebrated the 100th anniversary of the founding of the Ukrainian settlements in Canada.

The first pioneers came to that area in 1916, and in 1964 they built this fine, beautiful church in a rural setting in an area just south of Hodgeville. And it was a pleasure for me to attend the mass services during that period of time. They unveiled a cairn that represented the names of the various people that were part of the founding fathers of that time. And I would like all of the members of the Assembly to acknowledge the fact that these people came from a far country to settle in Canada. And I want to also acknowledge that from the part of Ukraine that these people came, is also from the part of the European continent that my family came, and it was an honour for me to be there at that time.

Some Hon. Members: Hear, hear!

Mr. Serby: — Thank you very much, Mr. Speaker. I rise today, Mr. Speaker, to acknowledge to this Assembly and to the people of Saskatchewan yesterday's appointment of our friend and colleague, Mr. Lorne Nystrom, from the Yorkton-Melville constituency to the Queen's Privy Council.

Some Hon. Members: Hear, hear!

Mr. Serby: — In the 23 years the Member of Parliament, Lorne, has served as New Democratic Party critic in several issues, Mr. Speaker, including Agriculture, Trade, Employment, Energy, and Finance. In September 1990 he assumed the responsibility of Constitution and Intergovernmental Affairs critic for the New Democratic Party and has served on numerous parliamentary committees on the constitution.

Mr. Nystrom's appointment was made upon the recommendation to the Governor General, Mr. Hnatyshyn, by the Prime Minister of Canada.

There are now seven privy councillors for Saskatchewan, including the former member of Agriculture, Alvin Hamilton; former Wheat Board and Justice minister, Otto Lang; Minister of Agriculture, William McKnight; and the Governor General of Canada, Ramon Hnatyshyn; and the former premiers, Mr. Allan Blakeney and Mr. T.C. Douglas.

Since being elected to the Member of Parliament from Yorkton-Melville, Mr. Nystrom has devoted himself to fostering goodwill, generosity, and friendship amongst Canadians from every call and walk of life. I ask all the members of the Assembly today, Mr. Speaker, to join with me in congratulating Mr. Nystrom on this very prestigious appointment.

Some Hon. Members: Hear, hear!

Mr. Carlson: — Thank you, Mr. Speaker. Yesterday marked the 125th anniversary celebration of Confederation. Confederation has been the subject of much controversy in our country. Discussions about our future have been heated at times, cynical at other times, and worrisome to everyone who values nationhood. However I'm glad to see that on Canada Day we're able to set our constitutional difficulties aside and celebrate the founding of Canada. More so we gather to celebrate the pure joy and pride of being a Canadian.

Mr. Speaker, being a Canadian was especially on the minds of everybody yesterday. Approximately 30 individuals gathered in this very Chamber and were welcomed as the newest Canadians. The swearing-in of new citizens is something upon which we do often take our citizenship for granted, should reflect. Despite our country's economic woes, its constitutional crisis and occasional political turmoil, many people leave their native countries and make Canada their new home. They see what we tend to forget — that above all else Canada is a free and democratic country which respects the heritage of all individuals.

On behalf of my colleagues in the legislature I want to welcome the newest citizens of Canada and wish them the happiest of their lives in our great nation.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, this week not only marks the 125th birthday of this country and the 30th birthday of medicare in this province, but it is also a special week for a number of communities and individuals in my constituency.

This week the community of Whitewood is celebrating their centenary — 100 years as a community. Certainly yesterday rain may have prolonged or put off the parade, but it certainly didn't dampen the spirit of many individuals coming from right across this country and renewing acquaintances, and in many cases some have been away for 30 and 40 years. So I want to compliment the community and everyone involved for taking the time to put on this time of celebration.

As well, Mr. Speaker, the Francis Auction Service, has been a major contributor to employment in the community, is celebrating 30 years in existence. In 1962 Donald and Hazel Francis established the auction mart. A year later it was completely destroyed by fire. But they persevered, re-established the business, and it's been a thriving business for a number of years and now is being run by his son Ken, Isabelle, and also Terry and his family.

As well, Mr. Speaker, a number of farms celebrated centenaries, the establishment or the involvement of the family on the family farm for 100 years, and I just name a few in the Kipling area — the Cunningham family, the Evans family, the Toppings family, the Clark family, the White family, and the Cross family. Mr. Speaker, I want to commend all these communities for their celebrations. Thank you.

Some Hon. Members: Hear, hear!

Ms. Lorje: — Thank you, Mr. Speaker. I rise to congratulate the Saskatoon community bond corporation on their successful application to issue a \$5 million pooled community bond. This is a pioneer venture, and many people have worked diligently to ensure that the citizens of Saskatoon will have this excellent opportunity to invest in and to participate in the economic recovery and rebuilding of Saskatoon.

In particular I commend the Minister of Economic Development for his diligence and co-operation, the Saskatoon economic development board for their foresight and faith in Saskatoon, and the many private individuals who shepherded this venture through to the historic approval and announcement on June 30. Saskatoon citizens have always prided themselves on their community involvement and willingness to invest in the future of their city. This community bond marks an excellent means for Saskatonians now to build our community and our future. Congratulations.

Some Hon. Members: Hear, hear!

Mr. Cline: — Mr. Speaker, I think we're beginning to recognize in Saskatchewan, Mr. Speaker, that economic development does not just mean government risking taxpayers' money on large megaprojects. Rather, economic development also means local people working together on smaller ventures, and it means recognizing the importance of the small-business sector, the people in our communities that employ 5, 10, 15 people here and there. They are a mainstay in our economy.

So I want to join with the member from Saskatoon Wildwood in congratulating Saskatoon on the announcement of its community bond. This is of course the culmination of work by the Saskatoon community bond board of directors and many others. Their work gives the citizens of Saskatoon an opportunity to invest in their community.

It's a pooled fund, Mr. Speaker, which is a first for Saskatchewan. It will mean various projects, and it will mean jobs for families in Saskatoon. The bonds will be on sale in September and I know that all members will want to join us in congratulating the city, the government, and the board of directors on this venture.

Some Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. It is not often that I would gladly give up the opportunity to make a public appearance at a celebration with my constituents, and I suspect other members of this Assembly share this feeling. But yesterday, Mr. Speaker, was just such an occasion.

I was invited on Canada Day to speak at a ceremony honouring the pioneer village of Amulet, now unfortunately no longer on the map, and honouring in particular Mrs. Eva Rolston, a pioneer of Amulet who is 102 years young and still active in the life of her community.

I was looking forward to the unveiling of a heritage plaque and to meeting Mrs. Rolston and other members of the community. I was eager to bring greetings to the assembled crowd and remember with them the tribulations and the triumphs of our pioneer ancestors to whom we owe so much.

I wanted to congratulate them for having the foresight to try and preserve the memories of a once thriving town, for without history we are a people with no past, and therefore without a future to build.

But, Mr. Speaker, I didn't get to speak yesterday. The Amulet celebration was postponed till Saturday. It rained, Mr. Speaker, and it rained a lot, and it's still raining today.

Although the celebration was postponed, we needed the rain more. The rain was truly a reason for celebration on Canada Day in my rural riding — a trade-off that I'm willing to make, along with my constituents, almost any day. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Funding Elimination for Agricultural Fairs and Exhibitions

Ms. Haverstock: — Thank you, Mr. Speaker. My question is directed to the Acting Minister of Agriculture. Mr. Minister, how important a role do you think fairs and exhibitions play in rural Saskatchewan?

Hon. Mr. Cunningham: — Mr. Speaker, I think that fairs and exhibitions play a very important role in rural Saskatchewan. They're part of the fabric. And I think we will continue to have them.

Ms. Haverstock: — Thank you, Mr. Speaker. Mr. Minister, in the budget of your government, you eliminated all grants to fairs and exhibitions without warning. And as a result, a number of communities have been forced to cancel these events, some of which have been around for more than 80 years. Why were these grants eliminated without warning, and without any consultation?

Hon. Mr. Cunningham: — Mr. Speaker, these grants were eliminated, as were other budgetary measures that we took, in response to a very difficult economic situation. We looked at our budget and made some very tough decisions. It was not one that we wanted to make. I think that by and large most of these fairs will survive. They are funded by local people by and large in the past, and they may take up the slack, and we will continue to have fairs. And I'm very confident of this.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, I ask you: did you carry out any kind of analysis to determine what effects eliminating these grants would have on the communities, and if so, what did your studies show?

Hon. Mr. Cunningham: — Mr. Speaker, we did certainly consider what the outcome would likely be. And we looked at the fairs, the portion of money that they were getting from grants and portions of money they were getting elsewhere. And we came to the conclusion that by and large these fairs will survive and thrive. Thank you.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. I find it interesting that you stated that you've done some studies. I don't know with whom you consulted, because people who have continued to this date to ask for meetings have had none with the Minister of Agriculture.

Mr. Minister, the community of Fertile Valley will not be able to hold a fair for the first time this year in 80 years. And for towns and villages such as this and such as Beechy, fairs play a part — a big part — in maintaining the community.

I want you to tell us what discussions you have had with the agriculture exhibition organizations and how you plan to rectify this devastating situation.

Hon. Mr. Cunningham: — Mr. Speaker, I think the member opposite exaggerates a bit when she calls this a devastating situation. I think in light of the budgetary deficit and the problems we have in this province, I think that the problems with fairs is not related totally to government funding but as well to the fact that we're having very tough times in rural Saskatchewan and depopulation and so on.

I think there has been fairs who have probably faltered before this and will falter again. But I think by and large the fairs will survive and rural people are resilient and they will continue to have fairs, and they will continue to be part of the community.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Speaker, it appears that lack of consultation has become characteristic, synonymous with the government. And if you're intent on cutting funding in this kind of way, why didn't you phase it out over a period of time to allow these communities a chance to make other arrangements?

Hon. Mr. Cunningham: — Mr. Speaker, the member opposite suggests that we shouldn't have cut this particular grant. But by and large, as a government we had a very tough time to choose where we had to make cuts. We knew we had to make cuts. I think the members opposite all say that, yes, we should make cuts, but then they say you shouldn't have cut this. You shouldn't have cut that. You shouldn't have cut the other thing. And eventually, if you cut nowhere, you have a deficit that chokes you. And that's basically the logic behind making some of these cuts, although they were very tough decisions.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. It goes without saying, Mr. Minister, that some cuts are necessary and that a lot of people would endure cuts quite well.

But your government has chosen not to consult with the people who could be in the best position to tell you how to go about making those cuts with the least devastating effects — whether it be in health care, whether it be in education, whether it be with the agriculture exhibition boards of this province. The best people with whom to consult are the ones who know what the cuts are going to do, and they can tell you where the cuts should take place.

I'd like to ask you with whom you consulted on this issue.

Hon. Mr. Cunningham: — Mr. Speaker, certainly there are a lot of people out there who tell us what cuts will do. And certainly all the cuts are devastating. Now if the member opposite suggests that there are cuts that we could have done that would not have caused any harm or any hurt in rural Saskatchewan or elsewhere, I wish you would come forward with these cuts because I think these cuts were made . . . although they were very tough cuts, they were made with the best judgement and the most consultation possible.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. My last question to you, sir, is this: why is it that your department continues to refuse to have meetings with these individuals?

Hon. Mr. Cunningham: — Mr. Speaker, I don't believe that to be true. I think my department is prepared to meet with people and discuss the problems. In fact I've instructed people in my department to meet with several of these people who have phoned my office and to be as helpful as we can in maintaining their affairs.

Some Hon. Members: Hear, hear!

Funding for Special Care Homes

Mr. Martens: — Thank you, Mr. Speaker. My question today is to the Minister of Health, and I want to deal today with level 1 and 2 funding for special care homes. I noticed that the Saskatchewan Association of Special Care Homes had to consult with you to ask about whether the rumours were true that you were going to cut their funding over the next two years.

Will you admit, Madam Minister, that you made a decision that affects thousands of Saskatchewan seniors without even consulting with the SASCH (Saskatchewan Association of Special Care Homes) board of directors?

Hon. Ms. Simard: — Mr. Speaker, the government has been saying for some time, and indeed the members opposite when they were in government were beginning to talk, in the direction of moving towards more community-based services and more home care programs. And so there has been a decision made by government with respect to level 2 to try and keep as many level 2 seniors in their homes as long as we possibly can. And so the special care homes people have been advised of that.

It is the right direction to be moving, to try and keep seniors in their homes. There's absolutely no question that the majority of people agree with that. And so we are today or through this budget beginning to implement the process of trying to keep seniors in their homes. And I think it's fair to say that the community at large agrees with that policy.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, you didn't even acknowledge the question that I asked you about consulting with the SASCH board of directors.

Would you table for us the studies that you have done on how these seniors are going to be affected and how these seniors' families are going to be affected, how many of these seniors have families, how many of these seniors have no families, and how many of these people have nowhere to go if they're forced to leave the level 2 care home that they're in?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, no resident in the present system will be required to find other accommodations unless they prefer to or choose to have their needs met in an alternate location.

We are having constant discussions with the special care homes, with the administrators, with the public at large. The whole process has begun with consultation, Mr. Speaker, and no resident will be required to find other accommodations unless they prefer or choose to have their needs met.

We have also increased funding for home-based services in this budget by almost 20 per cent — 19-point-some percentage points — in order to develop a safety net of home care in our communities for seniors to stay in their homes, which is where they prefer to be.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, I talked this morning with one of the SASCH board of directors and she had many concerns about this decision. One of them is that you have decided that two years is long enough to have these people be uprooted from their residences right now — only two years to place them in a home care or seniors' homes throughout the rest of the province.

Madam Minister, have you given any thought to those who are already on waiting-lists to get into those facilities in the level 3 and 4 care homes, and to those many seniors who will be thrown into the street with nowhere to go?

Hon. Ms. Simard: — We are not throwing seniors in the street with nowhere to go. And the member opposite may wish to make politics out of what is essentially a good health care policy which is to keep seniors in their homes as long as possible, but there will be no seniors who will be thrown out in the streets, Mr. Speaker.

We know the legacy of the government opposite when they took a run at the former government in 1982 with respect to an analysis that was done as to the number of beds that are needed in Saskatchewan. We know that in Saskatchewan we have the highest per capita bed of any place in the world.

The fact of the matter is there are alternate forms of health care that are superior in nature and provide a higher quality of health care for people, and that is keeping seniors in their homes as long as possible. That's better for seniors. It's a better quality of health care. And this is the direction that this government intends to move.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, I have no quarrel with keeping seniors in their homes, but these homes are now senior citizens' homes. How long are you going to keep these seniors in the residences they have today?

I'll give you an example. The Herbert Senior Citizens Home has a 32 bed hospital; 6 of them are level 2, 20 are level 3, and 6 are level 4. Those 3's and 4's have no place to go. And where are you going to put them? They can't go

to Swift Current; Swift Current is full. You going to ship them to P.A. (Prince Albert), to Yorkton, North Battleford? Because their places are full.

What are you going to do with these men and women who built this province for you to have the education that you had? They built this province, paid taxes for you to have the benefits. Are you going to kick them out?

Hon. Ms. Simard: — No.

Mr. Martens: — Then, Madam Minister, tell me this: when are you going to start consulting with the SASCH board of directors to find out whether they're going to get level 1 or level 2 care funding in their homes?

Hon. Ms. Simard: — The consultation is ongoing. There are people from the Department of Health who are throughout . . .

The Speaker: — Order, order. Order. I didn't hear any interruption when the member asked his question. I don't expect any interruption when the minister answers. No interruptions.

Hon. Ms. Simard: — The consultation with the SHA (Saskatchewan Health-Care Association) and the special care homes association is ongoing, Mr. Speaker. We are presently in the process of consulting with communities. We are asking communities to tell us what are your needs, what are your requirements.

Our policy is to keep level 2 in their homes as long as possible. We recognize there are some level 3 and perhaps level 4 individuals in these facilities and they will remain in these facilities because, as I said before, we are not going to be putting anybody on the street.

This is an evolutionary process which will take place over a period of time. The objective of the government is to keep people in their homes as long as we possibly can. That is the objective of the government, and to provide high-quality, adequate home care services for seniors in their homes as long as possible. So if some of these . . .

The Speaker: — Order. Next question.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, I want to point out some very fundamental things that you may have overlooked. These senior citizens' homes are now with level 3 and level 4 care people in them. They are being funded on the basis of a level 2. And that funding has not increased to provide the benefit to them and they still are surviving.

Now are you going to tell these people that they are out?

An Hon. Member: — No.

Mr. Martens: — Okay then you find a home for them. And that is what they want to know. Why don't you just leave it to where it was. That's what you should do — leave them where they are.

I'll tell you something else, Madam Minister. Those people in that community have built that home, they have worked in that home, and they are part of that home. They want to have their seniors become a part of that home and they have continued to do that and support that facility all these years. Are you going to tear that down, push it aside?

Hon. Ms. Simard: — Mr. Speaker, the member opposite obviously has a lot of false information and he's fearmongering and trying to use political tactics to try and make a point and deter the health care system from implementing a very valuable policy. In other words, he is using political tactics in a very selfish fashion, when what the government is doing is coming forward with a policy that is good over the long term.

We are not going to tear down any homes. We are not going to close any homes. We are not going to kick any residents out of their homes. We are going to look at phasing out funding for level 2. If there are level 3 and 4 in there, we will take care of them; they will stay in their home if there's no other facility they can move to or want to move to — no other level 3 or 4 facility. This will be an evolutionary process that will take place over a period of time in consultation with these communities.

And I ask the members opposite to join us in what is an essential and a quality, good health care reform in this province, instead of playing silly politics with this issue.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, that home and many other homes across this province were built by religious organizations. And the ones that serve the ones in my constituency are in Herbert, and that one was built by the Mennonite people and the Mennonite churches around in that community. And that, Madam Minister, they built it from donations made and received. And that is where they constructed it.

Now, Madam Minister, can you tell me what you're going to do with the level 1 and 2 funding in the next two years?

Hon. Ms. Simard: — Mr. Speaker, we are developing home care, quality home care services in our communities, so those seniors who are level 2 — who are level 2, for example — will be able to stay in their communities as long as possible. Some of the level 2 that may be in these facilities now might move into a level 3 or a level 4 care level. They will stay in their facility as long as is necessary, Mr. Speaker.

We recognize the involvement and the personal attachment that our rural citizens have with respect to many of these homes. This government is not going in and closing the doors of these homes. It's announcing a policy to move towards keeping level 2 people in their homes as long as possible. If they're already out of their homes, that's another issue. They'll stay in that facility unless they prefer to move to another location, or choose to do so.

Some Hon. Members: Hear, hear!

Mr. Martens: — Madam Minister, these people moved to

these homes because of a number of reasons. One, they wanted to. Number two, they felt that the care that they would receive there was adequate to supply them for the benefits they needed.

And what I say to you, Madam Minister, you haven't answered the question yet. Are you going to cut the funding for level 2 care on the next two years, so that these people will be forced out, because they haven't got the finances to live in those homes once they're forced out?

Hon. Ms. Simard: — We will not be forcing anyone on the street. We will not be cutting funding for people who are in the institution.

And I want to say this: the reason why people are in those institutions is because your government provided nothing else for them in the community. You spoke a good line about home care, but the fact of the matter is, is you didn't build that safety net out there so that this transition could've taken place a lot sooner.

Some Hon. Members: Hear, hear!

Mr. Martens: — Number one, Madam Minister — I'll give you a lesson in history — number one, you had a moratorium on the minister's . . . the House Leader of the government put a moratorium on building nursing homes in this province. You, Madam Minister . . .

The Speaker: — Order. Does the member from Moose Jaw Palliser have a question to ask? If he hasn't, then I would ask him to let the member from Morse direct his question.

Mr. Martens: — Madam Minister, we built more nursing homes in one facility in Saskatoon than you did in the last seven years of your administration. Now where are you going to put those level 3 and level 4 care people in my constituency and in every rural constituency in the province of Saskatchewan, and every urban constituency? Where are you going to put those level 1 and level 2 who are residents of those communities? Are you going to move them all over the province?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, I indicated to the member opposite earlier that we are having consultations with the communities to determine what their needs are, Mr. Speaker. The people who are level 3 and level 4 will be kept in level 3 and level 4 facilities within their communities. We will be talking to the communities about what sort of needs are required and we will be developing, in conjunction and in consultation with the communities, a plan for their districts and their areas that will provide accommodation for our seniors.

Appointments to Health Care Boards

Mr. Swenson: — Thank you, Mr. Speaker. My question is to the Minister of Health. Madam Minister, one of the problems that the seniors and the people that work with seniors in our province are having with your government is that they don't trust you. You have broken every

election promise that you made a short seven months ago. They have no reason to believe that the things that you're telling this legislature are true.

Madam Minister, in discussions all across this province you are laying the law down to various communities. You're going to my home community of Moose Jaw and you're saying that you're going to have a board and that the people that have been doing the governance in that community aren't worthwhile sitting on that board, that you're going to choose eight individuals and you're going . . .

The Speaker: — Order, order. Does the member have a question?

Mr. Swenson: — To the minister. Madam Minister, why do you so distrust the people that have been looking after our health care facilities that you have to appoint people totally removed from that process? Tell us that, Madam Minister.

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — When we go to an area, for example, Mr. Speaker, and talk to people about organizing as much as possible on a district basis, or as we did in Regina and Saskatoon, we will be asking the community and the boards involved. For example, in P.A. the hospital boards and the special care home boards had substantial input into who would sit on the P.A. board.

There is no intention at all to exclude anybody. If someone is already sitting on a board and wants to sit on the amalgamated board in the communities such as P.A., Saskatoon, or Regina, and if the rest of the boards that are participating in that agree with that, there is no problem with that at all.

The point that was probably being made — and I wasn't present at the particular meeting — is that what we don't want to see, like for example in the situation like Regina, is one hospital being represented on the board and the other hospitals not being represented by a board representative. So when we select these board representatives there's been substantial input from the community, from the mayor in P.A., for example, and the stakeholders in the system. And we choose . . . if there is a board member that everybody else agrees to, there's absolutely no reason why this government would have any trouble with that person sitting on the board.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Madam Minister, I noticed in your litany of places that you didn't mention Moose Jaw. Your officials have been meeting with the various groups in Moose Jaw and saying that there will be an entirely new board here and that no one will be connected with the existing facilities.

I remind you, Madam Minister, it was Moose Jaw who led the way in this province to take away 80 acute care beds and rationalize the system and combine services. And now you're saying to those people that led the way in this province that none of you are fit to sit on a board, that we

are going to appoint eight individuals with some kind of litmus test, a litmus test that I suggest will be your friends only. That's what your officials are telling the people, Madam Minister. Talk about Moose Jaw and what your people are doing there.

Hon. Ms. Simard: — With respect to Moose Jaw, I really hope that the Moose Jaw boards and special care homes if they want to be involved, but certainly the hospital systems, come together and develop some sort of amalgamated board. I think that it would improve the quality of health care services inasmuch as it would provide more co-ordination, integration, and more of a continuum of health care services.

I don't know what the official said with respect to the Moose Jaw people. What I am saying is this, is that if all the boards get together in Moose Jaw with consultation with the Department of Health and if they have a member who wishes to sit on the board and all the boards are in agreement with this, there should be no problem with that person being on the amalgamated board. And that's the point I wish to make.

Now if the boards cannot agree because they are concerned perhaps that one hospital may be represented or one facility may be represented and not the other, well then we have difficulty with that kind of situation because what we want is a board that governs all of the facilities and is as neutral as possible with respect to the governance.

If there is . . .

The Speaker: — Order. Next question.

Mr. Swenson: — If it is good enough for the people involved in St. Paul's in Saskatoon to maintain governance on that board, it is good enough for the Sisters of Providence to maintain governance in the city of Moose Jaw, and they are being told that that will not be the case, Madam Minister. That is what is being told.

I want you today to stand in this Assembly and say that everyone in the health care-giving business in the city of Moose Jaw is going to have an opportunity to be part of that board, that the Sisters of Providence, the job that they do for the citizens of Moose Jaw and area will be recognized and that you, Madam Minister and your officials will not take governance away from them.

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, I don't accept what the member opposite has said. The officials have not told the Sisters of Providence that their board is going to be wiped out and they won't have any input. I know that to be certain, that they haven't been told that.

The fact of the matter is, is that both in P.A. and in Saskatoon, the fact that there was a religious institution there was recognized and was respected, and they kept their own particular boards intact. And that is the case with Moose Jaw. And the member opposite should quit trying to play politics again with the situation that . . .

The Speaker: — Order, order.

INTRODUCTION OF BILLS

Bill No. 59 — An Act to amend The Agri-Food Act

Hon. Mr. Cunningham: — Mr. Speaker, I move that a Bill to amend The Agri-Food Act be now introduced and read for a first time.

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

Bill No. 60 — An Act to amend The Community Bonds Act

Hon. Mr. Lingenfelter: — Mr. Speaker, I move that a Bill to amend The Community Bond Act be now read a first time.

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

Bill No. 61 — An Act to amend The Residential Tenancies Act

Hon. Mr. Lingenfelter: — Mr. Speaker, I move The Residential Tenancies Act be now read a first time.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 52 — An Act to amend The Senior Citizens' Heritage Program Act

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move that Bill No. 52, The Senior Citizens' Heritage Program Amendment Act be read a second time.

The senior citizens' heritage program has provided an unconditional annual grant to low and middle income senior households. Amendments are necessary to better target the program and to meet the funding levels identified in the estimates. The heritage program has not been well targeted.

At a time when we still have some single seniors living below the poverty line we could ask why the previous government made grants to people with three times that income. We could also ask why they made grants to estates or to those already significantly supported in subsidized public housing.

The Bill proposes several modifications to the senior citizens' heritage program. First of all, the program criteria will be tightened. The income ceiling will be reduced from \$30,000 per year family income to \$22,000 per year. This will allow us to retain the program this year for those with lower incomes even as we lower the deficit.

People living in rent-to-geared-income public housing will no longer qualify for the grant. It is unfortunate, Mr. Speaker, that we had to draw the line here, but we had to examine the need. We had to look at those seniors whose rents are controlled and who are benefitting from a significant subsidy in public housing, a subsidy estimated, if you consider the federal and the provincial contribution, to amount to 6 to \$8,000 per year. We had to compare these seniors with seniors with the same income who are trying to maintain their own home. It is clear that you have to protect the seniors trying to maintain their own home and give assistance to them.

In addition, estates will no longer be eligible for the heritage grant. The need for this will be reduced by moving to a flat grant rate through which a surviving senior spouse would qualify for the same amount. And significantly, I find it hard to justify providing a publicly funded grant to benefit not the senior when they need it but their heirs.

(1415)

In addition to tightening the eligibility criteria, the grant structure will be significantly simplified. A flat \$500 grant for eligible senior family is contemplated in this Bill. Since the heritage program is administered on a calendar basis the amendments will be in effect for 1992 only.

Mr. Speaker, there is a confusing array of income support programs in place, all with their separate administrations. That is why the recent Speech from the Throne announced a comprehensive review of all income support programs. The senior citizens' heritage program will be included in that review and we fully expect that we can find a better way to target needed funds to those seniors who really need them.

The senior citizens' heritage program cost \$34 million last year; it cost almost another \$400,000 to administer. It has not been well targeted, but, Mr. Speaker, I know that seniors have come to count on it. That is why we are not cancelling the program this year. That is why we are offering it in a modified and simplified form. We want to give our seniors the time needed to adjust to the change, and we want to have the time to study their needs in the wider context of all income support programs.

Accordingly, Mr. Speaker, I urge all members to support the Bill, and I hereby move second reading of Bill No. 52, The Senior Citizens' Heritage Program Amendment Act.

Mr. Britton: — Thank you, Mr. Speaker. I guess I won the race. Mr. Speaker, I would like to make a few remarks about this Bill. And I would like to start by saying that we are hearing remarks from seniors that this government is heartless, and, Mr. Speaker, Bill 51 is proof of that.

Mr. Speaker, the public has seen the NDP (New Democratic Party) destroy the financial future of single mothers. We have watched them while they single-handedly ruined the agricultural and livestock future of Saskatchewan. And now, Mr. Speaker, the NDP are turning their backs on the seniors.

Well of course according to what I read in the budget, Mr.

Speaker, and the slashes to the senior heritage program, it would seem they are turning their backs on the seniors of Saskatchewan.

Mr. Speaker, this could very well end up being another case like the Saskatchewan Pension Plan where the member from Prince Albert Carlton said, it's coming back, while the member from Regina Elphinstone chokes at the very thought.

For the sake of the seniors, Mr. Speaker, I hope this government does reconsider this terrible decision. I remember when the Saskatchewan Pension Plan was first introduced, Mr. Speaker. The member from Regina Hillsdale claimed it did not address what she thought was the most important issue — poverty among seniors, Mr. Speaker.

Senior poverty, Mr. Speaker, was what she said would be a priority of her NDP government if they were even given the chance. She said she would increase funding to programs that would help seniors, programs like the senior citizens' heritage grant — the very program her government is scrapping.

Does anyone else see the inconsistency here? Well of course they do, Mr. Speaker. Every senior I talked to, which is many, has told me how disappointed and how angry they are at this government. They have told me in consultation with the minister from Hillsdale, how cold and uncaring she appears to be. Well, Mr. Speaker, who could blame them? Seniors, in my opinion, Mr. Speaker, have been betrayed.

The member from Regina Hillsdale will probably still try and say that her government have the senior citizens as a priority. Well, Mr. Speaker, in fact let me see what they've done.

They have bumped seniors to a pretty low spot on the list — right beside the single mothers and home-makers who are suffering because of the cancellation of the Saskatchewan Pension Plan. And I'm not just talking today about the Bill before us, Mr. Speaker, allowing the NDP to slash the senior heritage program, I'm talking about the many ways that this government has hurt seniors.

First, the supposedly caring — and I stress the word supposedly — this supposedly caring government tacks on huge hikes in phone bills, car insurance, and power bills that everyone has to pay, including seniors.

And I want to say today, Mr. Speaker, that an extra 5 or \$10 dollars may not sound like much to some of the members opposite, but to many seniors it is a very significant amount.

Now some seniors have been able to adjust to these new tax grabs, Mr. Speaker, but the NDP don't just stop at an extra \$10 here and \$5 there. Does the NDP government choose instead to make seniors pay for eye exams, chiropractic care, and even worse, Mr. Speaker, up to \$380 for their prescription drugs, after standing in their place day after day when we were in government telling us how bad it was to have to pay \$75 a year.

Mr. Speaker, being a senior myself, I understand just how expensive it is to pay for the necessary medication. And, Mr. Speaker, I can assure you, sir, it's not cheap. Mr. Speaker, even after the \$380 is paid, the seniors have to pay a large percentage of their prescription drugs.

To someone who is 20 or 30 years old, paying for prescription drugs oftentimes doesn't mean much more than maybe \$50 in a total year. But, Mr. Speaker, seniors are most affected by the changes to the drug plan. Just ask, Mr. Speaker. The same people who claim seniors are having to choose between their drugs and groceries, the same people from over there, when the deductible was set at \$125, now raised it to \$380 in the blink of an eye — that quick. And I ought to ask you, Mr. Speaker, when you talk about hypocrisy, that is hypocrisy at the ultimate.

These examples, Mr. Speaker, are just a couple of the uncaring, cold deeds that this administration is carrying out.

An Hon. Member: — The NDP administration.

Mr. Britton: — The NDP administration, right. And this legislation, Mr. Speaker, is no exception. If this was the only legislation that they were bringing forward that hurt seniors, we may not make an issue of it. But, Mr. Speaker, never before has any government been as cruel to the people of this province as this NDP government.

Further proof, Mr. Speaker, of their heartlessness is the Act to amend the senior heritage fund, a fund the former government put in place to help our province's senior citizens maintain a dignified, independent life-style, a fund to help supplement seniors and senior couples to maintain their own homes.

Before the NDP government got their hands on this program, Mr. Speaker, which I have never heard anyone oppose, senior couples, gross income between 25,000 and \$30,000 a year, could receive an annual grant of up to \$350 for a couple, and \$250 for a single senior. The plan provided more funds for those seniors who were more in need. Seniors with incomes of less than \$25,000 received substantially more — about \$700 per couple and \$500 for a single senior.

Mr. Speaker, those who were living in subsidized housing found that the senior heritage fund was a necessity. And they received \$400 for a couple and \$200 for a single senior. But this government has even taken away the senior heritage money that seniors and government-subsidized housing were getting.

Subsidized housing, Mr. Speaker, those seniors who could not afford to rent an apartment or own a home of their own, let alone pay for their drugs, their bills, and their groceries — these are the people, Mr. Speaker, that the NDP don't think need a supplement to their income. In fact when I looked at the explanatory notes that came straight from the NDP Bill No. 52, it says, and I quote:

Residents of public housing where rent is geared to income are already subsidized. In the interest of fairness and affordability, the Heritage Program

will no longer be available to them.

In the interests of fairness, Mr. Speaker? That is the most ridiculous thing I've ever heard. Where is the rationale? Where is the rationale or the logic in a statement like that? Where is the help that was promised to the seniors? Where, Mr. Speaker, is the fairness of this government's actions? Well, Mr. Speaker, the notes go on to explain why subsidized seniors are no longer receiving their couple hundred dollars a year. It says:

... to significantly reduce the cost of the program, benefits must be restricted for those seniors whose rates are subsidized.

Well I don't think the members opposite can properly ... It's impossible for them to understand just what kind of a position they're placing thousands of seniors in, Mr. Speaker.

Most seniors have no place to turn, no where to turn, Mr. Speaker. And by taking away this seniors' heritage grant, this government is imposing even more hardship on those who can't afford it.

This is a sorry way to repay the pioneers of our province, Mr. Speaker. And the NDP government will be very sorry that they ever turned their backs on the senior citizens of Saskatchewan, Mr. Speaker.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, as I stand in this Assembly today to address the Bill No. 52 before the Assembly, I just want to remind the members, and back-benchers, and people across this province as I've heard over the last few days, of the fact that it appears this government continues to show its callousness towards individuals, and especially at this time low income seniors, Mr. Speaker.

Mr. Speaker, what I'm getting and what I'm hearing and even in the seniors' clubs is the fact that the government is turning its back on the people of this province. Many people are asking, well what do we do or what can we do? And I've given them the opportunity and suggested that possibly they take the time to write their minister. Certainly they can contact my office. As their MLA (Member of the Legislative Assembly), it is my responsibility to also speak out on their behalf.

Mr. Speaker, this time the NDP government is turning its back on seniors who need government's assistance, seniors — and we acknowledge there are many seniors across this province — who do not have the same means as other individuals, many seniors who are living on next to nothing. I believe the actions of the government totally contradict what this government and what the NDP have claimed in the past.

Whether the NDP were sitting on the opposition benches or hitting the campaign trail, they were telling people or they were leading people to believe that they cared. Day after day after day, Mr. Speaker, we heard the NDP claim

that they cared. They claimed that they would listen to people and that they would alleviate Saskatchewan people's tax burden. And even in the Speech from the Throne, they said that they would even consult with people before they make any drastic changes to any government programs.

They told the people of this province, Mr. Speaker, that they were the only party who cared. And they said that they were the only party that would really stand up for people, especially low income individuals, including seniors.

They used harmonization as an example of the previous government's so-called callousness — a program, harmonization of the sales tax, Mr. Speaker, which would have given the government additional funds with which to continue the programming and expand or at least solidify the programming that was available to individuals, low income earners and seniors and people of disabilities across the province. And not only that, Mr. Speaker, but also help businesses across this province.

Mr. Speaker, harmonization as I find today, many people across this province are beginning to see the fact that there are a lot of merits. And there's no doubt in my mind that, maybe even before this term of government runs out, that the Saskatchewan tax will be harmonized because I believe other provinces across Canada will do the same thing for the simple reason that it is the proper thing to do.

This government said that Saskatchewan's low income earners couldn't afford any more taxes. They said it would destroy Saskatchewan. However now that they have formed government, what have they done? They have increased every tax that exists in this province and have even created a new tax. And, Mr. Speaker, all people — young and old alike, middle-aged — are affected by the massive tax grab of this government.

(1430)

In fact, Mr. Speaker, I just want to remind the House of an item on the news yesterday. I believe it was later in the afternoon yesterday and this morning, about the tax increases that took effect yesterday, July 1, tax increases across Canada. And where did they take effect, Mr. Speaker? They took effect here in Saskatchewan, in Ontario, and in B.C. (British Columbia), as well as Newfoundland. And it's interesting to note, Mr. Speaker, that three out of those four provinces are represented by newly elected NDP governments.

And what do we see the government here in Saskatchewan doing now? They are introducing legislation that will hit the most vulnerable in our society, our low income seniors. They're not only attacking the heritage program, but even as we heard in question period today, they are attacking our seniors by eliminating funding to level 1 and 2 care — funding, Mr. Speaker, which helped many individuals who found it difficult especially when they lost their mate or partner and were single seniors living in their own homes and didn't have family close, found it a lot easier and found their existence to be a lot fairer and a lot easier on them to be admitted to low income seniors' care homes, Mr.

Speaker.

This NDP Bill will not only reduce seniors' income level for eligibility for senior citizens' heritage program but it also legislates an end to the program on December 31, 1992. Mr. Speaker, let us acknowledge the fact that this program did not provide a lot of money to our seniors in need. Maybe to the members opposite a figure of \$100 a year doesn't mean much; maybe it's just a drop in the bucket, but to people receiving this money, it was a life-preserver. It was money which they could use to buy the necessities or the gifts they needed at Christmas time or Easter. Or I'm sorry to say in most cases it was money used by seniors to provide the groceries that they needed and to pay for their accumulated bills.

Mr. Speaker, this government is ending a program that our senior citizens, many of our senior citizens across this province, depended on. Why have they singled them out? It seems like the NDP went through government programming with a fine-tooth comb. They eliminated a pension plan that was utilized almost specifically by women. And we've heard people right across this province, Mr. Speaker, speak out on that and ask the government to reintroduce the program. And I would suggest that by aiding men and women, and specifically women, build a pension plan for themselves, the government would be helping themselves in the long term, Mr. Speaker.

They reduced health care funding and hit diabetics hard through changes in the prescription drug plan. It seems, Mr. Speaker, every time we turn around the NDP are picking on the sick, the elderly, and women. Who will be the next victim? Will they be eliminating lunch programs for children? Is that the next program on the agenda for elimination?

This Bill attacks the poorest of the poor, Mr. Speaker. It hits seniors who cannot even afford to pay their rent. This Bill affects seniors residing in subsidized housing units, units subsidized, Mr. Speaker, by the federal government. The NDP are pulling the rug out from under seniors, senior citizens who have paid taxes all of their lives and now must pay for the massive tax increases imposed by this government — this government, I might add, that many of the seniors across this province came to believe. What do they get for their lifetime contribution for the government coffers? They get the Saskatchewan heritage program taken away from them, and as I mentioned, a grant which amounts to maybe 100 or \$200 a year, Mr. Speaker.

Mr. Speaker, the NDP Premier, the member from Riversdale, is sitting on a million dollar pension fund, and he is taking away \$100 from our seniors. How dare he? That \$100 may be the money they need to pay for the increase in the drug plan deductible. It most certainly wouldn't have helped if the low income senior is a diabetic. The heritage grant could have helped pay for their insulin. And, Mr. Speaker, I have had many people come to my door even very recently because of the problems they are running into with the costs of drugs and the access to funding that they find that is being taken away from them.

The NDP claim that it had to be done, that they had to do it to cut expenditures in an effort to battle the deficit. They cut programs like the Saskatchewan Pension Plan and the seniors' heritage program — programs created to protect and to provide for those with no other means at their disposal.

Why didn't they look harder at alternatives? Mr. Speaker, cuts could have been made that wouldn't have bled people dry. Why didn't the government take a look at cutting arts funding? They are providing money to Saskatchewan people to go to Germany to read poetry. But, Mr. Speaker, they won't provide \$100 to a senior citizen who makes \$22,000 or less, a senior who lives in subsidized housing. I believe, Mr. Speaker, this to be preposterous. It is obvious that no one is thinking these actions through, Mr. Speaker.

What is this government? What are these people trying to do? What will the government put in place to make sure these senior citizens are going to be taken care of? It seems to me that the government has taken away an amount of money almost equal to new taxes these seniors will be paying on their income.

Let's look at the new NDP tax, a 10 per cent tax on a tax. The NDP are taking money away from those who have no money to give. They are taking money away from seniors with this Bill, with utility rate increases, with the income tax hike, with the E&H (education and health) tax increase, with the increase in the drug plan deductible, with the user fees in optometric and chiropractic services. And, Mr. Speaker, what is next? An NDP-appointed tax collector to hunt down seniors who have nothing more to give?

I would ask the NDP to reconsider what they are doing with this Bill. Saskatchewan's low income seniors depend on this money to help them through those tough times. With the ceiling put on, who can apply? It is obvious these people who have no other means.

Mr. Speaker, I repeat, this Bill affects the poorest of the poor in our province. What have they left after the NDP government destroys the seniors' heritage program? Mr. Speaker, certainly there are many other areas that we will be bringing up as we get into further discussion on this Bill, and I thank you for the opportunity to speak this afternoon.

Mr. Boyd: — Mr. Speaker, I think it's very unfortunate that we are forced to debate a Bill of this nature in the Legislative Assembly, Mr. Speaker, a Bill that will affect those who are so desperately in need of government assistance.

No one can deny that our low income seniors are the most deserving of government intervention and attention. They are residents who have put most of government into government coffers over the years, Mr. Speaker. People who have worked their entire lives and paid taxes in this province now will be at risk. Think about all of the years that these people have contributed to the province via the taxation system.

Now, Mr. Speaker, these seniors who are already having

a difficult time making ends meet because of their income level, these same seniors must now stretch their limited funds even further because of the NDP massive tax grab. These seniors are not exempt from increases in telephone rates, power rates, or natural gas rates, Mr. Speaker. All of these essential services are examples of additional monies these people will have to pay out of their limited income.

They are not exempt from user fees for chiropractic or optometric services, Mr. Speaker. And now this Bill shows that they are not exempt from being victimized by this NDP government, Mr. Speaker. Low income seniors now have joined the ranks of all of the others that have been harmed by this NDP government.

This government continues to grow. Soon, Mr. Speaker, we will find that all of Saskatchewan residents have been bruised by the NDP government, this so-called, on-track budget. Senior citizens have been singled out to pay for the NDP blow to the deficit. The Minister of Finance says cuts were necessary because there was a deficit, so we must all feel the pain. I dare say that cutting programs in place to protect low income seniors is not an appropriate place to start, Mr. Speaker.

I'm sure that no one in this Assembly would say that the senior citizen heritage fund was an extravagance. My goodness, Mr. Speaker, what kind of money did it provide to eligible seniors? A figure of around \$200. That's what it provided, around \$200, Mr. Speaker. Is the elimination of this program going to save the government money, money that will be redirected to the deficit, an amount of money that will make a significant difference? Not likely, Mr. Speaker.

Rather this action will likely in the end, result in costing the province money. It will cost more money because this Bill will force low income seniors onto the social assistance rolls. We are absolutely sure that's what's going to happen, Mr. Speaker. The numbers on social services are sure to swell under this NDP government.

Mr. Speaker, the senior citizens' heritage fund was not an expensive program to maintain. It is one of those programs destroyed because the NDP said it is necessary in order to achieve financial stability. I ask the members opposite, who made this disastrous decision? What do you think the elimination of this program will do to the financial stability of our seniors — low income seniors who are living on nothing but perhaps Canada pension? What does it do to these people? They are not just people who are applying for a program just because it is there, Mr. Speaker. It was an income-based program.

Not only have the NDP members opposite decided to eliminate it after December 1992, they've even reduced the income level which determined eligibility. They reduced the number of seniors who will be able to access this small amount of money the same year that you are outright eliminating it. It seems ironic that the date set to eliminate this program is December of 1992. It should be a real good Christmas present for the seniors of this province — the elimination of this program.

Mr. Speaker, the members opposite should have some

compassion about this. Saskatchewan seniors should be protected. They should not have to bear the brunt of the NDP government's budget, a budget that was clearly not very well thought out. The NDP budget eliminated a lot of programs. But aside from announcing the programs would end, no alterations were put in place.

There is no plan of action, Mr. Speaker. There is no plan of action for the seniors of this province. The members opposite claim they will be protected. You're taking away the senior citizens' heritage fund. What is being put in its place? Absolutely nothing, Mr. Speaker, absolutely nothing being put in place for the seniors of this province. How are you going to protect them? How long will the seniors of this province have to wait for government action, Mr. Speaker?

Social assistance is not the answer. Our low income seniors are making ends meet, but it's tough. But they are making ends meet. I know many seniors in my constituency who accept the heritage grant because it is a grant, Mr. Speaker. These people, and I know them well, would not accept social assistance. They've worked hard all of their lives. They are of a different generation, a generation which feels shame at having to accept social assistance. They do not want to have their hands out. They do not want to continue on living their . . . They want to be able to continue to live their lives with dignity. That's how they feel, Mr. Speaker.

Not only is this NDP government using this Bill to strip senior citizens of desperately needed cash, they are also stripping our province's seniors of their independence. The heritage fund gave our seniors that little extra, a little bit extra to spend on what they please, although it was probably spent on the necessities that they needed to maintain their lives. Or it may have been also spent on things like treating themselves to something a little bit extra or probably, in a lot of cases, spent on their grandchildren.

Think about it, Mr. Speaker. I would encourage this NDP government to review this Bill before they outright eliminate it for the seniors of this province.

Some Hon. Members: Hear, hear!

Mr. Boyd: — At this time, Mr. Speaker, I'd like to adjourn the debate on this Bill.

Some Hon. Members: Hear, hear!

Debate adjourned.

(1445)

COMMITTEE OF THE WHOLE

Bill No. 13 — An Act to amend The Adoption Act

The Chair: — Would the Minister of Social Services please introduce her officials.

Hon. Ms. MacKinnon: — Yes, Mr. Deputy Speaker. It is a great pleasure to introduce Dan Perrins, associate deputy minister of Social Services; Bonnie Durnford, manager of

child protection services; and Tara Truemner, legislation manager of Social Services.

I would like to make some remarks before the questioning begins. Mr. Deputy Speaker, I'd like to respond to the comments made by the member from Arm River, because I think his comments are misleading to say the least.

First, Mr. Chairman, I want to clear away some confusion that was introduced by members opposite in respect to amendments 5 and 6 of The Adoption Act. These amendments relate to the confidentiality of adoption information.

What I want to make very clear is, amendments 5 and 6 do not represent any change in policy or practice related to the storage and release of adoption information. Amendments 5 and 6 are strictly housekeeping amendments that were recommended by solicitors at the Department of Justice simply to clarify the relationship between section 18 of the Department of Social Services Act and confidentiality provisions in The Adoption Act and The Child and Family Services Act.

In addition, Mr. Chairman, I want to make it absolutely clear that these provisions have nothing to do with the investigation of child abuse. These provisions relate only to civil law matters. An offence such as child abuse is a criminal matter. The department would have no choice whatsoever in terms of people testifying in a criminal matter such as child abuse.

So to repeat, the member from Arm River is totally misleading the public when he suggests that the Minister of Social Services has any power to decide whether anybody can testify or not testify when it comes to an issue such as child abuse, which is a criminal offence. Amendment 6 on non-compellability simply transfers an existing clause in The Department of Social Services Act, specifically clause 18(2).

The members also talked about the lack of consultation with agencies. Again the members opposite were mistaken. With respect to the two major amendments which make changes to the legislation, the following groups have been consulted: the Saskatchewan adoptive parents association, Royal University Hospital social services and legal department, Christian Counselling Services adoption program. All of these groups, Mr. Chairman, have expressed approval for the two new provisions. The two new provisions provide first, for counselling to be provided to birth parents, and second, that mandatory reports for the courts be conducted by qualified professionals.

I was concerned with the line of questioning and the line of attack mounted by the members opposite concerning amendments 5 and 6, regarding the minister's authority to release information, referred to by the members opposite as "sweeping powers of the minister". Let me make a few comments.

They either do not understand that the changes proposed are strictly housekeeping — that in fact the changes are exactly the same as was in the legislation when they were in government — or they are trying to deliberately

mislead the House and the people of Saskatchewan into believing the government is trying to change the intent of confidentiality provisions related to adoption.

To make this point, I would like to read the previous provisions of the Act and the current provisions. I would like to remind the members opposite that The Adoption Act was assented to on August 25, 1989, when the members opposite were government and was proclaimed as law on December 1, 1990.

I would like to quote from Bill 96 of 1988 when The Adoption Act was first introduced. At that time subsection 21(3) read as follows:

The director, every agency and every person who provides services . . . or administers this Act or any provision of this Act shall preserve the confidentiality of all documents in (his or their) possession . . . that relate to an adoption and, except as . . . provided in (section 30), those documents are not available for inspection by any person without the prior written consent of the minister.

I would now like to read the legislation that we were proposing.

. . . the director, every agency and every person who:

- (a) provides services pursuant to this Act;
- (b) administers this Act or any provision of this Act; or
- . . .

shall preserve the confidentiality of all records in the possession of the director, agency or person that relate to an adoption or to anything done pursuant to this Act and, except as otherwise provided in this Act or the regulations, those records are not available for inspection by any person without the prior written consent of the minister.

What the members opposite should notice is that the wording with respect to the powers of the minister is virtually identical to the wording that was in place when the members opposite were government.

I would also like to quote from subsection 21(3) of Bill 9 of 1989, introduced when the then minister of Social Services, the former member from Melville . . . Subsection 21(3) states:

The director, every agency and every person who provides services pursuant to this Act or administers this Act or any provision of this Act shall preserve the confidentiality of all documents in the possession of the director, agency or person that relate to an adoption and, except as otherwise provided in this Act or the regulations, those documents are not available for (the) inspection by any person without the prior written consent of the minister.

Again, the wording is virtually identical — the powers given to the minister the same as when the members opposite were in government.

The members opposite will find the same is true if they compare section 18(2) of the Department of Social Services Act, which was in effect when the members opposite were government, with the proposed legislation before them today.

Just to clarify the matter, I will read into the record subsection 18(2) Department of Social Services Act*, the legislation in place when the members opposite were government:

Neither the minister nor any person serving on a board or committee appointed by the minister under this Act or any other Act administered by the department, nor any member of the . . . department shall be;

(a) compellable to give evidence in respect of:

- (i) written or oral statements made to him;
- (ii) knowledge or information acquired by him; in the performance of his duties;

(b) required to produce any written statement mentioned in subclause (a)(i) at a trial, hearing or other proceeding.

Let me also read into the record the provision that we are proposing:

The minister, officers and employees of the department, agencies, officers and employees of agencies and all other persons who are employed in or assist in the administration of this Act:

(a) are not compellable to give evidence with respect to:

- (i) written or oral statements made to them; or
- (ii) knowledge or information acquired by them;

in the performance of their duties pursuant to this Act or any predecessor to this Act; and

(b) shall not be required to produce any written statement mentioned in subclause (a)(i) at a trial, hearing or other proceeding.

My point is quite simple. The sweeping powers that the members opposite speak of are exactly the same powers that were in effect when the members opposite were government. There is simply no change.

Let me speak just briefly about the intent of the provisions that were in place when the members opposite were government and continue to be in place today. The intent on the one hand is to protect sensitive information gathered in the course of doing a home study in an adoption.

To cite an example. In the course of doing a home study for an adoption, members of the Department of Social Services would acquire very sensitive financial information, not just about the family, but if it was a family business, about other members of the family. What this legislation does is it allows the department to decide not to have a member of the Department of Social Services called as a witness in a civil case such as a divorce proceeding when there is a dispute over assets — a divorce proceeding that perhaps doesn't even affect the family involved, but if it was a family business affects another family member.

As well there is a long history of ministerial discretion which goes back almost 40 years in legislation with respect to the release of information, because there are times when it is necessary to release confidential information.

Let me give you an example of such a situation. Such a situation would be, say, an adopted child with a very serious, life threatening disease. The child requires a bone marrow transplant. And they request the minister to reveal the names and locations of siblings so that a bone marrow transplant can occur. It is only under such life and death situations that a release of information would occur.

The situation, let me stress again, is the same now as it was when the members opposite were government, and will continue to be the same if this legislation is passed.

Now when it comes to the changes, the members opposite suggested a legal opinion would be a good idea. And I can tell you, I have a legal opinion from the Department of Justice. I quote from that opinion. The opinion states:

The amendments proposed in section 21 and 21.1 of *The Adoption Amendment Act, 1992* do not constitute any change in the law prescribing the Department's practice or policy.

I will table that document.

Once again, Mr. Chairman, amendments 5 and 6, which are under debate today, make no changes in the intent or practice of the legislation. These two amendments are simply of a housekeeping nature. What these amendments do is they consolidate the rules relating to adoption in one piece of legislation.

Without these changes, Mr. Chairman, confidentiality and provisions for release of information will be governed by three different pieces of legislation, including The Department of Social Services Act, The Child and Family Services Act, and The Adoption Act.

The powers afforded the minister in amendment 5 have not changed from powers given to previous ministers. Amendment 6 simply transfers to The Adoption Act the provision already contained in section 18 of The Department of Social Services Act.

There are two new provisions of the Act and they are with respect to counselling for birth parents. And they are with

respect to the need for home studies to be done by qualified people. There has been consultation with respect to these amendments. There is widespread support. I hope that there is no reason why the members opposite would oppose these positive changes. Thank you.

(1500)

Mr. Muirhead: — Thank you, Mr. Chairman. The minister stands to her feet and she gets very insulting and says how terrible people we are over here. And it's not that way, Madam Minister. If you can prove to me that there's no . . . and to the members of this caucus that there's no sweeping powers and there's no changes that's going to affect the people of the province of Saskatchewan, you won't have any trouble with us.

But don't stand there and just read off statements and then say that the member from Arm River was deliberately misleading. Now I don't understand how come the Chair didn't pick that up when you said the member from Arm River . . .

The Chair: — Order. Is the member raising a point of order with respect to language in the House? And if so, then the member should state his point of order clearly.

Mr. Muirhead: — Yes, I'm stating a point of order that the member said — and perhaps she didn't realize it — but she did say, as far as my colleague is concerned, that the member from Arm River was deliberately misleading.

The Chair: — I appreciate the member bringing this to my attention. The Chair did not hear that language. The Chair will endeavour to check the record. If in fact those words were used, they would be deemed unparliamentary and the Chair will be making an appropriate ruling at that time.

In the meantime, I suggest that we proceed with consideration of this Bill and I will intervene and make an appropriate ruling when I review the record.

Mr. Muirhead: — Thank you, Mr. Chairman. Yes, I appreciate that. And if it turns out that the record says that that's not correct, then I give my apologies because I have to say myself that I didn't, Mr. Chairman, I didn't hear it, it was my colleagues that heard it. And that's why I put the point of order in. If it turns out it isn't right . . .

Madam Minister, you were just saying that there's . . . you've read off a lot of information there, and it's hard for me to follow it when you were reading it. But I would like in your own words, just in your own words, to summarize the intent of the Bill and from whom the request came from to have this Bill brought before this House. There has to have been some request some place, from some groups of people or whatever, or this Bill would not have come forward to the House.

Hon. Ms. MacKinnon: — As I mentioned to the member opposite . . . and we don't have to have the Chair check proceedings. If I said "deliberately mislead", I apologize. What I meant to say is the comments were misleading. So that we can have that written into the record. If I did say

“deliberately mislead”, that was not my intent. The comments were misleading.

The Chair: — Order, order. If the member is saying that she said that, then I invite her to withdraw the remark and therefore clear up this matter finally.

Hon. Ms. MacKinnon: — I probably did say that because when I look at the remarks, it says “deliberately mislead” and I apologize for that. My intention was that the remarks were misleading. Okay?

But to get back to your question . . .

The Chair: — I invite the member to withdraw the remark.

Hon. Ms. MacKinnon: — I withdraw . . . (inaudible) . . . for the record. To get back to your question, the changes were requested by Saskatchewan Adoptive Parents Association, Royal University Hospital social services and legal department. Christian Counselling Services adoption program was also consulted.

The changes — what is new about the legislation — is two things. Up until now, a birth parent giving up a child was required to have legal advice; that’s all. What we are saying in this legislation is that the birth parent would require not just legal advice about the implications of giving the child up for adoption but more broad-ranging advice about the implications, perhaps social or psychological, of giving up the child for adoption, and also counselling about alternatives. So that’s the first change.

The second change is now if a couple is going to adopt a child, a home study has to be done. That’s the existing provision. The change that we’re proposing adds another dimension which is that the home study has to be done by a qualified person. So it’s ensuring that if a home study is going to be done, the person who’s doing the home study is a qualified person.

The other changes are merely housekeeping changes recommended by the Department of Justice to tidy up the legislation so that, as I said in my opening remarks, we do not have provisions with respect to confidentiality in three different Acts. We have it all consolidated in one Act. They recommended this, and they recommended that it would not only be easier but it would be more consistent with freedom of information and protection in privacy legislation.

Mr. Muirhead: — Thank you, Madam Minister. I’d just like to respond on a letter that was just handed to me, written by you, Madam Minister, on June 15. I haven’t had a chance to read it because it was just handed to me by the pages now. And I’ll just read the first paragraph.

I’m writing to you regarding the intent of the adoption amendments Act with reference to the confidentiality and non-compellability clause . . . and you go through it to say some of the things to clarify. I’m just wondering why I couldn’t have had it prior to just you and I being in consultation here now. Was there some reason I just got it now?

Hon. Ms. MacKinnon: — No, and all that does is it just gives you your personal record of what I said today. It just goes through the different provisions of the legislation and how what we’re doing now is exactly the same as what was done previously.

I would point out to the member opposite that critics have . . . you have changed your critics. The member from Rosthern got a letter from me with respect to these provisions and I would have hoped that he would have shared that with you at an earlier date.

Mr. Muirhead: — Anyway, Madam Minister, when I asked you in your own words, what are the groups of people that wanted to have this here Bill brought forward to this House and what was the reason for it, and you said one change would be that there must be qualified people that are going to visit with the prospective parents and whatnot. What gives you the idea and where’s been the complaints that there hasn’t been qualified people in the past?

I mean I’ve been involved and my family with adoptions back for a good many years, and I’d just like in your words to tell me . . . That’s an easy statement to stand here and say yes, we must have qualified people. And I agree with you, you must have qualified people to discuss these things with prospective parents. But that’s just an off-the-cuff statement. It’s not enough to bring a Bill towards the House.

What was wrong with the people we had before? Are you saying that the people that have been involved with visiting with parents for the last 5, 10, 20, 30, 40 years haven’t been qualified?

Hon. Ms. MacKinnon: — Yes, I’d like to inform the member opposite that this change was required because there has been an increase over the years in independent adoptions. In the past, virtually all adoptions were done by the department and we knew the people who were doing the home studies.

We want to ensure that there’s conformity of practice throughout the piece and that there are similar rules regarding independent adoptions as there are with respect to adoptions done by the department.

Mr. Muirhead: — What are these changes? Can you tell me exactly what these changes are that these people have to . . . what qualifications they have to have that are different than were before? I know of families that have applied for adoption and taken up to three to four or five years to obtain a child and had to go through, you know, some very, very many meetings with Social Services and a real look into their family affairs. Now I’d like to know what you’re saying here. I don’t understand it.

Hon. Ms. MacKinnon: — These changes in fact will speed up the process because what it does is assists the court, so that the court can take the information from the qualified person and use that in the adoption.

It makes it easier for people as well because the Department of Social Services will provide services free

to individuals.

Mr. Muirhead: — Madam Minister, maybe this is something we don't need to be discussing too long. But you're saying now it will speed it up, and you never said that before in your remarks. And these are the details we'd have to get into because I'm quite satisfied that I've never heard complaints from people that needed to be speeded up. They wanted the adoption itself after they're qualified — they want that speeded up.

But that's because we have so many abortions in this province that there's not many babies left for adoption. And you're part of a government that encourages abortions. So, you know, that would be the easiest way to speed up adoptions is to make more babies plentiful for adoption. But . . . and I'm not sure of your individual stand on that, Madam Minister. Maybe you're one of the four or five people that are in favour of saving the little children on that side but haven't had the fortitude to be able to stand up in this House and wouldn't be able to say what they even think. There's four or five over there I know that believe that, but we don't need to get into that. But you were saying they'll speed it up.

Now you still haven't said to me, Madam Minister, you haven't said that the qualified people that dealt with people prior, what the improvements are going to be. Just speeding it up doesn't change anything. What are their qualifications? Because I have never had a complaint yet that when you went through Social Services to adopt a child, that people didn't . . . nobody complained that their people weren't qualified. Now if there's going to be more qualified people, are they going to be different people? Are they going to have different training? Or what is the process here? Because you're not really explaining the process.

Hon. Ms. MacKinnon: — What we are doing is we are ensuring in the case of independent adoptions that a home study has to be done — this is new — a home study has to be done by a qualified person. Our intent is to ensure that every child that is adopted into a home in Saskatchewan has, to the best of our ability, been a home that has been checked out and is a safe and secure home. This was not the case . . . we did not know that this was the case previously because independent adoptions did not have to have such home studies done by a qualified person. Okay, so that's the change.

What also is true though is that applicants are being given a choice. They can have a home study report done by the department without cost, or they can go to an independent adoption practitioner who can do the report. But the person has to be trained and approved by the director, the regional director.

Mr. Swenson: — Thank you, Mr. Chairman. Madam Minister, in an earlier response to my colleague when you were talking about the sections of the Bill dealing with compellability in court, did I hear you correctly, say that in the new Act all items are withheld whereas the old Act talks about oral and written? Is that the response I heard from you?

Hon. Ms. MacKinnon: — No, what my response was, is if

you take the legislation which existed before the legislation, the powers given to the ministers under the previous administration were the same as the powers that are now available to this administration. And I submitted a legal opinion to that effect.

Mr. Swenson: — Because I know, Madam Minister, your reservations about for instance, a divorce proceeding and things that may arise in a divorce proceeding, but I think that perhaps when we're talking about civil actions we would want to differentiate between civil and any criminal proceedings. And your responses that I've seen at present don't differentiate between them, and I think it's an important point that you clarify that.

Hon. Ms. MacKinnon: — I clarified that in my opening remarks. I said that with respect to criminal matters, the Department of Social Services, the Minister of Social Services, has no discretion at all. The criminal law supersedes any civil legislation, so that when it comes to a criminal trial, the Department of Social Services, the Minister of Social Services simply has no discretion. People have to testify because it's covered by the Criminal Code, which is legislation which supersedes this legislation. This applies only to civil cases.

(1515)

Mr. Swenson: — Then why in the previous Act was there that stipulation on either oral or written comments? Why was it deemed necessary at the time to have that provision in there?

Hon. Ms. MacKinnon: — It's very simple. It's just to cover two kinds of information — information that may actually be written down by a social worker or someone else, or information that may be conveyed to the social worker orally and the worker has knowledge of that.

Mr. Muirhead: — Madam Minister, the main concerns that I have about this Bill is that back in about 1980-81, we had an adoption Bill come before this House. And we went through the same kind of things we're going through today — not in Committee of the Whole. But the minister said the same things, that it was just no powers to a minister and The Adoption Act wasn't going to be changed and it wasn't going to open up prior adoptions.

But when we got into having meetings, Madam Minister, throughout the province, because I advertised at that time about consulting with people . . . you had the same sin then as you have now — you didn't consult with people.

And I'm not saying that you didn't get words from certain people here. But I did get a commitment. But I'm going to tell you where that commitment came from. When I was talking on second reading, I said that I'd like to know who this government consulted with. And the Minister of Justice was sitting in his seat. And I said if I let second reading go as I'm speaking — you weren't here, Madam Minister — and he nodded from his seat that there will be consultations before this would come back to the floor of the House and Committee of the Whole. Can you tell me what further consultations you've done with people throughout the province of Saskatchewan, letting them know . . . advertising to let them know this here Bill is

before this House?

Because — just before I'm through, Madam Minister — the fear that people have is if in this Bill, some hidden place in this Bill, some hidden words that we don't understand and . . . I don't trust you. I'm not saying you as an individual, Madam Minister; I don't trust your government. Because you've had . . . well we've just had a real example of it, of this Bill that had the bells ringing here for 18 days, and you're not a trustworthy government. And we might as well face that, that the people don't trust you out there.

And if there's . . . Before this Bill is going to pass Committee of the Whole, I'm going to have you, and I'm going to have you on the record, saying all these things. You're on the record now, Madam Minister. You're on the record of saying very clearly that there is absolutely no more ministerial powers in sections 5 and 6 than there was before.

So if you're on the record saying that, that's an accomplishment that we have because that's where we thought that you had some extra, sweeping powers. But if you're on the record saying that it hasn't and then all of a sudden you use some power from your minister's office, then you'd be the one that would be misleading the people of the province of Saskatchewan, Madam Minister.

So I'm asking you who — since this Bill was here in second reading — who and what groups have been consulted or have you advertised or whatever to let the people of Saskatchewan know? Have you done anything prior to second reading on consultation on this Bill?

Hon. Ms. MacKinnon: — Mr. Chairman, I simply can't do anything about the member opposite having no trust in the government except to say that I don't think it's a view shared by people out there.

I have written into the record today the proposed legislation that we are putting forward. And I have written into the record . . . have read into the record today the legislation as it existed when the members opposite were government. Surely that is enough assurance that there is no change. It is there for all to see and all to read.

The changes are of a minor nature. The changes are positive changes. The changes are simple. Counselling will be provided to birth parents so that they are aware of the very important decision that they are making. The second change is that all adoptions, whether they are government adoptions or private, independent adoptions, will require a home study done by a qualified person to ensure that all children who are adopted in this province are put into safe homes in so far as the government has the capacity to guarantee that. We have done our utmost.

These are changes that were discussed with the three major groups involved, and I think that I find and I think the people of the province will find that quite adequate.

Mr. Muirhead: — That's easy for you to say, Madam Minister, that it hasn't been done right in the past, that

there haven't been qualified people that have visited with prospective parents that are wanting to adopt children. You say that hasn't been right before but it's going to be better now. And you know, that sounds nice for you to stand up here and say that, but you evaded my question.

My question was to you: before you brought this Bill back to the House in committee, who have you consulted about the Bill and assured that what you're saying in this House is factual, Madam Minister? Who has been consulted since the second reading on this Bill till it was brought back into committee, because I was told it wouldn't be back into committee until there was consultation on this Bill? Who have you consulted?

Hon. Ms. MacKinnon: — Mr. Chairman, I've consulted with the Department of Justice with respect to the changes. I would also like to read into the record a letter from the Saskatchewan Adoptive Parents Association. I will read:

. . . we sincerely thank you for consulting with our executive on several adoption issues. We support the Department's efforts in the Area of Intercountry adoptions and changes to The Adoption Act regarding independent adoptions as far as it goes. We appreciate your response in the area of permanency planning and the goals set out in search of permanent families. We continue to emphasize that children not be detained in the system either as foster children or permanent wards any longer than is absolutely necessary. We are aware of the Department's support of our proposal for funding, and look forward to input from your office . . .

Signed by the president of the association.

Mr. Muirhead: — Madam Minister, would you give me a copy of that letter, please? I'll enlarge a little more while I'm getting that letter. I guess what I want to know is the date on that letter. Do you remember what the date on that letter was, Madam Minister?

Hon. Ms. MacKinnon: — It was May 13, 1992.

Mr. Muirhead: — Then how was that to be . . . slipping that in to be since we've had second reading in this House. That's not since the second reading, I don't believe.

Hon. Ms. MacKinnon: — I would suggest, Mr. Chairman, that the best time to consult with people is before you draw up the legislation, not after. Certainly the practice of this government is to consult before we draw up the legislation, not after.

Mr. Muirhead: — Madam Minister, I'm afraid you can sure tell that you've been new in this game because that's exactly what this government over here has been famous of doing — just draw up the Bill and hope for the best. You had your consulting done before. We had the bells ring on a Bill here for 18 days, and boy, we sure got some explanations from rural Saskatchewan, or all over Saskatchewan how wrong that Bill was, even urban people. So maybe it's the same thing here.

I asked you . . . I said in my remarks in second reading, that in second reading, who have you . . . I just asked the question. We weren't in a position, Madam Minister, where we could get replies and ask questions at that time. But I said it very clear that I don't trust this government, the same as I didn't trust them in 1980, because this Bill was in the same position in second reading when it got pulled.

And that's why I addressed my remarks in second reading — because you weren't here, Madam Minister — and I addressed them to the Minister of Justice. What I'm talking about was the prior minister of Justice who is now the Premier, when we wrote letters throughout the province, we advertised in public papers about The Adoption Bill, and the now Premier had approximately 10,000 letters came in. And he stood up in the House — naturally he didn't give the member from Arm River any credit for it, but I'm the one that was responsible for it — but he said, we've had so many requests we're going to pull the Bill.

So it's these things, when this government has to have one Bill pulled, The Adoption Act Bill pulled in 1980 or '81, whichever year it was, then you slip it in again now, that's why we don't trust you.

Can you stand to your feet, Madam Minister, and tell me, how will this affect a child that was adopted prior to this Bill coming in force? How will it affect them whatsoever, any child that's been adopted prior to this Bill coming in force?

Hon. Ms. MacKinnon: — Mr. Chairman, this is the kind of questions that I find really concern me. There is simply no comparison between this legislation and what happened in 1981-1982. There will be no change. No, there will be no change at all with respect to adoption — the rules of adoption, the confidentiality of information with respect to adoption.

I tell you, what I can't honestly understand is whether you don't understand the legislation that we're proposing, or whether that you're trying to raise unnecessary fears. This is very routine legislation which has no relationship whatsoever to what happened in 1982. I have consulted with the Department of Justice to clarify that opinion and they said yes, they stand by it, no problem — since the last sitting. That is all that is appropriate for routine changes like this.

Mr. Muirhead: — Thank you. I appreciate that remark, Madam Minister, and I'd just like to have it on the record though. Will you say it very clearly that this Bill, Bill 13, The Adoption Act, will not affect in any way whatsoever, adoptions prior to the coming into force of this Act?

Hon. Ms. MacKinnon: — Yes, Mr. Chairman. This Bill, Bill 13, will not affect in any way whatsoever adoptions that occurred prior to this Act.

Mr. Muirhead: — I appreciate that because that's exactly what I wanted. And if that's the case, I do have a few other . . . like if, Madam Minister, I will say that if there's . . . I want to put this on the record. If there's changes and

you're going to improve the qualified people, if they are going to be qualified that's going to be visiting and going into the homes and visiting with people that are going to do . . . are coming into new adoptions or looking for parents that are wanting to adopt children and are visiting with them, and that's going to be improved, I have no qualms whatsoever if anything changing from this day on. I haven't got any qualms with it as long as it's for the betterment of our children and our adoptive parents.

I have no problem with that, as long as there wasn't going to be something here that I didn't understand or I couldn't see. And I'm not a lawyer like . . . I think you're a lawyer, Madam Minister. But I don't read Bills like you do, and I have to trust you. And I am trusting you to say that it doesn't affect past adoptions.

So if that's right and if anybody adopts is under new rules, there's no problem with me with that. If you adopt under the rules today and whatever it be, whatever your criteria be in Social Services or for private adoptions, whatever the rules are today and people adopt under those rules and regulations, then they adopt under that criteria of today.

I just wanted your assurance and you gave it to me, and I thank you for that, that there'll be no prior changes to the Acts. And I thank you. If somebody else has any questions.

Mr. Toth: — Yes, thank you, Mr. Chairman. Madam Minister, I believe it was about four or five years ago the Christian adoption agency was given the responsibility of providing adoption services. It certainly had been involved in working on and providing adoptions in the province over a period of years. And I believe this agency has indeed done a commendable job in working with parents, working with young mothers who were looking for homes to adopt their children to or to find parents that they would be very comfortable to have raise their children.

In fact in my constituency itself, Madam Minister, I know of two particular cases where parents had worked for a number of years in trying to have a family. And that process went through the adoption process and after about nine years went through this agency and adopted a child and then were called a year later by the agency asking if . . . the mother who had mothered the first child was again pregnant and wanted the same couple to raise her second child.

What I would like to know, Madam Minister: is this agency going to be given the ability and the powers to continue to provide adoption services in the province?

Hon. Ms. MacKinnon: — This legislation doesn't affect that issue at all.

Mr. Toth: — I guess I should ask one more question. Where the legislation may not affect that particular question, but I just want the assurances that they will be continued to have the same ability to work and to provide the adoptive services they have had over the years in the province of Saskatchewan.

(1530)

Hon. Ms. MacKinnon: — Well as they said it's not relevant. This legislation doesn't change that situation in one way or another. So that question is not relevant to this particular debate. You may want to ask it in another context.

Mr. Muirhead: — Thank you, Mr. Chairman. Now just to clear up any misunderstandings, Madam Minister. When you first came on you said that I said some statements that were misleading. If you think that I did say statements intentionally misleading, I want to apologize to you because I don't do things like that. I really don't. If I thought that this Bill was meaning something different than it was, I still don't see it in the Bill written here black and white and a letter that you wrote me and making some explanations.

But what I am doing is taking the word under oath from the minister today, and I accept that. I accept that, and we'll let that pass be. And if there's anything I said, Madam Minister, I apologize to you and we'll let the Bill go.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 14 — An Act to amend The Child and Family Services Act

Clauses 1 to 5 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 28 — An Act to amend The Revenue and Financial Services Act

Hon. Mr. Tchorzewski: — Thank you, Mr. Chairman. And indeed I would like to introduce my officials. On my right is John Wright, the deputy minister of Finance. To my right and behind the deputy minister is Gerry Kraus who is the Provincial Comptroller, and immediately behind me is Len Rog, assistant deputy minister of the revenue division.

Clause 1

Mr. Toth: — Mr. Chairman, I would just like to maybe ask the minister what the full intent and purpose of this Bill that's presented to the House.

Hon. Mr. Tchorzewski: — Mr. Chairman, I could go through the comments that were made in the second reading. The changes here are . . . there's a number of them. One is to repeal a provision which permitted the vendor to avoid obligation of collecting taxes on the sale or the purchase, of E&H tax. Most of these provisions have been in since April 1, 1991. They were implemented by the former administration but because, as the member will recall, the legislature did not continue, the legislative revisions weren't provided. So we're now providing the legislative provisions in order

that it can be legally done correctly.

Other changes. There's some changes to some procedures in the comptroller's office. The major change will allow the Provincial Comptroller to examine payments either before or after payment is made, creating significant payment processing efficiency. This has been requested by the Provincial Auditor. The Provincial Auditor supports this change and encourages it.

There's also an amendment to ensure that people who are members of the Municipal Board are also members of the Revenue Commissioners. That's always been the case. But what has had to happen is that there has had to be an order in council making this provision. We're putting into the legislation what has been in practice, by order in council so it's done automatically. Basically those are the major amendments that are on the Bill.

I missed one other change which would be of interest to members. It's a very positive change and that is, businesses are able to obtain a deduction for the tax portion of their bad debts. As you know businesses collect education and health tax, and in the past before about a year ago, they would be liable for the tax even though the goods may not have been . . . even though they may not have been able to collect the payment. Now that exempts them so that they are not saddled with that extra burden on the tax side. Once again, this is something that's been in effect for a little over a year, and we're just simply bringing in the appropriate legislative amendments to put it into the legislation as it ought to be.

Mr. Toth: — First of all, Mr. Minister, regarding the appeal process. How does the appeal process work? And how will that affect small businesses?

Hon. Mr. Tchorzewski: — There's no change here in the appeal process at all. It stays the same as it always was.

Mr. Toth: — This appeal process you're talking of, and I believe this is talking of the education and health tax besides revenue collected on education and health tax, would this affect businesses such as small liquor vendors who have sold, taxed, and unknowingly have collected the — let's see, what was it? — collected the tax and then had the hotelier as well, when they put the product on the market, pick the tax up? And so there's actually a double tax has been collected. I know a number of small businesses in my area are out money because they didn't pick up the fact that they shouldn't have been charging the tax and then they're out some. And I'm wondering if this affects individuals such as that.

Hon. Mr. Tchorzewski: — Okay, I think I understand the question. In the cases of the bad debt, if you the vendor, the vendor sells goods for a hundred dollars to somebody and is then unable to collect on that sale, then the vendor will not be liable for the E&H tax on that sale. That's the change that was brought in and has been in place now for the last year, a little over a year, and all the legislation does is legislatively puts that into place.

Mr. Toth: — Okay, I can appreciate that because I was going to come up with a question to address the bad debt there. But just to maybe try and clarify a bit. What I was

trying to bring forward, Mr. Minister, and certainly we've brought forward to the Department of Finance is the fact of taxes being collected on liquor sold by the vendor and then as the liquor is moved through the . . . this is on liquor sold to a hotelier. And then the hotelier . . . my understanding is in talking to the vendors is that the vendors didn't realize they didn't have to apply the tax there because it would be applied as it's sold in the hotel, and so there was a double taxation and in many cases many vendors ended up with thousands of dollars that they had overtaxed that they shouldn't have been taxed on. And I'm wondering if this addresses that question.

Hon. Mr. Tchorzewski: — I'm not sure I still have the right answer because I'm not sure I have the right question. But the way it was explained to me, in cases where the vendor has sold and collected tax and paid the tax, there used to be a provision where they could claim for a refund going back three years. What this Bill does is extends that period so that they can now go back four years.

Mr. Toth: — We're getting back to . . . Now I'm starting to understand a little more myself as well. That's the question.

The other question that comes up is the fact that some of these vendors have been in the process of appealing. And I guess that's where I'd ask. The appeal, one in particular that has come up in my area, in the Maryfield area, I think it's D and K enterprises. I'm not sure if that's the exact name but I believe they have six years of back tax. They have received the first three and of course they're waiting for this Bill to address that fourth year. But they're wondering if the process would correct the fact that there were two years that they still miss prior to that, the other two years.

Hon. Mr. Tchorzewski: — No, unfortunately not. This goes back to the four years, and this Bill will not address that extended period of time.

(1545)

Mr. Toth: — Has the minister or the department given any consideration? Most likely you've probably had other businesses such as in my area that may have, through whether it's the fault of their own or the fact that they didn't pick up on the overpayment of taxes . . . has the department given consideration to maybe backing up and also allowing a refund up to, say, that six-year period or an additional year or two, Mr. Minister?

Hon. Mr. Tchorzewski: — In the consideration of this it was thought that the four-year extension was reasonable under the circumstances on the province-wide basis. And that's why the legislation is being introduced as it is. As I said earlier, it's not a provision that this government put in, although it was a positive provision put in by the former government. We're simply implementing the decision that was made.

If there needs to be some further look at other options, we're always prepared to look at for another time. But as for the purposes of this Bill, it's the four years.

Mr. Toth: — Well certainly in light of the problems that have been created over the years and I think maybe possibly business is not quite totally understanding and wanting to make sure they had collected the taxes and the fact that this Bill is trying to address some of the overpayment and put the refund out there, what provisions have the department put in place to maybe just spot check, or police and help businesses out in order that they do not collect extra taxes or be forced to find themselves in a deficit position?

Hon. Mr. Tchorzewski: — I can comment on three things. There is a taxpayers' information program in place so that as new vendors come into place they are provided information and counselling on all of the procedures and other aspects. There is a periodic audit that's also made. And also recently there was an information bulletin, or information that was sent out to vendors specifically dealing, I believe, with the situation that the member raised a while ago.

So we've taken . . . those three steps are in place in order to be able to inform the vendors and try and assist them to do the appropriate things and save themselves any difficulty that may arise.

Mr. Toth: — Thank you, Mr. Minister. Mr. Chairman, one other question regarding the Bill. Once this Bill is certainly passed and receives Royal Assent, what provisions or what steps will then be taken to respond and make this fourth-year payment back to the businesses that have applied for this refund? Will they have to reapply? Or has the department all ready got a program in place to automatically refund this money?

Hon. Mr. Tchorzewski: — The latter procedure is the one. It will be an automatic initiative taken by the department to follow up.

Mr. Devine: — Just a question, Mr. Minister, with respect to the change that used to require an order in council and now will be normalized through this change in the Bill. I'm not quite sure that I caught all of that. Would you just describe that?

Hon. Mr. Tchorzewski: — What has happened as long as there has been the Municipal Board and the Board of Revenue Commissioners, is that both the Municipal Board and the Board of Revenue Commissioners have been the same. And that's still the way it is. What's happened is that the Municipal Board would be appointed and be in place, and then the Treasury Board and an order in council would have to be passed, making the Municipal Board also the Board of Revenue Commissioners.

What the Bill does is makes that automatic, that once there is the Municipal Board appointed they automatically also become the Board of Revenue Commissioners, leaving out that one extra step which is administratively not necessary. And it just puts into place a practice that's existed for a long time.

Mr. Devine: — Well could the minister perhaps just remind us . . . perhaps his officials could help us remind us why that step was in there?

Hon. Mr. Tchorzewski: — I don't know if I can answer why it's been there. It's just simply been a practice that has been there. And all we're doing is doing away with the administrative need to go through this process, saving whatever costs are involved in going through that process and saving the time that you really don't need to put into it. It's the same people doing the same work in both of these different functions, and we're just simply saying since the Municipal Board is the Board of Revenue Commissioners, let's say so in the Act. Then there's no need to go through that extra step. It doesn't change anything except it simplifies the process.

Mr. Devine: — Okay. Well perhaps maybe your officials might know it. How long has this been the process? Has it gone back 10 years, 20 years, 30 years? And did you always have an order in council to change the Municipal Board to make them the Board of Revenue Commissioners? Has it always been the case?

Hon. Mr. Tchorzewski: — I am told — and you got to look at these fellas, know that they're pretty young — but I'm told that this practice has been existed since about 1939, somewhere in that period of time, and the Board of Revenue Commissioners has been in existence for many, many years. So this is not a new function that has been recently created. It's just been ongoing for as long as they've been there, and it's many, many years.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 29 — An Act to amend the Education and Health Tax Act

Clause 1

Mr. Toth: — Yes, Mr. Speaker. I believe, Mr. Speaker, that I'll take a few minutes to address some of the questions that are being brought forward in this Act. First of all, just taking a moment to remind the people of Saskatchewan the fact that, I believe, the government of the day indicated prior to the last election that they certainly wouldn't need any further taxation, that there were all kinds of ways and means of finding the funding that would be necessary to provide the services that we in this province have come to expect over the past number of years.

And certainly, Mr. Speaker, I think many people across this province are beginning to realize that, as well, the former government, the government of the day, when they went to the electorate last October, had indicated that if we were going to maintain the services, if we were even just going to maintain the programs that were available, that the people of Saskatchewan certainly probably would have to dig a little deeper into their pocket; that we would have to find the revenue in order to counterbalance the loss or the lack of revenue that was available through the 1980s, because of the deterioration of the grain market prices across this province and across the country, which we had very little control over,

because of the fact that our resource revenue had fallen off. And certainly we have seen the resource revenue decreases in potash, Mr. Chairman, and in oil prices.

Mr. Chairman, through the 1980s the province of Saskatchewan definitely did face a period in time in which the government of the day showed a fair bit of compassion for people across the province in establishing programs and services for our seniors, for those on low, fixed incomes. But that all came with . . . It all came with a cost.

And we saw how the revenue had increased in the province in certain sectors, but there were also sectors in this province that were hurting. And agriculture was one of those areas in which we saw a major decrease in revenue in the province of Saskatchewan. And many members in this Assembly, certainly members on this side of the House, know and saw the effects of the decrease in revenue coming into the agricultural sector.

And, Mr. Chairman, I'd like to remind the minister . . . And certainly I'm sure the officials in Finance were also, over a period of years, could see the writing on the wall that sooner or later we were going to have to address a number of issues, a number of concerns that were out there that, as I believe, we couldn't just frivolously throw money out after it to try and solve problems, and maybe just have short-term programs. But we certainly must look at long-term programs and the availability of the funding to continue to provide the services.

Therefore, Mr. Chairman, the former government did acknowledge the fact that additional revenue was needed, did acknowledge the difficulty that agriculture was facing, did acknowledge the need as the present government, then opposition, continually reminded us of the fact of money needed for health care services.

And we're all aware of the questions that arose from the present government, then opposition, regarding the need for more nurses and more staffing in our hospitals and more funding for our hospitals so our hospitals could provide the services. In fact I remember a number of questions regarding the waiting lists in hospitals and the fact that hospital beds would be shut down over the summer period. Mr. Chairman, we're all aware of the fact that the summer period, there are holidays, and it's an ongoing process.

And yet when the former government tried to address some of the concerns that were out there, the present government, then opposition, suggested that there was so much waste and mismanagement that if they were given the opportunity to govern they wouldn't have to raise taxes, that the people in Saskatchewan could expect an increase in health spending. They could expect an increase in education. They could expect even a better quality of life. And all the government would have to do is wave the magic wand; they'd find all this waste and mismanagement. And bingo! There they would have the funding to provide the services without increasing taxes.

However, what do we have before us today, Mr. Chairman? We have a government bringing forward the increase in taxes that they said, as an opposition, they

would never do. And when the former government suggested that by harmonizing the tax we could indeed generate the revenue that was needed to continue on with the services, not necessarily expanding, but just meeting the needs of the ongoing services, the present government, former NDP opposition, said that, no, we wouldn't need that. Harmonization was the wrong thing to do.

In fact I remember being on the campaign trail. I remember talking to a lot of business people, and a lot of business people didn't quite understand, no matter how you explained it, did not understand the concept of harmonization.

(1600)

However, today they are realizing what they let go. They are realizing the fact that harmonization would have really aided their businesses. And certainly small businesses across this province and especially in our small communities would have definitely been helped by harmonization. Harmonization would not only have aided the small-business community, would not only have helped the farming community by providing a more simplified taxation system, but it also would have brought in the additional revenues needed by government.

It would also allow government to address the problem of cross-border shopping. As the federal government had indicated, by harmonizing the tax the two governments could co-operate and work together and even provide a tax at the border.

Mr. Speaker, I find that the very indignant . . . that the government, the present NDP government would suggest in opposition they didn't need the extra taxes, now come to this House and ask this Assembly to pass a Bill that gives them the opportunity to increase the sales tax by 1 per cent — from 7 per cent to 8 per cent.

And a person begins to wonder when you look at the fact, even though they've increased the provincial sales tax or the E&H tax from 7 per cent to 8 per cent, increased personal income tax by 10 per cent, Mr. Speaker, and a number of other areas they've increased taxes across this province, we find that the Minister of Finance has still come in with his budget this year with a \$500 million deficit. And I think that is very deplorable.

I think the people across this province are very dissatisfied with the NDP government and all the promises that they were given and the actions that have been taken to date. And certainly, Mr. Chairman, I would suggest that people across this province would like us to remind the government of the promises that they made to them.

In fact as I was visiting in a coffee shop last night, Mr. Chairman, just talking to a number of people, there are a lot of people that are very indignant. And I don't find it just . . . I would expect it from someone who maybe supported me and was of the political persuasion I am.

But the people across this province tend to be broken down into about 34 per cent, 10 to be long-time NDPers, around that 30, 33 per cent are Conservative, and then a

mixture in between. But I find, Mr. Chairman, even long-time NDPers — and I would suggest that they would rather consider themselves old-time CCFers (Co-operative Commonwealth Federation) — are very dissatisfied with the present NDP government and the philosophy that the government has taken, their actions that they have taken in light of all the promises and what people expected of the government.

Even as my colleagues mentioned today when we talk about taking . . . first of all they take away funding to seniors, they've reduced funding in health, and reduced funding in education. Even in my local communities many positions have been eliminated from hospitals — nurses, nursing care, and assistants. Programs have been cut. We have increases in taxes, and yet we see the deficit ballooning.

Mr. Chairman, there's no doubt we must address the deficit. There's no doubt we have to take a long-term approach to meeting the needs of the financial obligations we have in this province. And maybe we, as individuals of this province, must take a more responsible attitude or have a more responsible attitude to the way we fund programs and the type of programs we fund.

Because I personally believe that we indeed should be looking at funding the type of programs that meet the basic needs of individuals, not just throwing out funding for every little frivolous demand or request that comes of government. And certainly it's going to come . . . there will be an onus on all governments to sit down and look at what the basic needs and requirements are of our electorate and the services that we should be providing for them.

And I believe in this country we talk about the rights of individuals. We talk about the freedoms we enjoy. But I also believe there were responsibilities. We all have a responsibility to share. And I don't believe the responsibilities of the deficit should be put on the backs of lower income earners. And the taxes we are seeing that are being requested of the government are . . . certainly these taxes here are putting a greater burden on lower income earners in the province of Saskatchewan.

Mr. Chairman, I would like to ask the minister to give his reasons for increasing the tax, the E&H tax by 1 per cent from 7 to 8 per cent, and what effect it will definitely have, if any, on the deficit we face today.

Hon. Mr. Tchorzewski: — First of all, Mr. Chairman, I'm glad that the member opposite agrees that we must address the deficit. I don't think anybody should question that need. And I'm glad that the member agrees with what the government is doing, and that is following the principle of looking at funding to meet the basic needs.

There's a whole philosophy underlining the budget which we are considering in this session — a budget which addresses the question of the growing deficit and the growing debt which is now way beyond what it ought to be. That is being said to Saskatchewan by the credit rating agencies, it's being said by the investment community, it's being said by the people of Saskatchewan. We're concerned about the future,

concerned about the impact of this huge debt on their children and their grandchildren. I think all of us in this House share that concern.

We have to come to grips with it. We can't continue the pattern of the 1980s which showed no regard for how that debt was growing. Spending money on not just the basic needs, but money — which I won't get into now because I'm not interested in rehashing old debates, at least not for now — spending money in frivolous ways on things that governments should never even spend money on. Wasting money. Making business deals with people and organizations without any due diligence.

Somebody comes along with a suitcase and says, boy, have I got a deal for you. Will you put just put a little money in my suitcase and everything will be just great. The problem is that the money was gone and nothing is very great. Those things never happened. We've got to put a stop to that. Whether it's the former government or whether it's this government. It just so happens it was the former government who followed that practice. We want to turn that around.

I hear the members of the opposition, both parties, say in this House, well you should increase funding for all of these different areas or you should not have reduced the funding in certain areas, and you should not have raised any new revenues, which is what this Bill is about. It's new revenues — \$65 million in this budget. Well if we had done that, Mr. Chairman, our deficit this year would have been \$1.2 billion. It's unsustainable. Because of the measures we took on the expenditure side . . . reduced expenditures of the government, actually reduced the expenditures of the government on the operating side by 3.1 per cent from last year. That's a very significant reduction, the only province in Canada that has accomplished that.

Oh sure, there is no doubt that that has caused some difficulty. Of course it has. But people in Saskatchewan recognize the need to do this because they're concerned about the future. So the costs on the expenditure side were reduced very significantly, and also there has had to have been an increase in revenues. But what we have done is reduce the deficit from what would have been at \$1.2 billion to \$517 million — a very major reduction in the deficit.

And because of the decisions being made, the deficit will be even lower next year, and it will be lower the year after. And in four to five years it should be balanced, and that's what the strategy and the objective is all about.

Now, Mr. Chairman, the choice was clear. Either we continue with the old way which accumulated the deficit and therefore passes the burden on down the road . . . because every time you have an \$800 million deficit, you add \$80 million to the interest charges which you have to pay into the budget. And then it adds each year on top of those interest charges.

And what that does is, each year afterwards reduces the amount of money that you have to spend for education or for health or . . . you pick your program that's good for the people of Saskatchewan. So we've got to put a stop to that

and turn that around.

Now I know the argument has been made that the harmonization was the answer to it all. Well argue as much as any member wants, members opposite, the people of Saskatchewan said no to harmonization. It's almost irrelevant what the opposition of that day said because what's important is what the people say. And the people clearly said in an election campaign, no to harmonization as it was.

Harmonization meant putting the sales tax on everything including services. If you hired a carpenter to come and fix your house as a senior citizen, you have to pay 7 per cent on top of that 7 per cent that the federal government was collecting.

And the folks, the people of this province said that that is not the way to go. We have a sales tax in Saskatchewan which is now at 8 per cent. But it's on a narrow range of items. It's not on everything. It exempts, for example, children's clothing. It exempts adult clothing under \$300, to give you two examples.

So there's some progressivity worked into the system to the extent that you can on the consumption tax.

The fact of the matter is that the deficit for 1991-92 would have been \$960 million, and \$180 million that would have been raised under harmonization for the treasury would have been a long way from balancing the budget. So that's not a good argument to use about harmonization. It was not an attempt to balance the budget because although it would have taken \$440 million out of the pockets of the consumers, is what it was doing, it only gained for the treasury \$180 million.

Guess where the tax load was shifting to? — the consumer, the people who have to buy things for the children, people who have to buy all kinds of commodities, people who have to repair their homes. That's where the tax load was being shifted. The people clearly said in the election, they don't like it. They said go and be more creative; find some other ways to raise the revenue that you need.

Unfortunately, we had to raise some revenues. But that's the real world. We can debate on whether the public supports us on that or not. In my opinion, there is widespread public support for this budget and the direction that it has taken. Of course there are some individual areas which some people who are affected won't like. But overall on the budget there is widespread public support, and as the one who has had to present the budget speech, I appreciate that.

Mr. Toth: — Mr. Chairman, the minister indicated that people were supportive of their party, and the NDP Party, and their stand on harmonization. But I would suggest to the minister that people were supportive because they were misled. They were led to believe that harmonization, elimination of the PST (provincial sales tax), meant the total elimination of the E&H health tax in the province of Saskatchewan.

And many people, and the member from Swift Current

would indicate to this House that we led people to believe that the harmonization was only on certain goods. It was an expansion of the education and health tax, not a provincial sales tax. If you will, whether it's PST or E&H, yes it could be a philosophical difference in view regarding parties. But the expansion of the E&H tax . . . and I want to remind the Minister of Finance, the fact that it was taken off of clothes was the former government that had removed the tax of clothing for children and on clothing under \$300.

But many people across the province of Saskatchewan, they went to the polls on October 21, 1991, believed that when the NDP said they would eliminate the provincial sales tax, they thought and believed it meant every cent. Not the expanded E&H, as we had indicated, which went on food and clothing, but everything. And many business people I talked to indicated that they had irate customers for a few days following the election because they automatically believed all of the E&H tax had been eliminated.

Now, Mr. Minister, what studies have you done to indicate that the increase of the sales tax from 7 per cent to 8 per cent was a proper thing to do in light of the studies that were taken prior to on the harmonization indicated that would be a proper method to follow regarding taxation increases?

(1615)

Hon. Mr. Tchorzewski: — Well first of all, Mr. Chairman, let me just correct one comment that was made by the member opposite, is that it was never suggested to anyone at any time other than by members of what are now the opposition who tried to interpret what the New Democratic was saying was its policy, but it was never said that the doing away with harmonization would do away with the sales tax. As a matter of fact I can remember issuing a statement to that effect publicly during that election campaign. So I think that one is a red herring which is going nowhere.

Quite frankly, nobody in Saskatchewan would have believed that to be the case because they would still remember the promise in 1982 by the former government when they said that upon election they would do away with the education and health tax altogether. That was an unrealistic promise. We know it was unrealistic. We would never even think of making that kind of a statement.

Now on the question, Mr. Chairman, of children's clothing. And the member indicates that the former government who are now the opposition did away with the tax on clothing. I want to remind the member — he can be forgiven because I don't think he was here in 1982, or maybe he was — that in 1982 the budget which this Minister of Finance, who was then minister of Finance then presented, exempted children's clothing from the sales tax. That's when that happened, and that was taken away when harmonization was brought in. They were going to be taxed again. Now with harmonization gone, the children's clothing is once again not taxed by sales tax. That's the scenario of the sales tax as it applies to clothing with regard to children.

Now, Mr. Chairman, with regard to the study that was done on the impact of the 1 per cent increase in the sales tax, there is no major study that's available for that. That was not done. A \$65 million increase in taxation on an economy of \$20 billion, there's no way you could do a study that'll show you what kind of an impact that's going to have.

Now on the question of the harmonization, the study that was provided then — and it was kind of hastily put together, I believe — was on a long-range impact over a lot of years, a major change of policy. You would need to do it then. In this case, not necessary, nor is it practical or possible to do that. So there is no specific study on an individual tax of this kind. The analysis that we have done, which I have reported to the House, was done on the overall impact of the budget and all of the tax measures on the budget and on the economy and on the revenues of the province.

Mr. Toth: — Thank you, Mr. Chairman. Thank you, Mr. Minister. I hear a number of government back-benchers would like to ask some questions too. And they certainly will be given an opportunity, I believe, if they'd like to become involved.

Mr. Minister, what type of consultations were taken with the public prior to putting your budget together and addressing a number of the questions that you've raised in this House, and certainly the fact that you've increased taxes substantially to the people of Saskatchewan?

Hon. Mr. Tchorzewski: — Well I'm pleased to answer that question, Mr. Chairman, because the consultation was very broad. And as we get ready to prepare for the next budget, I can tell the member opposite it will even be broader and it will be done even better.

What we did is we had meetings, well in excess of 50 meetings all across the province, to talk about the budget, to ask people for ideas, talk about various tax options that people brought up with us. There were well over 50 meetings, some of which I was involved in, some of which others were involved in, some of which the Department of Finance officials were involved in.

At these meetings we asked the business community to take part, the municipal leaders to take part. We asked labour people to take part. We asked farm leaders to take part. And this is the way we went about doing the consultation.

I found it extremely useful. And many of the things that we have been able to incorporate in this budget were as a result of the ideas that came as a result of these meetings. They weren't huge meetings. They were meetings involving leaders of all sectors of the economy, organized in such a way that they not only came to listen to what the Minister of Finance or his officials had to say, they also came and were given a lot of opportunity to say what they had to say and give their thoughts and ideas on what the budget ought or ought not to be.

And that's the kind of consultation that took place. We found that to be very constructive, and we'll continue to

do that. And hopefully now that we've had some experience under our belts, so to speak, we'll be able to do it even better.

Mr. Toth: — Mr. Minister, you've . . . I thank you, Mr. Chairman. Mr. Minister, you've suggested that you had somewhat in excess of 50 meetings I believe, across the province, with individuals and groups. And another question I would like to ask, Mr. Minister, were the meetings open to the public or were there specific invitations given out or what type of meetings, what type of format did you follow? And then I'm going to pass it on to one of my colleagues.

Hon. Mr. Tchorzewski: — Mr. Chairman, actually there were both. Some were on invitation, although people came . . . anybody who came was able to come in. We made a point of making sure that people in different sectors of the Saskatchewan economy were represented. But we also had public meetings prior to the budget — I'm looking at the chairman; I know we had one in Moose Jaw I believe — to which large numbers of people attended. And so there was both processes that were in place.

Mr. Britton: — Thank you, Mr. Chairman. Mr. Minister, you said you had about 50 meetings. In those meetings and in your surveys, did you find anywhere in your research the impact that you would have on the border between Alberta and Saskatchewan in terms of lost revenue?

Hon. Mr. Tchorzewski: — Of course there is some concern there and I share that concern. And I don't think we can tell you what the impact will be. We think with a 1 per cent change it will not be all that significant. But obviously it is a concern that is on a continuous basis being addressed.

The one thing I want to point out to the member opposite, and I don't want to stake the status of the education health tax on this statement which I'm about to make, but I have some reason to believe that because of the state of the deficit and the debt situation that's being created in Alberta — and that's been signalled by the business community in Alberta; I know the chamber of commerce in Calgary is now saying that it's time for Alberta to look at a sales tax — I suggest to the House it won't be long before the province of Alberta, because of its financial situation that it faces, is going to be introducing a sales tax which will help to alleviate some of the difficulty that exists on the border situation.

Mr. Britton: — Did you then, Mr. Minister, take into consideration something like a free zone along the border to take effect until something like that would happen in terms of some of the small businesses on the Alberta-Saskatchewan border? They may not last long enough for Alberta to make up their mind to make a decision.

And I would like to also pick up on something you said, sir, that the people turned down harmonization. Well the reason that people turned it down is because you told them you didn't need the money. And certainly if you don't need the money, you know, there's no one wants to pay taxes. And I think you misled the people into

believing that you wouldn't have to expand the E&H tax . . . or the harmonization tax, that you wouldn't need that 180 million to \$200 million, and yet you've tacked on around \$400 million in extra taxes.

So I would wonder if the people themselves, if they'd have known the true facts, if they would have maybe went for harmonization. And I'll let you answer the question about the free zone.

Hon. Mr. Tchorzewski: — Mr. Chairman, no changes were considered in respect to a free zone. We are continuously monitoring the situation and we're having continuous input from people that are being affected. So the answer to the question is, no changes were being considered.

But I just want to point out something else. One of the most important changes that were made, in order to rectify some of the growing problem with the Alberta . . . with the United States border, is doing away with harmonization. Harmonization, which was adding an additional 7 per cent on all the items — services, every goods and service other than prescription drug and groceries — was making the problem with the Alberta border very much more difficult than already existed.

So by simply not going ahead with the harmonization as it was proposed — maybe some form of it down the road if the federal government makes some changes; it's something that's worth considering — but as it was proposed, was the worst possible thing to do with regard to the problem across the border.

Mr. Britton: — Thank you, Mr. Chairman. Mr. Minister, do I then take it from you that you have no intention to try to alleviate the pressure that you're putting on small business along the border in terms of not only the gas tax . . . I'm thinking some of the service stations that are along the border who are impacted by this. The gas went up 3 cents. They're now about 8 cents a litre out of tune with Alberta, and their accessories that they sell in the business is now 8 per cent.

And you're telling me that you don't have any plan or any notion of trying to alleviate that pressure for those small-business people along that border. Is that what you're saying to me?

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, I would not want the member from Wilkie to read into what I said — and maybe I wasn't clear — that we definitely shut the door to any options that may come up. We welcome any suggestions. And if the member from Wilkie has some suggestions we can look at, we'd be prepared to consider them within the fiscal framework.

One of the key elements in all of this is the fiscal framework of this budget and where we're trying to head with the finances of the province. But I don't shut the door on any options that may make some sense and may work and may apply within the fiscal framework. At the present time we don't have anything that we're prepared to implement at this time other than what's already there, but we're open to any good ideas which may be workable.

Mr. Britton: — Then, Mr. Minister, would you tell me what's in place? You said other than what's in place. What protection have you got in place for them?

Hon. Mr. Tchorzewski: — The two elements of the program that exist which have been there for some time, is that there is a provision for different rates on tobacco tax ranging from zero per cent to 50 per cent and 25 per cent up to 48 kilometres from the border. And there is a zero rate of gasoline tax in Lloydminster, which is right on the border, and Onion Lake. Those are the provisions that are there at the present time.

Mr. Britton: — Yes, Mr. Minister, I'm aware of that. And I ask you then, why you wouldn't consider the same type of protection for those people all the way south through Macklin, down to Maple Creek and Elrose and all through . . . not Elrose but Alsask, the same protection that we allow in Lloydminster.

I also wonder, sir, why you don't do the same thing for gasoline or for furniture and stuff like that that you do for gasoline. We've lost one business already because of that tax. And if you're saying to me that you're going to do something later on, I would suggest to you, sir, that by that time many small businesses would be out of business because the extra taxation that you've put on them impacts not only on the E&H tax, but on the power and lights and telephones.

And all of that impacts on those small businesses and they have the extra load of trying to compete with Alberta. And I wonder why you wouldn't take a look at doing the same for the cross-border shopping as you're doing for tobacco in Lloydminster.

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, indeed we recognize the difficulties. But I guess a judgement has to be made at how far you continue to move the border. Lloydminster's right on the border. It's one city. Onion Lake, I guess, is in the same kind of circumstances.

So it's a question of how far you continue to move the border, and where do you sort of say is the magic line and where, at the same time, you don't lose the revenues, which the treasury needs. And other taxpayers in Saskatchewan who have to pay say, hey how come you exempt so many people and you don't exempt me? A question of fairness there.

(1630)

This problem isn't new. This problem was here when the former government was in power, and somehow it was not possible to find a solution to this that was perfect. And I guess that's the situation that we face today. When I say the problem isn't new, what I'm saying is that there has been this situation in Saskatchewan since August 1, 1939, or something there about, when the — 1938 actually, I believe — when the E&H tax was first brought in in Saskatchewan.

Maybe I've got my years a little bit out, but that's . . . we've lived with this. It's not the perfect world. It's not the perfect situation we'd like to be. And we have to keep

working on it to see if we can find ways to manage it. But it is as it is. Any ideas and options that people might have, including the member opposite, we'd be prepared to look at them.

Mr. Britton: — Thank you, Mr. Minister. I gave you some ideas. I'm wondering what's the difference between the people along the border at Provost, Macklin, and Cactus Lake and down through there, difference between them and the people in Lloydminster? You say give you some ideas. Well I say to you, sir, well why don't you take a free zone? Take five miles. Take 15 miles. At least do something.

If you took a look along the border and found out how far the small towns and businesses are in, you could strike a balance. I wonder why if a person lives in Lloydminster he can buy a whole new home tax free. And if you live a mile out of the city limits, you have to pay the full tax. Now what's wrong with the people that live along my border? What's wrong with those people? Why can't you give them something? As far as a line that didn't stop you from deciding how much you were going to charge, you didn't have any trouble doing that. Why would you have trouble striking a line?

It seems to me everything you're doing in the last six or eight months, you've done it without consultation. You never got too concerned about who you hurt. Maybe you shouldn't be too concerned about who you help. And I think it would be considered a move in the right direction if you would strike a line somewhere. And I agree with you that it's pretty tough to strike a line that satisfies everyone. We've tried that, and we know that. But you could at least strike a line that looked like it was fair because you're going to — and I tell you this in all sincerity — you're going to drive some small business out of business along that border.

We have people who are going into Alberta buying their major appliances. They're buying furniture, they're buying rugs and even some machinery, and you're losing the revenue. Now it would seem to me that if you could save the revenue and pass that on to people who are in business, you wouldn't hurt yourself a whole lot, and you would save those businesses. I think that when you say that it's hard to strike a line, well it wasn't hard to put the price up. You done that. You raised the gas price. It never seemed to worry you. Why don't you strike a line?

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, I find the logic of the member's argument rather strange considering the fact that he was one of those who supported the harmonization of the sales tax in this House, although the government never brought it to a vote because they adjourned the House for waiting for an election.

What I'd like the member to explain is how is it, how is it that the situation as it is now is worse than it would have been under harmonization where people not only would have went across the border to buy their furniture, but because of the harmonized tax on restaurant meals would have stayed there to have their meal as well. There's been a major, major improvement by doing away with the proposed harmonization as it was. The problem under

harmonization wasn't only with Alberta, but we created a new problem with Manitoba as well as with the United States which is an ongoing problem anyway.

Now the situation in Lloydminster, as the member well knows, is to some degree unique. It is the same community situated right on the border where businesses in the same community are competing with other businesses who happen to be on the other side of the border in Alberta. So there is that one unique difference in Lloydminster that doesn't exist in others.

But let me explain something else. Let us assume that you'd said that the border was going to be, for purposes of sales tax, 10 miles in. Well there still is then immediately created a situation where everybody on the east side of that 10-mile border — because you have essentially moved the border — is facing the same situation as the people who were facing it on the west side of the border up against the Alberta border. So you've really solved nothing. You have reduced the revenues to the province.

And I ask the member to tell the House where he would cut some additional expenditures because you wouldn't have those expenditures because you'd lose that sales tax. And at what point do you stop the border? The only solution to that is to keep moving this until you move the border to Manitoba and you don't have any sales tax in Saskatchewan. Well I'd love to have that situation. But the fiscal financial situation of the province as such, that's just not possible.

When we get the finances under control and we stop this horrendous increase in the deficit and the growing debt, then we will finally as a province, I hope in not too many years, have the opportunity to begin to address these kinds of questions and begin to do some things that will assist the situation. But until we got the deficit under control, a deficit not a creation of this government, to some degree our hands are tied.

And the most responsible thing is to get the finances where they ought to be so that we could have the flexibility to provide the leadership on programming and development of new initiatives that Saskatchewan once used to have, and hopefully provide some relief on the tax side as well.

Mr. Britton: — Well thank you, Mr. Minister. I don't think you understand the rural situation. When you're talking about moving the border 10 miles, which is your figure, now what I'm saying to you is look and see how close the towns are to the border. Now if you moved the border, as you call it, in 10 miles or the free zone, that doesn't necessarily mean that's only 10 miles we're talking about. The people that you're talking about going into that zone could be 30 miles away. So you wouldn't have the problem you're talking about because when people travel 10 miles to get a tax-free item, that's one thing, but if they have to travel 50 miles, that's another thing.

So what I'm asking you to do is consider the damage you're doing to the small towns along that border. Because even the regular customers for those service stations and grocery stores and hardware stores and things, will not stay home to shop if it's only five miles

across to the border. That's what we're saying. Now if you moved that in, you would take those towns in and you would eliminate that problem.

Now you're talking about harmonization. Well when we said we were going to harmonize, there would be no other taxes. Now what you said was you don't need the money, and then you put the taxes up by \$400 million. Now the net benefit to Saskatchewan under harmonization was about \$250 million — \$250 million. Now that's net benefit to Saskatchewan. You are going to gain \$65 million you say. But in order to do that you've charged the taxpayers of Saskatchewan another \$400 million.

Ms. Haverstock: — Thank you, Mr. Chairman. I want to point out some of the problems that I think occur because of an overcomplicated tax system and particularly as it pertains to small-business owners. I know that the minister has commented on several occasions that small-business people are very supportive of what's been happening, but I do wish to give you an example, and this is a real live example from a friend of mine in the bar and restaurant business.

When changes were made to bring in the goods and services tax, my friend had to spend thousands of dollars on new cash registers because his machines were unable to handle more than one tax. And when making his selection he chose a system that would program up to two taxes, because after all, he asked himself, how many more taxes could there actually be. Well after the recent provincial budget there are now three different taxes on the products that are sold in his establishment.

When one orders a meal they pay 7 per cent GST. When one orders a meal and a drink, they pay 7 per cent GST on the meal and the drink plus 7 per cent liquor consumption tax on the drink. When that same individual orders a meal and a drink and purchases a package of cigarettes, he then pays 7 per cent GST on everything, 7 per cent liquor consumption tax on his drink and 8 per cent provincial sales tax on the cigarettes.

Now I'd like to point out what this really means for someone like this small-business owner. If his tills could handle three different taxes, it would have cost \$200 per till to reprogram the provincial sales tax from 7 to 8 per cent. But since his tills can't handle three taxes he has a choice. He has a choice of spending between 2,400 and \$3,000 for two new tills, or doing the extra calculations manually on cigarettes and any other items subject to the 8 per cent provincial sales tax.

Now not only is the increased tax hurting sales in a slow economy, it adds yet one more calculation and takes more time from a small-business person's day to work as a government tax collector.

Now I'm not for one minute suggesting that you raise the liquor tax to make life easier for this individual. What I'm asking is whether it would not make more sense to determine what level of revenue your government needs and then figure out a way that you can simplify the whole thing.

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, I couldn't agree with the member more that the tax system is very complicated. There's all kinds of reasons for it. There is the kind of explanation that the member makes, the member from Greystone. There's a problem with the income tax and the corporate tax in that we do it under the auspices of the federal government and we're locked into that system. That hopefully can change if the federal government is prepared to co-operate or if there's at some point in time a new federal government that's even more prepared to co-operate. So we can make some of those changes and begin to simplify the tax system.

I recognize what the member says about the sales tax. That too has some difficulties with it. I would welcome any suggestion that the member from Greystone has on how to simplify it. Simply saying that you can give up some revenues, and I'm not suggesting that that's what the member said, but to give up some revenues at this time is the answer is, in my humble opinion, not good enough. We cannot afford to give up some revenues at this time. To give up some revenues means that the deficit would have to be in excess of \$517 million, or we'd have to find even more places in which to cut expenditures.

Now that we've identified the problem I'd be interested in knowing any suggestions that the member might have on how you provide a solution.

Ms. Haverstock: — Mr. Chairman, Mr. Minister, I don't have expertise in taxation. You have many, many people at your disposal since you have all of these employees who indeed do have expertise in taxation, and I hope that you will consult with them.

One of the things that I was very clear about saying during the election, as you were, is that I did not agree with the PST harmonization at the level at which it was harmonized. What I did state is that for small-business people, harmonization made things much more simple and that they welcomed that aspect of harmonization, but they did not agree with the level at which harmonization had taken place, nor did they agree that it should be across the board.

And I'm just wondering why it is, whether it was an aversion to something being called the PST, whether it was aversion on the part of your government with a term called harmonization — because the previous government had done it — that kept you from looking at this as one of the possibilities.

Why is it that Saskatchewan did not do what provinces of Quebec and other provinces in Canada did who chose to harmonize at a lower level and exempt certain items? And if in fact what we wanted to do was what Quebec did in terms of not having any tax on books, that's precisely what the province of Quebec did, was to pin-point an item like books and say we won't have a tax on that item. So I'm wondering if in fact you looked at different kinds of combinations of things that could have taken place.

Hon. Mr. Tchorzewski: — There is an answer to that, Mr. Chairman. First of all, the member from Greystone ought to know that one of the problems with the harmonization and doing it not across the board is the federal

government. The federal government refuses to make exceptions.

Now the member from Greystone will say, well it's done in Quebec. Well the difference is that in Quebec, Quebec collects the taxes. In Saskatchewan, because of . . . and all the rest of the provinces, that's not the case. There is some differences between the tax collection system provided for the province of Quebec which is not provided for other provinces. So that therefore is a problem. The federal government is not prepared, or at least has not until now been prepared to looking at making some of those exemptions.

(1645)

I'll give you the example of the cross-border shopping situation. There is no reason in the world, even without harmonization, why the federal government could not collect the provincial sales tax along with the GST (goods and services tax) at the border. And we've discussed this with them. But they continue to say, either you harmonize totally or we don't collect anything. I think that's not really quite responsible on their part. So there are some other options being explored now with the provinces and the federal government which at least would say the federal government ought to collect those sales taxes at the border which are common to all of the provinces, except of course Alberta which does not have a sales tax.

So there is these kind of complicating factors involvement with the federal government that need to be addressed. We're addressing some of them, and we'll continue to do that. But as long as the federal government continues to say no along the line, there's not much we can do.

Ms. Haverstock: — Well, Mr. Minister, I do hope that what really is going to transpire is some examination of different forms of taxation, different means by which you can work things out with the federal government, because I just don't think that what's happening is good enough. You are the individual with the government resources to have people with expertise come in to this province, if they aren't already here, to help us devise a taxation system that is going to be far more fair and just than what the people of this province have had to put up with for so long.

I'd like to go on to clause 4 if I may and to give some insight to you on the actual affects that removing the sales tax exemption from cigarettes is having on certain retailers. And I don't have to repeat, I'm sure, that as a non-smoker and a non-drinker I really couldn't care less about whether or not people have an opportunity to smoke cigarettes. But there are some people who do smoke cigarettes so I'm going to say this on their behalf.

In my constituency there are businesses which have a serious impact on the consumer gasoline prices in our city. And I believe that they're largely responsible for keeping some of the multinationals in line price-wise. One of the main sources of profit for these outlets, and they're small outlets, is the sale of cigarettes. In fact one operator told me that he sells over a million packages of cigarettes per year and that those sales are enough to

allow him to pay his overhead, employ people, so that his gas profits are actually his. And by keeping gas prices low, he keeps his volume of gas and cigarette sales up.

Now the only problem with this is when a government tampers with the delicate retail balance that he has built. The recent hike in price on cigarettes and gas has cost him dearly, so dearly in fact that as of just recently he is likely to be leaving this province.

The recent hike in price on cigarettes . . . or pardon me, his margins are based on volume and this tax is already having very negative effects. He tells me that dozens of his customers are opting to either quit or to buy cigarettes in the United States.

Now I received information as well from the spouse of a customs officer the other day that roads are actually being created in fields by semi-trailer trucks crossing the border to avoid customs, and that these vehicles contain contraband in cigarettes and liquor. Every carton of cigarettes that gets through untaxed is an \$10 loss to our province in sales and in cigarette tax.

I would like to know, sir, the calculations that you did to determine the impact of this tax on overall sales of cigarettes in Saskatchewan.

Hon. Mr. Tchorzewski: — Mr. Chairman, there are two ways in which this impacts on the revenues, and the analysis that we have considers both of those. Every year there has been a decline in consumption of tobacco. That's good. We support that. And we expect that with this change in the tax system there may be even more decline in the use of tobacco and tobacco products.

I'm sure the member opposite will not stand up and say we should be encouraging people to use tobacco and tobacco products. It is well known that it is a major cause of cancer in our society. It is well known that it is a major cause of illness of various kinds which increases the cost of our health care system because of the treatment that's required. That has been factored in the estimates on the amount of the decline.

There's also the question of the cross-border shopping. That's probably costing the province about three and a half million dollars a year because of the cross-border situation. Now there is now a commitment by the federal government, and negotiations are taking place on its implementation, where the sales tax on tobacco and alcohol will be collected at the provincial border. That will address to some degree — I hope significantly — the problem of the cross-border situation with the United States.

So if the member, finally, has information or if some of the constituents she speak of have information about the semi-trucks that are beating the paths across the border please be so good as to let us know and we will deal with it because that is illegal. And if the member knows of an illegal practice that is taking place, I would suggest it's a member's responsibility to report that. And the sooner we get on with it, the better.

That won't prevent those who sneak across the border.

That's always been the case, and it will continue to be the case. But where we can stop this practice, this illegal practice from taking place, which jeopardizes legitimate businesses in the province of Saskatchewan, we'd be more than happy to take the action required.

Ms. Haverstock: — Mr. Chairman, Mr. Minister, I suggest that . . . I'm sure that not only has your department but other departments have heard of this long before I've raised it here today. This is not anything that should come as a great surprise to you, I'm sure.

You've actually indicated that you did do an analysis. And I'm very pleased to hear that. And I hope that what you would be willing to do is to table those analyses for us.

Hon. Mr. Tchorzewski: — I'll undertake to provide the historical experiences on which we base our assumptions. Sure, that's no problem — don't have it here. We're going to have to put it together. But I have no problem making that available to the member, and we will see that it's done.

Ms. Haverstock: — Thank you. Mr. Minister, were there analyses done to determine the impact that the combined tax rate would have on the tourism industry?

Hon. Mr. Tchorzewski: — The answer is no.

Ms. Haverstock: — The E&H tax was designed to fund the programs of health care and education. What proportion of the E&H tax is presently dedicated to health care and education budgets? I'd like the actual dollar amount.

Hon. Mr. Tchorzewski: — As is the case with all the tax measures, the money that is collected or the revenues that are collected go to the Consolidated Fund. There is no designated tax. It's a name that's there which originally was established when the tax was first implemented in the province of Saskatchewan. The Gass Commission report makes it very clear.

And that's why we have legislation in this session which will be introduced — in fact I think I've given notice — to do away with the Heritage Fund. The Gass Commission indicated, stop, the government should look at all special funds that the government has had in place because it makes it difficult for accountability purposes to determine where money is coming in, where it is being spent. And therefore the Gass Commission recommended we change that.

So we're not looking at creating special funds. There's no dedicated of any particular tax for any particular project. It goes into the Consolidated Fund where all of the revenues come in. And then, depending on the amount of money that's available in the total revenues of the province, the government then decides how much is available to be spent on health, on education, on policing, on grants to municipalities, and so on.

Ms. Haverstock: — Thank you. Mr. Chairman, Mr. Minister, why then did you call this the deficit tax?

Hon. Mr. Tchorzewski: — Mr. Chairman, the income tax

changes were the deficit surtax. This is not a deficit tax as such. But all of the tax measures which we have brought in the budget obviously are dealing with a deficit. If we didn't have the \$300 million of revenues that are coming out of the tax measures in this budget, our deficit would be \$817 million rather than \$517 million. To that extent these are part of measures to reduce the size of the deficit.

Ms. Haverstock: — Mr. Chairman, Mr. Minister, could you assist the people of the province if there are . . . anyone happens to be listening today. Is there specific legislation that tells us where all of these taxes are going? Is there actually going to be legislation like a deficit reduction Act? I'm just wondering if . . . I mean I think that as a taxpayer in this province I would feel so much more comfortable if rather than just this pool called the Consolidated Fund into which all of these monies are going, that there could be some direct correlation between dollars put in and dollars put out in a much more specific way, in a concise way so that people could understand it better.

Hon. Mr. Tchorzewski: — There is that. There is that now. There is the Consolidated Fund. The Consolidated Fund clearly shows all of the revenues that come in. Tax measure by tax measure, licences and fees, and federal government contributions — all of that is clearly identified. And all of the monies out of that that are spent is also clearly identified in the budget as the proposal for expenditures and then verified in the *Public Accounts* after the expenditures, which receives the scrutiny of the Provincial Auditor who shows exactly to the last cent where the money has been spent.

The Consolidated Fund already provides that mechanism and makes it very clear. And we've taken steps in this budget and the legislative provision we're bringing in to make sure that it is even more clear.

The Chair: — It being near 5 o'clock, is it agreed that the committee rise and report progress?

The committee reported progress.

THIRD READINGS

Bill No. 13 — An Act to amend The Adoption Act

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

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

Bill No. 14 — An Act to amend The Child and Family Services Act

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

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

Bill No. 28 — An Act to amend The Revenue and Financial Services Act

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

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

The Assembly adjourned at 5:01 p.m.