

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day 45 ask the government the following question:

Regarding the Saskatchewan Economic Development Corporation: (1) has the Titan building in Saskatoon been sold by SEDCO, and if so, on what date did this transaction take place and what was the final purchase price of the building; (2) was the building sold to Home Depot of the United States of America, and if not, to whom was it sold; (3) was this building sold through public tender, and if so, provide a copy of the tender documents, all terms and conditions of the sale, criteria considered for tenders, and all other information regarding offers, including a list of all tenders received; (4) were Saskatchewan companies allowed to bid and given equal consideration in the sale of this building?

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you, Mr. Speaker. It is my pleasure today to introduce someone known to you and to most other members, but a long-time friend of the Trew family, a long-time personal friend of mine. I'm speaking to the former member of parliament for, call it Regina West, call it Regina-Lumsden, call it lots of different names, but a gentleman who served with great distinction for 25 unbroken years. The only MP (Member of Parliament) that served longer in Saskatchewan, as I understand it, is the late Rt. Hon. John George Diefenbaker. The person that I ask all hon. members to join in welcoming is none other than Les Benjamin, the former MP for Regina Lumsden.

Hon. Members: Hear, hear!

Ms. Murray: — Thank you, Mr. Speaker. Mr. Speaker, it's indeed a pleasure for me today to introduce to you and through you to my colleagues in this legislature, seated in your gallery, seven members of the Regina 4-H grain club. They are aged 8 to 15, and are accompanied by Wayne and Mary Hart; Ted Brown; and David and Primrose Sloan.

I'm looking forward to meeting with them later on this afternoon. I would ask all members to join me in welcoming them here to Regina today.

Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, it gives me a great deal of pleasure to introduce my baby sister to the Assembly today — Ruby and her husband, Rob Tretiak, their son, Chris, their daughter, Corrine, and their daughter, Lindsay. They spent Easter with us on

the farm. It was wonderful to have them there. On their way back to Arborg, where both of them work, my sister with the health care system and my brother-in-law with Manitoba Hydro.

I ask all members to join with me in welcoming our family.

Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of the legislature a couple of people who are fairly special in my life, on spring break, my two boys in the legislature — McLeay and Jordan. And I would like all members to welcome them here today. And I promise, Mr. Speaker, I'll be on my best behaviour.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Cancer Month

Mr. Koenker: — Thank you, Mr. Speaker. As members will know, April is Cancer Month. And which of our families, which families in the province, haven't been touched by cancer? Cancer of course is a very dreaded disease. The mere mention of the word often strikes terror into the hearts and minds of our people here in Saskatchewan.

This is a disease we don't like to talk about very readily. But today, on behalf of all members of the Assembly, I would like to express our gratitude to the many men and women across Saskatchewan who are fighting this disease, fighting it in their families, fighting it in hospitals and in nursing homes. I think of the countless volunteers in our midst, the medical personnel, those who provide spiritual care, the palliative care-givers, the funeral industry and, last but not least, those individual members of our own families who are visiting the sick and providing comfort and support to their friends and neighbours and family members who struggle with this deadly disease.

And so on behalf of all members of the society, I'd like to encourage these people in their efforts and wish them God's blessings.

Some Hon. Members: Hear, hear!

Big Sisters Annual Meeting

Ms. Hamilton: — Thank you, Mr. Speaker. Today I would like to make the Assembly aware of the Big Sisters 1994 annual meeting and awards night in Regina, which took place last Monday. The government acknowledges the contribution that Big Sister volunteers make within this community. They have an impressive history in this province for caring and for sharing their time. The evening paid tribute to Big Sister of the year, Sally Parisloff, and special presentation to a very hard-working executive

director, Carol Brand.

Other awards went to Bi-Rite, Don Babey, Carla Veroba, and Karen Kuz. In some small part these awards pay recognition to all Big Sister volunteers within the province who are involved with about 450 kids right across Saskatchewan.

Throughout the years, they have been adapting to changing conditions with new approaches and imaginative and innovative ideas. However they've always had one objective in mind, and that is to help children. The solid support, positive leadership, and the impact of Big Sisters on our families, their health and well-being, is living proof of its viability.

Our government, along with Big Sisters, recognizes the need to work collaboratively, to work together across boundaries and mandates to provide more holistic services and approaches.

Mr. Speaker, I would like again to call attention of the Assembly to the importance and for the need of the organizations such as Big Sisters. It is my hope that they will continue to work positively together to secure a better future for the children and for all people in Saskatchewan.

Some Hon. Members: Hear, hear!

Lloydminster Health District

Ms. Stanger: — Thank you, Mr. Speaker. Today I would like to announce some good news to the Assembly: the creation of the Lloydminster regional Health District. This means that now the Lloydminster Hospital, Twin Rivers health care, Jubilee Home, Dr. Cooke Extended Care Centre, and the Lloydminster area municipal ambulance district are under the direction of one board. This was not an easy task. The health district was put into place to serve a dual provincial purpose, and the cooperation of both the Saskatchewan and Alberta governments was required. Health care will now be easier and much more coordinated than in the past.

It'll focus on three main responsibilities in the operation. The first responsibility is to meet the health needs of consumers; second, to supply the resources for those needs and, third, to provide the financing for the district. The real advantage will be the coordination of the existing programs to provide a much better system.

Mr. Speaker, a centralized board should in essence provide an opportunity to make health care an extension of the community. The needs of local residents can be assessed and prioritized, and then appropriate services can be delivered.

Mr. Speaker, we should also notice the efforts of Cec MacKay, Brian Heidt, and the health boards of Saskatchewan and Alberta, whose combined cooperation and effort made all this possible.

Some Hon. Members: Hear, hear!

Theatre in Rural Saskatchewan

Mr. Draper: — Mr. Speaker, sir, I sometimes feel that by default I've become the bulletin board of south-west Saskatchewan, sort of a regional town crier for events of interest to my people and those of surrounding constituencies.

One case in point last week was the ostrich farmers who actually live in the Morse constituency. Another, Mr. Speaker, is the Aneroid dinner theatre in the riding of Shaunavon. We are all aware of the great interest in live theatre in our province. The member from Bengough-Milestone justifiably boasted of her Milestone players last week, and we've heard the Deputy Premier announce that Prince Edward will visit the Globe Theatre this summer to honour his patronage of that fine organization.

And the people of the tiny village of Aneroid have just finished four performances of a mystery play, *The Clock Struck Twelve*, all four performances to standing-room-only audiences. I understand that during the intermission the audience was asked to identify the murderer, but I've no information on the accuracy of their guesses. Hundreds of hours of volunteer work went into this production, Mr. Speaker. And I think all involved should be congratulated by us all and, in particular, by the member for Shaunavon. Especially we should congratulate Mr. Jerry Ruehs, the director of the play, who in his other life was the duly nominated Liberal candidate for the constituency of Shaunavon in the 1991 election. Thank you.

Some Hon. Members: Hear, hear!

Saskatchewan Indian Federated College Powwow

Mr. Van Mulligen: — Thank you, Mr. Speaker. Today I would like to inform the Assembly about a very interesting and special event which took place over the weekend in Regina — the Saskatchewan Indian Federated College powwow. This spectacular happening in its 16th year is a beautiful, mesmerizing, and compelling tradition which spans back deep into Indian history.

This year's SIFC (Saskatchewan Indian Federated College) powwow, like most years, was another great success. The two-day event brought people, both aboriginal and non-aboriginal, from all over Canada and the United States to the Agridome in Regina. An estimated crowd of 5,000 people were in attendance. Over 500 dancers and more than 20 drum groups from various tribes and bands took part in hundreds of different traditional songs, dances, and activities. The vibrantly coloured costumes were seen everywhere. They did not only display their beauty and skilled craftsmanship, but also their magical symbolism.

The SIFC powwow is an important celebration of Indian culture, and helps keep Indian people in touch with their traditions. It allows them to learn more and become a part of their culture — a culture which goes

back to time immemorable. The powwow also allows Indian people to practise their traditions with friends and fellow tribesmen. The event also gives a chance for non-Indian peoples to get a glimpse into the beautiful and interesting culture of Indian people.

It is through events such as this, events in which people can learn more about and understand the ways of others, I am sure that the barriers such as racism can be knocked down.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

National Ringette Championships

Mr. Cline: — Thank you, Mr. Speaker. I rise to comment on an event taking place in my city of Saskatoon, which is the National Ringette Championships. And I had the pleasure last night of speaking to several hundred competitors and spectators at the Canadian championships which will be going on all week at various venues in Saskatoon.

And one of the very delightful aspects of my visit at the opening ceremonies was to meet Mrs. Agnes Jacks, who is the widow of Mr. Sam Jacks, and she is from North Bay. Mr. Sam Jacks was the inventor or founder of the sport of ringette in Canada — and the world, because it's become a world sport and I think eventually will go to the Olympics — and also of floor hockey.

And I had the chance to say to Mrs. Jacks, what a wonderful legacy her husband had left us. Because here we had 650 competitors, young women from all over the country, there to play ringette, and I'm sure her husband would have been very proud to have witnessed that event. And indeed ringette is being played at the world level at the present time and probably eventually will be an Olympic sport.

And I just want to congratulate the organizers of this event in Saskatoon, and wish all of the competitors a very fun and enjoyable tournament.

Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Farm Fuel Taxes

Mr. Martens: — Thank you, Mr. Speaker. My first question on viewer mail today is a question from a gentleman by the name of Albert M. Longworth from Biggar, and he asked this question: Mr. Premier, I want to know why are taxes of 15 cents a litre levied against farm bulk gas while no tax is levied on diesel being used for the same purpose? This tax discriminates against farm family use and those that use gas exclusively.

Hon. Ms. MacKinnon: — Yes, Mr. Speaker, thank you

very much for that question. The province of Saskatchewan or — I should say — the taxpayers of Saskatchewan provide about \$120 million a year in benefits to farmers and other primary producers in the province. The approach has been to allow coloured diesel but to ensure that there is adequate controls in place that gasoline used on farms has to be accounted for. We've tried to make this as easy as possible by ensuring that the accounting is done by the dealer, not by the farmer. In our present financial situation we feel that a benefit of a \$120 million per year to these producers is reasonable.

Some Hon. Members: Hear, hear!

Deficit Reduction Surtax

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, my question today comes from Carol Fleece of 1226 Pascoe Drive in Moose Jaw. And she says: Mr. Premier, I would like to know why the NDP (New Democratic Party) government said there were no tax increases this year, but as I was doing my income tax I saw the deficit reduction surtax had doubled from 5 per cent to 10 per cent. How can you explain this, and how much money was raised by this surtax in 1993? Was this amount really used to reduce the deficit?

Hon. Ms. MacKinnon: — Yes, Mr. Speaker, I actually would welcome that question. When that tax was introduced, because the budget in the year that was introduced was in May, the tax could only be put in place in July '92, so the tax was only in place for half a year. What the federal government forces the province to do is, it was always a 10 per cent tax, but because it was only in place for six months they forced us to put it on the form as a 5 per cent tax. This year it's in place, as it was announced to be in place, at a 10 per cent rate for the full year. So it's that particular change.

But I welcome the question because it's a question that I have been getting frequently.

Some Hon. Members: Hear, hear!

Tax Increases

Mr. Swenson: — Thank you, Mr. Speaker. This question comes from Ivan Biblow of 2626 Cochrane, Regina. And he says: Mr. Premier, I want to know why you are having all these tax increases which reduce how much a person can buy, therefore making it impossible for the small businessmen, and you have not cut your pension at all?

Hon. Mr. Romanow: — Mr. Speaker, I want to thank the Leader of the Opposition — I think it's his question; I'm not sure whose it is, but none the less it's an important issue.

The question of responsible budgeting has been imposed upon us by virtue of the situation which we inherited on November 1, 1991 when we were sworn in — a situation where the deficit for that year was projected to be \$1.2 billion. And what we've tried to

do is have a balanced approach to the question of fiscal integrity. We want to make sure that we reduce expenditures where possible, and we've actually brought down the operating expenditures of government to about \$4.1 billion a year, below the 4.5, 4.6 that we inherited.

The problem is of course that \$850 million have to be added to that. That \$850 million are the interest rate charges on the public debt which was inherited as a result of the former administration.

So what we have done here is we've applied a balanced approach, unlike Alberta's, which I think is standing in sharp contrast to ours. And the people of this province, I think, accept it as the fair and reasonable one to adopt.

But I might say just before I take my seat, Mr. Speaker, that the Leader of the Opposition really can't have it all ways, as he tries to have, because he gets . . .

An Hon. Member: — That's not my question, Roy.

Hon. Mr. Romanow: — Oh, it's not his question. This is not your question. Well I should say to Mr. Biblow then that when he writes to the Leader of the Opposition he should remind the Leader of the Opposition that he can't have it both ways.

He should ask the Leader of the Opposition why it is that he's for a 24 per cent pay increase for judges as an example, and still would want his taxes reduced.

Some Hon. Members: Hear, hear!

Francophone School Boards

Mr. D'Autremont: — Thank you, Mr. Speaker. My question to the Premier comes from Doreen Bell from Outlook. Why are we spending millions of dollars, millions on supporting official language communities, i.e., French and French school boards at a cost to all the taxpayers, of \$21.9 million over the next five years when we have very few French people in Saskatchewan, and yet health boards are strapped for cash and getting less in the 1994-95 budget. French could be taught in regular school as an extra class. Saskatchewan people cannot pick up these other school costs.

Hon. Ms. Atkinson: — I'd like to thank the member for the question. As the member will know, there are two major legal decisions in this country that have indicated that where numbers warrant, members of francophone communities are eligible for francophone school governance.

This province, after we were elected, recognized our constitutional obligation and introduced legislation in the last sitting of the legislature for the implementation of francophone school boards.

The member should also know that there won't be one provincial taxpayers' dollar going to the governance of francophone schools. All funds will be coming from

the federal government as is their constitutional obligation, to ensure that francophone people have access to a francophone education.

Some Hon. Members: Hear, hear!

Livestock Fund Changes

Mr. D'Autremont: — Thank you, Mr. Speaker. This question to the Premier comes from Harold Madsen of Redvers. Why are the funds of the livestock horn fund and the livestock check-off fund being expropriated when these funds are now administered by boards of producers? Why do organizations representing multinational corporations and other political philosophies need representation on these boards? Why are you proposing legislation to fix something that isn't broken?

Hon. Mr. Cunningham: — Mr. Speaker, I thank the member opposite for that question and a chance to clear up any misunderstandings. The funds are not being expropriated; the check-off will remain as is. We are proceeding now to try to move to having elected boards and producers decide themselves who they want to sit on these boards.

Some Hon. Members: Hear, hear!

Labour Standards Amendments

Mr. Goohsen: — Thank you, Mr. Speaker. My question is to the Minister of Labour. Mr. Minister, there has been much speculation and certainly many media reports regarding your government's changes to Bill 32. It is most unfortunate that you would not choose to inform this Assembly of those proposals.

However we do acknowledge that you have finally recognized that there is real and tangible problems with your legislation. And now we need to fix it, Mr. Minister. Would you report to this Assembly what changes you have proposed, how they will be changed, and when we can expect them to be tabled.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I'm a little surprised that the member doesn't realize that this is on the agenda. These House amendments will be introduced in Committee of the Whole in the usual fashion, and you'll have all the opportunity you want to discuss them.

Let me just say . . . (inaudible interjection) . . . Yes we might do it by leave, later this day, if the opposition members are anxious to get to it.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Minister. The official opposition has obtained a copy of a briefing note prepared by your department which outlines the proposed changes to Bill 32. It is different than the one given to the business groups because it has your department's analysis and implications of the

changes.

Now at first glance, it would appear that you have recognized the mistakes; you are finally prepared to hold back on a few of these items. But, Mr. Minister, it also appears that while you are promising changes, you are also crossing your fingers behind your back. Mr. Minister, what you unable to accomplish with Bill 32 under the scrutiny of this legislature you intend to accomplish through regulations, regulations which are solely determined and implemented by you and your cabinet colleagues? Mr. Minister, why have you put so much importance on regulations as opposed to legislation? Is it because you have complete control over regulations and not legislation?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — There is, I think, a silent majority of people on both sides of the issue, of both labour and management, who are increasingly comfortable with the process by which the regulations in which they will participate will contain a good deal of the detail. If there is a single message which we get in this whole process, it is that they want to be involved in the solution. And the regulatory process which we have set up enables them to be involved, and they want to be involved in things which affect them. As the discussion continues, increasingly there is a group in the centre, a silent majority, who are increasingly comfortable with the process.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Minister, your own internal department document says that you intend to go through the back door. One amendment you are proposing to change relates to the new section requiring an employer to offer additional hours to the most senior part-time worker. Your internal document advises that, and I quote:

The distinction between addressing applications by regulation rather than providing exemptions by regulations is subtle but significant. Regulations become even more critical to the legislative framework governing this provision.

End of quote.

Mr. Minister, there it is in black and white. The regulations are critical to the legislative framework, by your own admission. Mr. Minister, you have promised many business associations that you would provide a draft of the regulations before this Bill was passed. Given your new back-door policy, will you table those regulations today in this Assembly? Will you do that for us, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Mr. Speaker, we make no apologies whatsoever for the discussion which has gone on on all sides of this issue. The discussion has been useful and we are forging a consensus, although

I admit there are uncompromising voices on all sides of this issue. But increasingly in the centre there is a group who like the process.

With respect to the regulations, I say to the hon. member that as the discussion has progressed, increasingly both sides are uncomfortable with the notion of regulations being tabled in the House when the Bill is passed. They want an unfettered ability to talk about these in the sectorial committees which we're going to set up to draft regulations, and they don't want their hands tied by a set of regulations which are premature.

So as the discussion has progressed, increasingly people are comfortable with the way we're going to draft the regulations, and they want the process left to that.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Mr. Minister, I'll arrange to give you leave this afternoon if you will table those regulations. Will you do that today?

Hon. Mr. Shillington: — Yes, I think I can authoritatively say, if you'll give us leave to go to Committee of the Whole today on labour standards, we'll do that.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — I don't know how clear this can possibly get, but we need to have it exactly clear. There are many examples in your internal document that show that you are double-dealing with business groups. They want to know the answers.

Are you telling them that you are deleting certain clauses in Bill 32, knowing full well that you can accomplish the same thing through the regulations? For instance, in the document you handed to the business groups, you proposed to delete a clause which includes leaves in the definition of benefits which would extend to part-time workers, but your internal document says that while this may be considered a significant policy change, "authority already exists to include leaves in the definition through regulation".

Mr. Minister, you appear to be setting yourself up to do whatever you please through the regulations. Do you not think that it would be appropriate for all of those who are affected in the debate to have a chance to be in that debate before you come down with the final legislation? Is that a reasonable request, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — To the extent that I can understand that question . . . I want to say to the hon. member opposite he'll get plenty of time to see the House amendments in Committee of the Whole. And if I correctly detect a note of impatience in the member's voice, I can tell you there's an easy

solution: give us leave to proceed to Committee of the Whole in The Labour Standards Act and you'll see them this afternoon.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — I think we have to finish second reading debates first, Mr. Minister.

Mr. Minister you have botched this whole process from the very start, and it's only getting worse. And because of that, you intend to make the changes through the back door and behind closed doors. That's pretty obvious. You offer a challenge that can't be served. Bill 32 gives you the power of, and I quote:

defining, enlarging or restricting any word or phrase in the Act.

That's your comments, Mr. Minister. After the Premier appointed the member from Saskatoon Fairview as the sole arbitrator of things that are just, he appoints you, the Minister of Labour, as the sole determiner of any word or phrase in The Labour Standards Act. Now, Mr. Minister, if you are unwilling to table the regulations now, free of encumbrances, in this House as requested by every business group in the province, will you do the only other honourable thing? Will you pull this legislation, take it right out, and start again? Begin from the start, and bring it in in the next session.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I'm having a little difficulty, Mr. Speaker, in getting a clear focus on the member's agenda. First of all he wants to do it this afternoon; he's impatient to see them. And then he doesn't ever want to do it. If the member could give us a clear comment on when you want to do these, it would be a lot easier to accommodate you.

Some Hon. Members: Hear, hear!

Expansion of Gaming

Ms. Haverstock: — Thank you, Mr. Speaker. My question today is for the minister of Gaming. Mr. Minister, a well-thought-out casino policy should be supported by research and shown by studies to be viable. I quote from your own news release, quote:

Beginning with only two casinos will allow us time to assess the performance and impact of this type of gaming on the province. Saskatchewan has a limited gaming market.

End of quote.

Mr. Minister, you must have done an economic impact study to determine whether Saskatchewan can support the increased levels of gaming that you propose, a study that details the economic and social cost of what your gaming policy will be. Who did it and where can I get a copy?

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker.

Let me say to the member from Greystone that we have in fact spent an awful lot of time studying the issue with respect to the introduction of the video lottery terminals and the casino project as well. And I think the member full well knows that the information that we have gathered would indicate that. And anyone involved in the gaming industry will tell you that the way to locate and the place to locate a casino development would be in the areas where you have the greatest market potential and that would be in your greatest population areas.

Looking at all of those factors, looking at other jurisdictions and how they have established their operations, consulting with people who have been involved in the industry over a number of years, it became clear to us that the two options we outlined in our policy — that being Regina and Saskatoon — made most economic sense to us.

With respect to the impact as for dollars on the provincial economy, I think she will know that we have limited casino involvement in this province. The expansion of casinos will in fact generate more dollars. We have been told by the consultants who we deal with the number of slot-machines that the market would be able to handle, we've been told the number of table games that the market would be able handle, as well as the VLTs (video lottery terminals). The video lottery terminals, we have introduced 50 per cent of what the market potential is.

I want to say to the member opposite that we have taken a very cautious approach to development and we will continue in a very cautious vein in the future.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. Mr. Minister, I can take it from what you've said that you can't tell us who did your studies nor will you be providing us with a copy. Dr. Shirer is an associate director of the International Gaming Institute of the University of Nevada. He spoke with us about the danger in promoting too much gaming in what he calls the closed economy. Shirer says that there are good gaming and bad gambling models. The Las Vegas model and others must rely on tourists coming to gamble and golf and see entertainment, and these are considered good models because the betting revenue comes from outside the local economies. However gaming in a closed economy with a limited population like Saskatchewan presents a danger of taking too much money out of the local economy. Shirer says that that could cost either the casinos or the local economy to collapse over time.

What assessment has been done to compare the existing economy, including levels of tourist traffic, to other jurisdictions that have had a gaming industry for years? Have you done that study, Mr. Minister, to see what level of gambling we can actually support?

Hon. Mr. Lautermilch: — Mr. Speaker, it becomes clearer and clearer that perhaps the member from Greystone is starting to have a look at our gaming

policy and is adopting, I guess maybe based on some articles in the *Star-Phoenix*, is adopting our policy, and now is coming onside and is in agreement.

But we're still not sure, Mr. Speaker, which in her mind is good gaming and which is bad gaming because we've not been able to determine that. We get some sense that in fact horse racing is good gaming, but video lottery terminals is not good gaming. Now I would like a little clarification from her as to which forms of gaming she supports and which she doesn't, as would her constituents.

I want to say this, Mr. Speaker. I have told the member from Greystone before that we intend to take a very cautious approach. We have consulted with a number of professionals and a number of people involved in the industry, and I can assure the member today that we will not overdevelop gaming. We will do it in a very sensible fashion. We will develop it in terms of what the market will bear, and that is the approach we intend to take.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, you say that your government is expanding casinos in order to keep gamblers in Saskatchewan from going elsewhere. Winnipeg just built two huge gaming centres, and the bus tours to Minnesota casinos from Winnipeg has doubled in volume. But your policy says, and I will quote:

More Saskatchewan gaming dollars are flowing across our borders every day to other jurisdictions, and casino expansion in Saskatchewan can stem that flow.

End of quote.

Well, Mr. Minister, experts in the gaming industry say that there is no foundation whatsoever in research to support your claim and that in fact trends in the gaming industry indicate that the very opposite is true. Mr. Minister, what study — and I emphasize again — what specific study did your government do to support the claims that people will not travel to the United States to gamble if you build mega-casinos in Saskatoon and Regina?

Hon. Mr. Lautermilch: — Well, Mr. Speaker, if the member is trying to mount the argument that if we have no gaming opportunities in this province that people will go out of the province just the same as they do if we have a gaming experience in this province, Mr. Speaker, no one has ever suggested that people will not in fact get on a bus or take an airplane to a different climate to have a bit of a holiday over the weekend — nobody has ever said that. But if the member makes the argument that expanded casinos will not stop or at least slow down the outflow of Saskatchewan dollars to other jurisdictions, then I would suggest to her she should perhaps reconsider her thoughts and she should have another look at what her analysts are telling her to be the case.

If you close off a market, it certainly isn't going to stop the outflow of dollars from this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, the experts don't think you have a clue about what you're doing. Dr. Shirer states that another significant factor in the overall success or failure of gaming is the, and I quote: "government take-out percentage", end of quote, from casinos and from slot-machines.

According to this renowned expert from the International Gaming Institute, there is a 20 per cent tax levied in Colorado by the government on the gross intake of the operators, which is what you're doing. Due to that unreasonable withdrawal, 30 casinos have folded in Colorado in the last nine months.

Now, Mr. Minister, what research have you done to indicate that the Saskatchewan economy and the local economies that will provide the hundred million dollars that you intend to rake off through VLTs can sustain that level of support? Just tell us and table today all of the studies that you've done that prove your point.

Hon. Mr. Lautermilch: — Well, Mr. Speaker, let me say this: the hon. member has been batting figures around this legislature for a number of months. And so I guess maybe what I would ask, if she would table the documentation that would suggest that there is a hundred million dollars of expanded casino revenue to be gained. I'd like to see that study because I'm clearly not acquainted with her studies.

I want to say this, Mr. Speaker: we have studied this issue for a number of months and we will continue to study this as we develop our casinos. And I want to say, Mr. Speaker, we've taken a very cautious approach.

The member opposite last year was encouraging us to hurry up because there was 50, \$60 million of gaming revenue last year to be gained from the video lottery terminals. We had budgeted in the neighbour of 25, \$30 million. And we did that based on other experiences in other provinces. We did that based on other experiences in some states and some of the Maritime states, in terms of what we could expect to generate for revenue. It wasn't that we picked the figure out of the sky.

And we think we're going to be very close in terms of our revenue projections, just as we will when we finally put some casino revenue into the provincial budget. We'll be very close then too, Mr. Speaker.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 51 — An Act to amend The Legislative Assembly and Executive Council Act (Board of Internal Economy powers)

Mr. Swenson: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Legislative Assembly and Executive Council Act (Board of Internal Economy powers).

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

STATEMENT BY THE SPEAKER

Resolution No. 52

The Speaker: — Before orders of the day I would like to draw the attention of the Assembly to resolution no. 52 on the order paper, which stands on today's order paper under the name of the member for Kindersley.

The purpose of a resolution is to allow for a clear and distinct expression of opinion by members on a definite subject. The proposed motion of the member in this instance is to have the Assembly express an opinion that the government should create a utility review committee. I must point out that the subject of resolution no. 52 is substantially the same as the motion moved by the same member under rule 17 on March 31, 1994. Beauchesne's, 6th Edition, paragraph 558 states as follows, and I quote:

"That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as a judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of a motion of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

This principle is also addressed in paragraph 480 of Beauchesne's, 6th Edition, which members may wish to refer.

Because the Assembly did pass judgement on the member's motion of March 31, I find that resolution no. 52 is out of order and is hereby withdrawn from today's order paper.

ORDERS OF THE DAY

Hon. Mr. Lingenfelter: — Mr. Speaker, as it is private members' day today, Tuesday, given the discussion that went on during question period, I would ask for leave to move to adjourned debates, Bill 32.

Leave not granted.

PRIVATE MEMBERS' MOTIONS

Resolution No. 51 — Federal Government Social Safety Net Review

Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, at the conclusion of my remarks I'll move the following motion:

That this Assembly call on the federal

government to acknowledge that the real goal of social safety net review is to provide economic development and jobs; and further, that the federal government not use its current reform exercise as an excuse to abdicate its responsibility by arbitrarily removing dollars from the system.

Mr. Speaker, if you don't know where you're going, any road could just very well get you there. This is not the case with Saskatchewan when we talk economic development and jobs. We've had an approach that's involved a broad base of our communities. We've brought together business and labour, small groups of people who've been involved in community activities and community-based projects and development, to speak with us and develop a project, *Partnership for Renewal*, our statement and document on economic development.

And we know that hand in hand with that we must look at social development and social activity and reform in the areas of social safety nets. So we know that a review is necessary. What we're hoping is that the federal government does have a goal or an end result in mind, and that with that approach we're going to be getting somewhere in the area of economic development and jobs.

(1415)

We're not arguing that there's no program . . . no argument in our government that there's a need to look at programs and solutions that have been in place for many years, and there's a need to update, to address the gaps in some of the programs and services, and to reflect changes that have occurred within the economy, and in particular, to address the gaps that have been raised by 10 years, 10 solid years, of a right-wing agenda.

With the federal government as a key funder of social programs — we're looking at today in the area of 75 to 80 per cent of the social programs being funded at the federal government level — we want to see the overarching goals speak to job creation and economic development at this level as well. This is where we're going; we want the same strong commitment before we design paths with only one direction in mind, whether it be the social safety net programs, whether it be job creation and training initiatives for jobs; before we design paths that take us down the road to social safety nets; before we design the path that takes us to job training; before we develop programs to support families and children — before we do that, we want the commitment, and the strong commitment, to economic developments and jobs, sustainable jobs, for all Canadians.

In other words let's work together on an integrated, on a holistic approach to the issue before us, to find solutions for today. We worry in Saskatchewan that this could become an exercise to address a single goal. And that goal of only removing dollars from the system, rather than utilizing the few resource dollars that we have as an opportunity to meet current needs

with improved program services and improved supports for families and people who are working toward a job that will support themselves and their families in today's society.

And why do we worry? Well, Mr. Speaker, we worry because in the last while Saskatchewan has been impacted by the federal offloading, and in a significant way. In the area of unemployment, we've seen cut-backs of \$31 million in 1993 and '94. This has been an increased social assistance cost through changes to the unemployment insurance. We've seen \$5.5 million in 1994 and '95, and \$17 million in '95-96, as a further impact on the unemployment insurance cut-backs from the '94-95 federal budget, to Saskatchewan.

We've seen in the area of INAC (Indian and Northern Affairs Canada) offloading, \$41 million dollars. It's a withdrawal from the Indian and native affairs off-reserve social assistance funding and reimbursement for off-reserve children in care. And that's before the cost-sharing formula.

In the CAP (Canada Assistance Plan) freezes we've experienced \$67 million in lost revenue by the end of 1996 and '97. And this is due to the federal budget freezing Canada Assistance Plan payments at the '94 and '95 levels.

We've seen a further \$1.5 million cost to the province in the federal ceiling on young offenders and legal aid cost-sharing agreements — federal offloading at a time where they say they want to seriously consider a social safety net review. These are indeed the reasons why at Saskatchewan's level, we worry.

Well to put this whole issue in a context, and a Saskatchewan context, I think we have to look at it in, first, the larger framework of what's been going on around us, and in particular in the world around us. And we see that beginning with the 1979 election of Margaret Thatcher, we see it in the Ronald Reaganism, in the election of Mulroney and the Conservative governments at the federal level — a pervasive revolution of public thinking that has affected not only those parties, it's affected every individual party and individual person in not only our country but many countries.

The monetarist revolution we call it. It's a pervasive revolution that tries to allow us to think that the large corporate agenda is somehow going to be a good agenda, a good citizens' agenda, in that they will somehow in the trickle-down theory, if we give them enough tax breaks, we give them enough dollars to work with, they're going to provide some jobs; they're going to create jobs in the community and that they'll have a responsibility to the community, in which they are making their dollars and their profits, to address job creation.

Well it hasn't happened. And no one should be fooled into thinking that it ever will happen. If we haven't seen it now, we're not going to see it no matter what we do with the large corporate agenda, to see other

than a commitment to profit and how best they can maximize their profits; no addressing of a commitment to the community in which those profits are being gleaned and made.

We see the idea that the community should believe that the high deficits and the debts that are chalked up before us are somehow the result of high social spending. And we know that it's just not true. And in particular, you don't have to look far before you look at our Saskatchewan economy and know the reason why we've had the high deficits and the dollars chalked up. It was to: megaprojects will mean megajobs.

Well we've seen megaprojects mean megaheartache and pain for the province of Saskatchewan, and we'll be seeing that pain for many years to come as we deal with the idea of corporate responsibilities that walk away from their commitment to a community that provides them dollars to address jobs and job creation.

It's not high social spending by any means that has created the situation that our communities are in, and it should not be that area that bears the brunt of the kinds of deliberate political decision-making that has got us to where we are today.

What we have seen as a result of that is a reduction in the labour force. We've seen a change from full-time employment becoming the norm to it becoming a variable, and more and more part-time employment becoming the norm. People trying to look at one part-time job, perhaps two or three, to either bolster their small income in their family to providing full-time responsibility for three workplaces to make their family a go, to provide the resources that their family needs for their education and for their sustenance and shelter — food and clothing for their families.

And we've seen the goals of that agenda. The first goal is always to provide a large surplus labour pool, one that is scrambling and saying, well I'd rather have a job than no job and so I'll take it at any cost; I need this job. And they're scrambling and looking around at each other and saying, if it's not me taking it, there's at least 20 or 30 people in line to get the same job. And it benefits that kind of agenda to have that happening.

The next part of that agenda says, well let's wound labour and let's discredit some of the kinds of things that the labour movement has tried to achieve. Because if we divide that wedge we can see then we also don't have to provide the kinds of benefits; we don't have to provide the responsibility at a corporate level. We'll offload that to a community responsibility to provide the long-term benefits such as looking after people when they're of pensionable age, some of the health care benefits and services, and so on. And so that agenda is always to wound the credibility of labour.

And as we've seen it, it's an agenda to hold down the minimum wage for as long as possible. This is more

dependent on the short-term resource exploitation. It's in the short term taking all of the resources you can and trying to maximize your profit with no return to the community.

And we've heard lately about it saying that in the long term, well we're going to connect to the high-tech and high-scale jobs. In Saskatchewan we look at that as a growing technology base, but we don't put all our eggs in that basket and say that somehow this new information highway or the high technology, the electronics, are going to do it for everyone, that that's the answer right across the board for everyone. But we hear it more and more at the federal level that somehow this is going to create the jobs.

Well this goal and this agenda that's been set by the monetarist revolution and the right-wing agenda that I see more and more prevalent in not only the Liberals across from us, but the Liberals in Ottawa, because we always see a Liberal campaign as a socialist and end up as a capitalist; we've seen more and more of this same direction that has occurred in the history before. It's occurred in the '20s; it's occurred in the '30s in this country.

So it worries us that the social safety net review is happening without the strong statement that the overarching goal and the way we're going is to job creation and economic development in this country.

We acknowledge that the Liberals are talking about, let's train a supply of labour; let's get people into the workforce and into a pool of employment. But they're not saying, how are we going to create those jobs; how are we going to get jobs that are going to be sustainable and keep people in a good employment level, and a job that pays to provide the benefits and resources that their family needs to sustain themselves.

It worries us because of the tight consultation time frames, and that you're pushed into saying, well let's take one of those short pathways. Rather than to keep our eye on the main goal, let's take ourselves down one of those short time-frame pathways and let's just work on that and that will be the answer.

We should be saying that we're looking at that as a road to somewhere and put the flags up if we're not going in that direction, if we continue down the road of the last at least 10 years, of saying let's continue our attack on the welfare state and continue our attack on social programs, as if they're the reason why we have the problems of unemployment in the country today.

You'll see that agenda has new code words to use as well, Mr. Speaker. They're using the code words of, we have to be selective in what we're doing, because we're carefully managing scarce resources. So selectivity is very important. And it is if you're only looking at that one narrow pathway and that one narrow direction.

And we're going to have to target, we're going to have to make sure that people are entitled to those benefits.

And somehow entitlement is going to be very important, because we all know of people who have had some abuses and we want to make sure the dollars are going where they should go.

If you're going down one narrow road with one narrow focus, then of course you can use those words. And for many people, they'll pick that up and say, that's right, that's what we need to do today. And it's just only such a small part of the solution and the answer that needs to happen for this country and for this province.

The first goal of that agenda says, well we're going to talk about one pathway that says structurally there are a lot of disincentives to employment. And all of these are correct. There are many disincentives built into the system that keep people in the welfare circle and the welfare state.

And when we did the mayor's task force on inquiry into poverty and hunger, we looked at a lot of those. And some of them are that whole cliff that people drop into or drop off of, when they're going to someone who's dependent on social assistance, dependent on programs and services that are provided by society as a whole, and find themselves into a working situation, but a very low income job or a job that's in a very impermanent state, or a part-time, short-term job.

And once they have achieved that they feel, I'm really doing something now; at least I'm starting back on the track. And they find that all of the supports drop out from under them. Taxation steps in and says that I'm going to provide a further disincentive to you being able to keep that job because I'm going to further penalize you. And there are so many ways that once a person tries to make that move from being dependent to independent, they have the support networks and systems dropped out from under them.

And one of the things that we want to look at and one of the areas that we must look at is saying how we can carry people from that state of dependency on those programs and services, to the independence. And that includes a number of areas to look at, including tax fairness; including looking at the statistics of where the age groups are that need help, that need the most help; and includes providing the hope for youth that there are going to be the jobs to be attained and that they are going to move from some of the dependency systems that are in place to the independence that they've worked so hard to achieve; and they've worked through their training programs or through their education to achieve that.

But they know that alone isn't the answer. Because a number of our youth have gone out and they've got the education, they've got the training, they've got the work skills. And they're saying, where are the jobs, where's the opportunity, where's the economic development strategy? And let's keep our eye on that as the main goal and the main direction.

(1430)

So we know that the answer isn't that people are locked into disincentives, and so we can get busy — and we will — at that level. We'll begin the discussions and we will work on that one pathway of talking about, well what are the disincentives. And we'll spend some time doing that.

But the real goal and the real answer is there are not enough jobs and there are not enough jobs that are available in that middle income area. Because what we've seen over the last number of years are jobs in the top income brackets have increased. The big corporate dollar jobs have increased at the top levels. We've seen a spreading out and an increasing of the jobs in the bottom strata, those jobs that people revolve in and out of; we've seen those increase. Part-time jobs, service jobs increase at the bottom.

But we've seen a continuing attack on the middle income jobs and a continuing cutting back in the middle jobs that are disappearing in our communities and in our economy.

So the removal of the disincentives, although that's an issue and must be addressed, to only open up and allow that revolving door in and out of that bottom part-time strata, or the bottom lower paid jobs, it's not going to address that area of the middle income jobs and the sustainable jobs that people vie for when they go to get a job training application, when they go to apply to a university, or they attend SIAST (Saskatchewan Institute of Applied Science and Technology) or our technical colleges.

So we worry that the social security review not be just a cosmetic value, not be just geared to those individual narrow pathways that will do something that they must draw our attention and have some part-time attention paid to them, but we want to be able to look toward a direction where we say those who are marginalized from our economy now become active participants in the economy.

And that calls for an economic development strategy and a government who's willing to employ the levers that we need to see economic stimulation and jobs.

We have a province that feels that way; we obviously as a province in the direction we take and say, yes, we have a significant role to play in economic development and job creation. And that role is to bring together people to facilitate the discussions that are already out there, the entrepreneurial spirit and the energy of communities; to bring them together in REDAs (regional economic development authority); to talk with them and say, what can be sustained in your communities?

Not that government is going to somehow find the megaproject, the big smokestack and stick it out in your community and it's boom or bust. But to talk with those communities, those small clusters and say, what can we do in your community that is going to provide the longer-term jobs that are going to be sustainable in an economy. And we look at that and target the dollars that we have to the resources of the value added areas

in our economy; to look at the areas of manufacturing; to look at the Main Street small-business communities, and try and address the taxation levels that they have and experience so that we can free up some dollars for them to provide jobs in their communities.

Obviously, Saskatchewan feels we have a role to play in the economic levers of the province and a commitment to jobs when we look at the labour legislation that's before us — The Labour Standards Act, the update and review; so it reflects the people who are in that economy and the growing numbers of women and young people who are becoming part of that economy.

And we believe that if we've got the means to deploy the economic levers, we know the federal government, with the main responsibility for jobs and job training and development, have the levers that can be employed as well.

And we want to see that as their main goal and their main thrust as we work with all of the other things that they've been talking about in the areas of workforce readiness, in job creation or in job training, in the initiatives that they pull together in those areas.

But we still want to know that with all the work that we're going to do as a province in the social security reform project at the federal government level, in the work that we're going to do with our Department of Social Services, our Department of Education, Employment and Training, and the work that we're going to do and we're committed to do with the federal government and work in partnership, that at the same time they're not going to use it as an excuse to pull dollars out from under us without recognizing that the loss of dollars is going to have a direct impact on what we can accomplish in our community in these areas, and do it without the goal in mind and without the areas that we want to put up as the road signs and the directions we should be taking in job creation and training, in programs and services, the principles in the child action plans that we developed, in the integrated, holistic approach to health care and to social services and community supports for our seniors and the people that are out there.

While we work on those, we want to know that the real goals are ahead of them, and the real game plan isn't to, on the short term, withdraw the dollars.

It would be a mistake for us to argue within narrow boundaries that the review shouldn't happen and that we shouldn't go into that review. We want to, and we as Saskatchewan people have always been leaders when we talk about reform and review, and that's happened right before us in the last few years that we've been working together. But we want to broaden this discussion, before we begin it, to real job creation initiatives and development of those initiatives.

Not just words, Mr. Speaker. Let's put our actions together, and let's work in a direction that says, yes we know we have less dollars to work with. It's not the

fault of the social safety net programs. It's not the fault of social spending. Let's lay that on the doorstep where it belongs. It's in the areas of taxation policy, on the give-aways to the large corporate agenda, on the idea of increased globalization at any cost, free trade agreements and NAFTA (North American Free Trade Agreement) agreements that don't take into account what's happening in the larger picture of saying that we're going to have economic development in each region of our country and in each region of our province.

So when we're talking about some of these areas of reform, we want to look at any discussion also containing something that's very important wherever I go and whenever I talk to people.

And in particular, if you look at the growing numbers of people involved in the economy, how can you begin to talk about reform of these programs if you don't hold out the idea of a national day care strategy? It's not because women want to go out there and work for the added little extras for their family. We all know that women need to work to support the family. Many women are single parents; they have to work to support their children and to support the food and clothing and shelter that their family unit needs.

We've accepted the idea that those women can be an active part of our economy, and yet we talk about the reforming of programs, reforming of the social safety net structures, and we don't talk about a national day care strategy.

We know then that the review will be driven by an income security-side review and we know that hopefully, that with some of the discussions, that it'll break down some of the rigidities and the vying for the envelopes of dollars. And that somehow in this review the federal government's going to recognize that when we provide integrated approaches and holistic approaches, that areas of their country recognize what those individual needs are and the approaches should be.

We've seen them throughout the province, growing up — the Buffalo Flats area. We've seen approaches to economic development in some of the smaller Main Street businesses expanding with some of the bits of dollars that we've given them for the expansion that's targeted to the six strategic areas of our economic development plan. We've seen that grow in all areas of our economy.

We've seen the approaches and the creativity of people in providing jobs in the health care sector, as their health care initiatives change from a curative approach to a preventative approach. And people look at that and say, well what jobs are needed to sustain a preventative health care system? And to change their roles, and change their ideas on employment to meet those needs in our economy.

So we've got a picture in Saskatchewan of what that could be. We know the community-based, cooperative, compassionate approach works. But we

know it's not the approach that says it's the individual to blame for being unemployed, or somehow if that individual . . . well let's say on the short-term, will work and we'll get them better trained, or we'll train them differently.

So, well we'll go ahead and do that, but where are the jobs for those people who we're now training, or saying there is hope and we want to have the initiatives to more training and development? We have to, when we go into the social safety net review process, know that the federal government is very quickly going to set out where they're going. So that it's not any path we take will get us there; it's that the varied approaches that we use, the creative approaches we use, have an approach to that goal; that then when we look at the ideas of, let's train, we're going to train for the jobs that are sustainable in community economic development initiatives. And in Saskatchewan we know what those are.

When we want to provide that short-term safe place for people to be until they are able to access that job, we know that there's a role for government to play in doing that. We want to provide that sheltered spot, but we don't want to make it the spot that the corporate agenda has created for people and to say that you're now not into a safe shelter spot until your job arrives and until you utilize your training and your education. But you're going to sit in that spot for a long time because you're part of a large pool that the corporations and the large business places can use to draw on as a source of cheap labour and a way to destabilize and revolve you through the lower paying, the lower status jobs in our society.

We want to return to the idea that the individual has the initiative, he has the dignity and respect of all governments, and that governments now are working together for the solutions — not just the short-term answer here and there, but the true solutions to what needs to happen in all of our communities.

There are things that we certainly, at the level of Saskatchewan, have to offer in ideas and in the approaches that we're using and the role model that we can provide. We have it here; we'd be glad to be involved. But when we're involved, we're going to aim high in everything we do. We're aiming for real literacy, real numeracy, real employment opportunities that lead to real employment for our citizens in our communities.

Mr. Speaker, when we do a social safety net reform review with the federal government, we know that there are some areas that the federal government will want to retain responsibility for, and they retain the ability to do that and they know how to do that well.

If they look at, number one, the area of tax reform and how their taxation schedules can address the issue of where the dollars are going, to have an agenda that says there's a responsibility to the person who's making the large income having some agenda and responsibility to the community to provide the jobs within that community.

We know that the federal government has the responsibility and can do a job to look at in some ways addressing support for child hunger and poverty through their child tax initiatives, through their income security reviews.

We know that they have a role to play in the broad picture and maintaining the broad principles and keeping us all on track with the broad goals and objectives in mind. And it's their responsibility and their level of dollar involvement that can lead this province. The province has been a leader and can lead as an example to other provinces in the whole discussion of what truly we mean by economic stimulation and job creation, going into the next century.

We know that means talking about, in the short-term, the infrastructure — not only the streets and roads and the infrastructure program that in the short term will provide the extra few jobs here and there, but the long-term infrastructure that we're developing. And we have a role, and a leadership role to play in education and health and social development and day care and other areas.

We have a role to play in providing more support for families that will encourage communities to be involved at all levels, and that can be the facilitators, the seed funders, the energizing, the mobilizing of communities at all levels to come together to develop realistic expectations and realistic middle income jobs for the communities that in turn provide the tax levels that support small business in their communities, support services and programs for their communities, and in the long run will serve us all at a much better level and a much better program and service delivered to our children, our seniors, our people who are greatest in need in our community.

But for the rest of us, will get us involved in meaningful jobs that provide sustainable support for our communities and turn our approach into a holistic approach that is sound in its infrastructure, sound in its architecture, and sound in addressing the real issue that's before this country and this province, in the hope for our youth and for our middle income earners, our people who are now seeing the loss of middle income jobs and want to see a return to employment in their middle years.

(1445)

We'll all take ownership for that. We will go into this social safety net reform with that in mind. We're asking of the federal government that in the short term they not continue to pull the rug out from under us in this review, by pulling out the dollars in a holus-bolus approach in a short-term, unilateral cut-back of the dollars without knowing how that impacts on the individual areas.

Let's stop that review as an approach to, in the short run, using it as a guise to arbitrarily remove their levers in the economy and use it to go forward and look at

the opportunities that it presents itself to design and deliver programs in social security way that meet needs of people, develop program supports for families and children in our communities, and that is necessary to see creative new ideas coming forward that will provide economic development, job creation, and training for everyone in this province. Thank you, Mr. Speaker.

I urge members to support the motion before us that will give the message to the federal government that they acknowledge that the real goal of a social safety net review is to provide economic development and jobs, and further that the federal government not use its current reform exercise as an excuse to abdicate its responsibility by arbitrarily removing dollars from the system in the short term, in a short time. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — Moved by myself, the member from Regina Wascana Plains, and seconded by the member from Regina Lake Centre.

Ms. Crofford: — Thank you, Mr. Speaker. I am pleased to second the resolution, the motion put forward by the member from Wascana Plains, and to reiterate the need for the focus on jobs and economic development, not merely cost cutting in the income security review process.

The safety net that Canadians have built has been built up slowly over the years, and it's been built in response to real needs that developed in our society. We didn't just arbitrarily decide to initiate these programs; they were all built in response to some crisis that was taking place in our society.

But we've built these programs well, and I think they've contributed to our economic strength in terms of our educated population, our trained workers, and a fairly secure social environment as demonstrated by many people from across the world who would like to come and live in Canada and benefit from this very strong social and economic net that we've built.

Now there's been many modifications to these programs over the years as circumstances have changed. And in a way we've tinkered away at the system to the point that in many ways it really doesn't function any more either for the purposes that we originally constructed it or for the needs of the current economy. So it is time for Canadians to rethink these social and economic priorities; but it is important that this reform be comprehensive and that it involves the active, informed participation of all the public, the groups and communities, and all levels of government who were involved in initially building these systems. It would be very unwise to get into changing these systems quickly when in fact it's taken a great deal of time to put them thoughtfully in place over the years.

Now most of our income security programs, Mr. Speaker, were designed in an era of strong demand for labour at all skill levels. An individual could leave

school at almost any age and find work fairly quickly. I know when we graduated from high school, the longest we might have to go without a job would maybe be a couple of weeks if we were looking hard for one. And that really isn't the situation now for young people.

Labour markets have changed; and some of the traditional sources of high wage, high benefit employment, such as resource and manufacturing sectors, have cut their jobs. And small companies are hiring, but they often pay less and have fewer benefits and less stability, less hours of work.

Globalization and technology have changed the kind of basic skills that people require, and that's meant that even skilled workers find that their skills don't match the current economy. And so we find people at the age of 50 and over who all of a sudden find themselves out of work and their skills outdated, and they're trying to go back to university at the very time that their children are in university. And it creates a double-edged income problem for the family that's trying to keep up with the changes.

For many people UI (unemployment insurance) has become a regular source of income, and in effect subsidizes seasonal employment in many places in Canada. So perhaps it's time with that area that we have to recognize the real needs in the community and quit pretending that an unemployment insurance program is going to meet that particular need.

The social assistance programs are a last resort, but unfortunately a lot of people are now on the assistance rolls who were never intended to be there. There's many people who have assets, who have homes, cars, debts, etc., and never expected to find themselves unemployed. And the particular social assistance programs were really never designed as anything but a last resort, so they're really not up to coping with some of the new kinds of recipients who, due to cuts to unemployment insurance programs and what not, are finding themselves instead on social assistance when they thought in fact they would be re-employed within the time period allotted for the receipt of that assistance.

And if we look a little further to the people who spend sometime several generations on social assistance, helping them achieve self-reliance becomes a very difficult problem because there's often no coherent link between the other support programs such as counselling and training, unemployment insurance.

One good case in point that I wouldn't mind taking a minute to explain is, if a person in this country is on disability allowance, if they decide to take a chance on unemployment, they automatically lose their right to return to disability. So even though they may not really have the skills to participate in the economy and they may not really be job-ready in many respects, the very fact that they venture out and attempt to take a job could forever close the door to the disability pension. And the problem with that is a disability pays a lot more than social assistance.

So it becomes a barrier to people to get out of those programs if in fact once you're out, you're permanently out and you can never go back in again. And it sort of slams the door behind them, when in fact with a little more flexibility they might be able to venture out and either successfully stay there or go back for a second round when something else comes up.

Adult education and training is on the rise, referring back to the comment about a lot of us are in school now and at university retraining the same time that our children are in school. We have to figure out how to solve this problem because no family really can support the costs of having all family members in school at the same time. And that needs to be considered in the income security review.

More job related training is needed. A lot of the programs I've participated in over the years as I've worked with training in aboriginal communities and with youth on the streets of Regina, the training was never particularly linked to anything. And that wasn't through poor intent of the people running the programs. The fact was that there was a very short-term focus on the program.

So as long as you were able to keep somebody busy and I guess out of everyone's hair for a few months, that was sort of the short-term objective of the program. But it never really linked up to strategic community development plans, or strategic economic development plans, which would actually tie that person in to some kind of sustainable employment within their community.

The income security issue links to school policy because high drop-out rates feed high youth unemployment. Whatever you can say about high unemployment, the fact is that high education correlates almost directly to highest potential for employment, and low education correlates almost directly to lowest potential for employment.

So the longer people are able to stay in school, even in a low-job economy, they're still more likely to be employed than young people who don't finish school, who really are at the very bottom of the pile as far as their opportunities for any permanent employment.

So we need to link school policy to income security policy to make sure that young people stay in school and have the maximum opportunities to hook up with the job market. And I think we need more programs that help people make a successful transition from school to work — more co-op style programs, more apprenticeship-type programs --places where people, while they're learning, can also be productive and can link directly into the labour market that they eventually hope to participate in and have the benefit of working with people who have worked in those fields for many years and benefit by discussion with someone who has actually done the job as opposed to receiving all their training in a more theoretical setting. And I think there's some good models from

apprenticeship that we could follow there that would solve that problem.

So many of the issues in this are related to the issue of scarce resources, shortage of money. Some are program design issues, and some are strategic issues, and I think it would be a big mistake if somehow those were all lumped together as if one single solution would satisfy all those problems.

But if we are dealing with scarce resources, it's important to get the best use out of those scarce resources by tying them into the real needs of Saskatchewan people and the Saskatchewan economy. We have the *Partnership for Renewal* in Saskatchewan. We're attempting to develop certain sectors of the economy. There's no reason why this income security couldn't link people into the training and supports required to participate in those targeted areas.

We have areas in our community in terms of health reform where we're trying to change what's going on, and there's no reason why some of these income supports couldn't tie into labour adjustment programs which would help people make the transition to a different way of delivering health care in the community.

If you start to look at what kind of programs could be included in income support, it really does get mind boggling. I'm not going to even mention all of them, but at the provincial level we have the Saskatchewan Assistance Plan. We have child care subsidies, the rural and native housing program, tax reductions on the tax form, the supplementary health programs, student loans, the gross revenue insurance plan out in the farm areas, workers' compensation, and that's probably about half the provincial package of income support programs.

At the federal level we have unemployment insurance, child tax benefit, non-profit housing program, Canada Pension Plan, Old Age Security, the net income stabilization plan, again the Canada student loans program. And that again is only about half the programs at the federal level.

So when you start to look at why we have so much trouble with people getting some continuity in their income support, all you have to do is look at that list to understand why there's a problem. People are continually either applying for or getting off of one or the other of a huge myriad of programs. And this just doesn't work out very well in terms of any kind of income security or stability, predictability of your income.

For Ottawa the fiscal issue is a big one because 75 to 80 per cent of our expenditures in this envelope come from Ottawa and the provinces make up about 20 to 25 per cent. And I think it's important that we carefully sort out which programs should be delivered at the federal level and which ones should be delivered at the provincial level. Because the federal government needs to be cognizant of the need to not assist

provinces in pitting themselves against one another in terms of level of benefits or the kinds of opportunities people have, because everybody would then move to a high-opportunity province which would then increase the cost for that province while other provinces would get off scot-free in terms of the training and supports to their own members of the population.

So it's important that a great deal of this stuff be thought through in terms of some national programs. But at the local level, we do need the flexibility to be responsive to local economic development plans, the agricultural sector, to be able to train people in the real areas of our economy where real activity is taking place.

(1500)

And I think fundamental to all of it has to be designing programs in such a way that they lead people to participate in this society. I'm often wistful when I watch programs on TV about tribal societies, because in a tribal society if you lose your sight, people will give you a job to do sitting down where sight isn't required. Or if you lose the use of your legs you might be given a job to do where that wasn't important.

And I think in our society we have not found a way to define people unless we define them by virtue of their employment. And there is so much other worth that people have that is not directly related to employment. So I think, as well as looking at full employment, we also have to look at the principle of full participation — a society that has a place for everyone and is able to bring them into that participation.

There was a group of people called the Canadian employment research forum who got together to discuss what the predictable problems have been with income support programs as they have been delivered over the past many years. And I want to share with you some of their observations because as we go into a new process, I guess the minimum we can do is at least avoid making the obvious mistakes and leave ourselves open to at least making some new mistakes that nobody has invented before.

One of the first issues they talked about is the instability in terms of unemployment insurance and social assistance. In British Columbia some of the data they've collected shows that half of all the people who leave income assistance, leave within three months but many subsequently return. And that's partly because of the prevalence of many short-term jobs that can't really sustain them in any kind of permanent way. A large number of the returnees are single males and that maybe indicates that our focus on female single-parent families needs to be broadened to include single males in our consideration because they're not doing too well themselves in terms of keeping employed.

The delivery of appropriate services is a key factor because no single intervention works for everyone.

We have a wide range of problems that people have in staying employed. Some are skill related; some are to do with their financial incentives, whether or not they can live on what they're making; some of them have to do with long-term disabilities that don't lend to regular kinds of employment. So they have found that successful programs put much more stress on changing attitudes and improving skills as well as having some kind of a reciprocal obligation in terms of the finances received in relation to some job search efforts and also with the support services coming in to support those efforts.

Secondary to people's success has been financial incentives, strangely enough. A financial incentive hasn't been enough to bring people permanently into the workforce when in fact their problems were maybe not totally related to money. Program impacts have depended on the state of the labour market. A crucial determinant in whether these kinds of programs have worked has been whether there's a job at the end of it. So there's just no way you can unhitch this whole thing from what our plans are for the economy and for job creation.

In many cases workers are displaced. It's not that they don't want to work and it's not that they don't have skills. It's that the skills they have aren't needed any more, and you find a number of highly skilled, highly trained people who just have no place to put their skills. So a policy that relies only on training is maybe not totally sufficient for these people because they're displaced more than they are unskilled, so again requiring maybe a different kind of initiative for that group.

Given the limited resources, when we look at savings, I guess we have to look at bang for the buck in terms of the dollars we spend. Short-term low-cost programs are good because they are very inexpensive, and they keep everybody going, but they don't really provide any long-term results, but they are appealing because they are low cost.

The longer-term programs that involve economic development and some serious long-term training — some of it 2, 3, 4 years in length — these are much more expensive programs, but they have a stronger long-term impact on the economy. And no doubt these will be difficult issues that we have to deal with, particularly when we're all living in four-year electoral time frames. It doesn't really contribute to people looking at the long term. But we do need to do that, and I suspect that the money we put towards training people in the long term for new areas that our economies are growing in would produce a better return on the dollar than the short-term programs which really . . . at the end of the day, the economy and the people are no further ahead.

If each program is additionally separately provided and separately income-tested, then all of the program income tax become poorly coordinated, and I think that creates even more disincentives to people doing anything because the whole thing is just so discouraging. There's no easy way to move from one

area to the other.

And I can't leave this topic without talking a little bit about labour policy because labour policy is absolutely fundamental to income security. The two aspects of labour policy that I would want to discuss are the need to regularize people's lives. When people are working at unpredictable part-time employment where they receive short notice of need to go to work, then the difficulty there is that how do you set up any kind of routine in your life on that basis? You can't even have two jobs because you don't know what the hours are for your first job, and that doesn't leave you available to choose a set of hours for your second job that might be complementary to the first one. You're perpetually on call, and that pretty much puts you in a box as far as the possibility of having two jobs to achieve an adequate income.

Child care arrangements are next to impossible, and even sharing arrangements between partners become difficult because neither of the parents often — in some of these two-family arrangements where both people are working in these part-time jobs — they can't even make a plan of how they're going to share child care and perhaps save some money for the family by alternating their work hours. So there's a need to regularize, through labour policy, people's lives.

The other purpose of the labour policy would be to maximize income security because if people don't have sufficient hours of work and if they don't have any predictability in their hours of work, again they can't achieve the levels of income that they might be able to if they could plan how to work at a sufficient number of jobs a sufficient number of hours to bring in an income.

And all of that links, of course, to our ability to get mortgages, to get bank loans, to do all that stuff that a consumer society likes us to do. You can't get credit if you don't have a predictable income, and you certainly can't get a mortgage.

And so I think one of the issues people will likely be raising with the federal government is the need for some national labour standards that help to make income earned from employment the foundation of income security in Canada.

We've had a lot of difficulty already in Saskatchewan dealing with, again, the federal offloading. And while it's understandable, given the high percentage of dollars that the federal government contributes to this, there's also a limit, I guess, to what's possible before the provincial government becomes very undermined in its efforts to meet its mandates as laid out in the constitution. And I can well see where this income security review may reopen some constitutional debates because the federal government, is it appropriate these days that they retain the kind of responsibility they have had for training? Or is some of that responsibility better met at the local level where people are making their own community economic development plans or what not.

Is it possible for us to separate our responsibilities and accountabilities in such a way that people don't get perpetually bounced back and forth between UIC (Unemployment Insurance Commission) and social assistance to the point where each level of government is designing its program around whatever conditions have been set by the other.

And this is certainly the run-around we've been on with these two programs. So maybe it would be better to clearly put responsibility in the hands of one level of government so accountability can be assured.

In terms of the UI cut-backs, the unemployment insurance cut-backs, in 1993-94 the province lost 31 million in increased social assistance costs due to the ripple-through effect of the changes to UIC. There was 5.5 million that we're predicting in 1994-95 and 17 million in '95-96, which again are just the roll-through effects of these further UI cut-backs that are just being implemented at this current time.

The whole issue with off-reserve social assistance has created a \$41 million problem for the province. And as well, the freezing of the rates in the Canada Assistance Plan. There's been 67 million in lost revenue predicted to the end of 1996-97 because of the federal budget freezes to the 1994-95 levels of Canada Assistance Plan payments. Another 1.5 million is lost due to the ceiling on young offenders and legal aid cost-sharing agreements. So already, in terms of looking at the fiscal side of these changes, there has already been significant fiscal impact at the provincial level.

And I guess what Saskatchewan will be looking for in this whole thing is to make sure, as the dust settles, that of all the monies spent in Canada that there's some recognition that Saskatchewan has to get its fair share of the resources.

Some of the funding is tied to levels of employment and what not and because of the particular situations in Saskatchewan, if you look only at that factor it would lead you to believe that the situation was better than it is. But the fact is we can't grow in the directions that we need to grow in strategically if we don't have some of those resources to put into training and to put into other areas. So you can't look at it just as income support; you have to look at it as income support leading to economic development and jobs. Those two things can't be unhitched or it will just never work.

So just to finish off and make some concluding remarks on this, I go back to four basic points that I've talked around in this discussion; one being the issue of training and the need for training to fit into an overall plan and strategy for the economy and the community so that we are not leaving well-educated and job-trained people without jobs to go to. In terms of reciprocal arrangements — or another word for that is where people receive income in return for work — we need to look at the real groups out in society, not some imaginary group of people that we believe don't want

to work but the real people, either those who for some reason are permanently out of the workforce, those who aren't job-ready, those who are job-ready but have no job, those whose jobs change, and those who due to minimum wage or part-time work have inadequate income — those are very distinct groups who have different kinds of problems that need solving.

In terms of fiscal responsibility, I think it's important that we remind Ottawa that in the context of global competitiveness and world image that we have a responsibility to maintain the quality of Canadian society that we've had so it continues to be a beacon for people in the rest of the world.

We will have to deal with some of the fundamental issues like wealth distribution as it relates to income tax. I think it's long been assumed that the private sector will automatically create jobs from profits, but there's been a great deal of research that has clearly indicated that that assumption is false. So I think in the same way that governments get held accountable for the monies they spend and allocate, I think so does the private sector have to be held accountable in order to justify its tax breaks and subsidies in return for job retention and job retraining.

We need to get creative about our federalism and sort out these problems of authority and accountability between the provinces and the federal government, even down to the municipal level, because of course in the way that we're putting more emphasis on local development these days, the municipal bodies will have a lot stronger role in economic development than they've ever had in the past, and that's good. And we need to build and strengthen our communities in this process.

So the secret, I think, to the Saskatchewan approach is the use of community involvement in these discussions. What we've been doing in health, agriculture, economic development, and education all have to be part of this income security discussion. And we need to look at how communities can help each other in the face of some shrinking needs that means that fewer and fewer family needs will be met through traditional income support programs.

But I also think it's an opportunity for Saskatchewan to sort of paint the picture, as the member from Wascana Plains has said, for the rest of Canada, to show how effective, healthy, and integrated income supports can help to create a viable economy and a viable community.

So with those remarks, Mr. Speaker, I'm very pleased to second the motion of the member from Regina Wascana Plains and urge that the federal government make jobs and the economy the foundation of its income security review and not merely be used as a kind of a shallow, cost-cutting exercise. Thanks very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

(1515)

Mr. Britton: — Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure to participate in the debate on the social safety net review initiated by the federal government. Mr. Speaker, first of all I would like to indicate that I find this motion both premature and hypocritical; therefore I will be proposing an amendment at the end of my remarks.

I would like to point out why I think this motion could be made better. The federal Human Resources minister stated his intentions of holding a review process in December of 1993. The provincial Social Services minister attended the first meeting of the joint federal-provincial-territorial ministers responsible for the labour market and social services, in February. In fact he and the Minister of Education, Mr. Speaker, put out a news release at the end of the meeting.

And on February 16, the Minister of Social Services was commending the federal government on his approach to this matter. And I'll quote what he said, "We think the time is right for such a review and commend the federal government on this comprehensive partnership approach." End of quote.

Now, Mr. Speaker, the Education minister, she proudly said, and I'll quote:

At the meeting, Saskatchewan recommended that the federal and provincial officials jointly develop principles, objectives, scope, key issues, and process for this reform.

I am pleased to report that this recommendation was accepted, and we expect a report in May.

End of quote.

Mr. Speaker, it's now March, and the member from Regina Wascana Plains is already warning the federal government to keep jobs and economic development in mind while considering changes to the country's social security net programs. Well, Mr. Speaker, if the member from Regina Wascana Plains wants to participate in the social safety net review process, I am sure her colleagues would welcome any of her suggestions to them. And it seems a bit strange for her to be putting this motion forward, particularly when she starts talking about job creation. Actually it is amusing to hear any member from that side of the House talk about job creation and economic development.

And I take this opportunity, Mr. Speaker, to point out their own record in the job-creation arena. This government likes to talk about job creation and economic development. They do it all the time. And in fact, this year's keeping the promise budget indicates that the NDP priority for 1994 is job creation. Well, Mr. Speaker, that's nothing new really. The NDP government commitment to create jobs can be found in every throne speech, every budget speech delivered to this Assembly since forming government

in 1991.

Now I'll give you a few examples. In 1992 throne speech:

In spite of Saskatchewan's financial problems, there is reason for hope and optimism.

In total, there are currently more than 700 companies which have expressed an interest in either relocating to Saskatchewan or expanding their operations here. If these businesses proceed with their plans, they have the potential to create or maintain more than 16,000 jobs.

16,000, on page 3.

In 1992 budget:

... one of the most important priorities for Saskatchewan people is stimulating economic opportunities and creating jobs.

Again creating jobs — page 17 of the 1992 budget.

1993 throne speech:

There is no more important dimension to that future than the creation of jobs, and no more important location for those jobs than Saskatchewan's smaller communities.

Well, well.

Of the hundreds of new, expanding and potential (businesses) in the province, more than half are outside Regina and Saskatoon. Those outside our two largest cities have the potential to create or maintain ... 8,000 jobs.

Page 2, 1993 throne speech, 1993 budget debate: "Jobs are our first priority." Page 3.

1994, 1994 throne speech:

The economic development strategy which my government introduced in 1992 — *Partnership for Renewal*, has three key goals: to create a positive climate for economic renewal, to build on existing strengths, and to seek full employment.

The partnership is working. We continue to have the lowest unemployment rate in the country.

That's on page 2.

1994 budget:

This Budget shows that jobs are also our number one priority.

Page 3 in 1994.

Now let's compare the NDP's commitment to jobs with reality. Let's see what's happened after all of those glowing promises and . . . Here's a fact. And this is according to Statistics Canada: there are fewer people working in Saskatchewan in January than in any month since March of 1984.

Another fact: there are now 12,000 fewer jobs in Saskatchewan than in January of 1991. And we go back to 1991 and we're talking 16,000 jobs; we've got 12,000 less jobs.

Another fact: according to Statistics Canada, Saskatchewan's population has fallen to a new 10-year low.

Another fact: in December of 1991 there were 57,199 people on welfare. The number of individuals on welfare today totals 80,593. Where's all those glowing projections of jobs and security?

Well, Mr. Speaker, there are 12,000 fewer jobs in Saskatchewan today. And the member from Regina Wascana Plains is asking the federal government to keep jobs and economic development in mind when reviewing social safety net programs. Well Saskatchewan has 80,593 on welfare. The member from Regina Wascana Plains refers to the new process as a reform exercise. Well the member from Regina Wascana Plains should be optimistic, I think, rather than sceptical. She should be desperate for someone to come along and clean up the NDP government's mess that they've made in Saskatchewan in the economic program, Mr. Speaker.

We all know that the NDP government in Saskatchewan has no plans at all for assisting people to get off welfare. As I indicated in today's motion, the NDP think that throwing more money at a problem will solve Saskatchewan's welfare roll. Well it won't. During the estimates with the Social Services minister I asked the minister whether his department was looking into any reforms in any other jurisdictions — other jurisdictions that also are suffering from high social assistance case-loads. We're not the only one, and I'll admit that; there are other jurisdictions having the same problem.

But the response I got is worthy of note, Mr. Speaker. The minister responded that other models were looked at, but that Saskatchewan would not be pursuing any of these models in the form of a pilot project. He wouldn't even try them. Saskatchewan's Social Services minister has unequivocally refused to even consider welfare reform projects in our province. He simply stated, and I quote, Mr. Speaker, "they are punitive approaches". End of quote. Mr. Speaker, that was the end of our discussion on the welfare reform because, and I quote again, "they are punitive approaches".

Mr. Speaker, how can encouraging people to stay in school be punitive? Everyone knows education is the key to most of our problems. If someone is chronically absent from school, the matter should be investigated; and if the reasons do not warrant the truancy, then

they should be penalized. We are not encouraging children whose parents are on welfare to stay in school. We have to do that to break the cycle.

Everyone knows that dependence on welfare is generational. This being the minister's attitude in regard to social welfare reform, one has to wonder how much he will contribute to the federal process when reviewing these social safety net programs. He may not be willing to consider any of the changes that they may propose.

Well he may go for one change, Mr. Speaker, and that would be to keep the \$50 million difference between the unemployment insurance premiums and the benefits in the province. Our low unemployment rate means that about \$50 million more in unemployment insurance premiums are collected than are paid out. The provincial government wants that money paid back. Well, Mr. Speaker, the concept sounds good, and I would welcome another 50 million for the province. However the ramifications of that concept may not be that good.

If the federal government goes for his idea . . . and I wonder if Alberta and British Columbia will be looking for more equalization payments in the future. Saskatchewan has reaped the benefits of equalization for quite some time. And I wonder what the Social Services minister's reaction would be if Alberta and British Columbia started to ask for a return on their royalty taxes that they pay. I wonder if that 50 million would look that good, Mr. Speaker.

Well, Mr. Speaker, some of Canada's social safety nets are outdated. We agree with that, and they need to be reformed. But they must be reformed in such a way that people needing the programs will still have access to them.

The provincial government must take care of its own people right here at home. That's where you have to start. They have forced thousands onto welfare and have no plan, as I know yet, of how to get them off.

Therefore, Mr. Speaker, I move, seconded by my colleague from Souris-Cannington:

That all the words after "Assembly" be deleted and the following substituted therefor:

urge both the federal and provincial government to acknowledge that the real goal of the social safety net review is to provide economic development and long-term jobs, and further urge the provincial government to recognize its responsibility in this process and immediately take steps to reduce spiralling welfare numbers, and further urge that the provincial government not use the reform initiative as an excuse to abdicate its responsibility by arbitrarily removing dollars from the health care and education programing.

I so move, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. I agree with my colleague from Wilkie that it is indeed time to review our social service, because when 80,000-plus people in Saskatchewan are on welfare, and the numbers are growing across Canada, there is indeed a great need to review exactly what is happening in the social services area.

Part of what is happening, Mr. Speaker, though, relates to the economy. And we saw an example last Thursday of a major effect on the economy when the government increased the utility rate, Saskatchewan Power's electrical rates. Therefore, Mr. Speaker, I believe it's important that we discuss other issues in this House also.

Therefore I would like to make the following motion, seconded by the member from Thunder Creek:

That the House do now proceed to Bill No. 1, a Bill to amend The Legislative Assembly and Executive Council Act (Legislative Utilities Review Committee).

I so move, Mr. Deputy Speaker.

(1530)

The Deputy Speaker: — I find the motion is not in order. The member is the seconder for a motion that is currently before us and therefore he is not eligible to move another motion at this time. So the debate continues then on the amendment by the member for Wilkie, seconded by the member for Souris-Cannington.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, it is indeed a privilege to enter into the debate. And I would suggest that the Government House Leader today indicated that they were interested in getting on to some substantive business in this Assembly. And my colleague introduced a motion just a moment ago, allowing us that opportunity to get on to some of that business.

Business which is . . . the public of Saskatchewan are indeed asking of this House, asking of members of this Assembly, to address some of the major concerns that are on their minds rather than, as I would indicate, frivolous motions that we see being brought to this Assembly day after day, time and again, and asking members just to stand in this House and bide the time of this Assembly. And no wonder the public at large are becoming somewhat cynical of politicians and of how this House happens to operate.

When we talk about safety nets, I think people are looking for a real safety net. They're looking for an opportunity to have members of this Assembly take the time to address the concerns that are pertinent to people today — not tomorrow, but today.

The Premier has indicated that when we've brought

forward motions to move to or to invite the Premier to establish or the government to establish a legislative review committee, the Premier's indicated and chided at members to attend Crown Corporations Committee meetings. And I would just like to remind members of this Assembly and remind the public at large that yes, we do attend Crown Corporations Committee meetings. Every time there's a Crown Corporations Committee meeting, the opposition caucus are there.

The unfortunate part, the frustrating part that we find, is that the only avenue we have to discuss is the business of the Crowns that is already a year old. And the issues that are really concerning the taxpayers today, that we would like to raise, unfortunately we can't just because of the format of the Crown Corporations. And that's why we've been raising some of these questions in the Assembly.

The member for Regina Wascana brought up a motion today that this Assembly call on the federal government to acknowledge that the real goal of the social safety net review is to provide economic development and jobs, and further that the federal government not use its current reform exercise as an excuse to abdicate its responsibility by arbitrarily removing dollars from the system. I think there are people across this province who would suggest that if there is a government that should be listening to its own motions, there's the government in the province of Saskatchewan, indeed, should follow suit.

I don't know if there's a government that has arbitrarily offloaded more on the taxpayers of a province than the present government that we have sitting in front of us today. Talk about offloading; talk about offloading on the health system; talk about offloading in the educational system; talk about offloading on municipal governments, Mr. Speaker.

And if you wonder why people are somewhat annoyed when the Minister of Finance stands up in this Assembly and so proudly tells us that there's no new taxes and then turns around just a few short days later, and the minister responsible for SaskPower . . . again we see a rate increase taking place in this province. And so what is that, Mr. Speaker? What does that mean to the people of Saskatchewan? Where are the safety nets for the people of Saskatchewan? There's no safety nets left in this province.

I think the members on the government side of the House, rather than looking towards the federal government, should start looking at themselves and accepting the responsibility that has been placed on their shoulders by the electorate of the province of Saskatchewan. I think it's time they took a serious look at ways and means in which they can help and aid the Saskatchewan taxpayer.

I think, Mr. Speaker, when we look at social safety nets, what do we really mean? And I believe the federal government has a review taking place right now, or commissioned right now, to look at some of the terminology that they would use in defining what a

social safety net is. And I think if we're going to look at how we're going to support the Saskatchewan taxpayer or meet the needs of the Saskatchewan taxpayer, we're going to have to look at some of the real issues that are facing this province, the real concerns, and the real goals and ideals that taxpayers would long to see coming out of this Assembly. The issues that they would like to see their members discussing — real issues that affect each and every one of them.

I believe Saskatchewan people indeed want to see reform. And we have offered a number of reforms. We have offered the opportunity for reform in this House. And, Mr. Deputy Speaker, I believe I have spoken on it on many occasions, of the fact that I believe there is room for real reform in this Assembly.

And I believe it's very important that we not just present . . . that the opposition not just present private members' motions — or not just the opposition, Mr. Deputy Speaker, but any member can present a private motion, private members' motion — I believe if we're going to see real reform that we should allow those private members' motions to come forward. And, Mr. Speaker, I therefore move, seconded by the member from Thunder Creek:

That we go directly to Bill No. 1, An Act to amend the Legislative Assembly and Executive Council Act (Legislative Utilities Review Committee).

I so move.

The division bells rang from 3:38 p.m. until 3:48 p.m.

Motion negatived on the following recorded division.

Yeas — 9

Swenson	Goohsen
Martens	Haverstock
Toth	McPherson
Britton	Bergman
D'Autremont	

Nays — 36

Wiens	Hamilton
Shillington	Trew
Anguish	Draper
Teichrob	Serby
Johnson	Flavel
Kowalsky	Roy
Carson	Cline
Mitchell	Scott
Cunningham	Crofford
Hagel	Wormsbecker
Bradley	Stanger
Koenker	Kluz
Lorje	Knezacek
Lyons	Harper
Pringle	Keeping
Lautermilch	Jess
Renaud	Carlson
Murray	Langford

Amendment negatived on division.

Mr. Kowalsky: — Thank you, Mr. Speaker. I want to take but a few moments, Mr. Speaker, to respond to some of the remarks made by the member from Wilkie and also by his colleague in the debate to this particular motion.

And because it has been some time since the motion . . . the actual specifics of the motion was read to the House, I think I should just take a minute and read into the record again what the motion is.

The motion says:

That this Assembly call on the federal government to acknowledge that the real goal of social safety net review is to provide economic development and jobs; and further, that the federal government not use its current reform exercise as an excuse to abdicate its responsibility by arbitrarily removing dollars from the system.

Mr. Speaker, we are dealing with a federal Liberal government. Liberals, when they're in government, act very much like Conservatives, so it's not much surprise to me to hear that the black cats and the white cats are speaking exactly the same tune here, and they're against the concept of providing for jobs first in order to eliminate people and take people off the social service rolls — not at all surprised.

I want to mention, Mr. Speaker, that it's these same people who voted — the Liberals and the Tories — who voted against the proposed labour legislation, The Labour Standards Act, which when implemented will have the effect of helping people who are working only on part-time jobs, will have the effect of helping them being able to move away from the social safety net provided by the taxpayer. It is these same people who, while they voted against this motion and voted against The Labour Standards Act, voted for giving the judges a 24 per cent increase. What hypocrisy. And they think they know about how to handle an economy and they think they know about how to deal with social welfare.

They seem to have but one idea and no plan, it's clear, and Minister Axworthy himself identified that he has no plan. And it's clear that the one idea that they seem to have is that all they should do is to be tough, as tough as nails.

Well, Mr. Speaker, we do have a plan. Our government does have a plan. And we're asking the federal government to take a look at the plan that we are presenting, and we're asking that they set up a plan which will work on a regional basis like ours does and they will support us in our plan.

And I want to tell you, Mr. Speaker, that this plan that we have is parallel to the plans that we've proposed, as well, in economic development, in health and is

taking place in education. And that is, we as government are encouraging people in their own communities to develop systems, to develop — in the case of economic development — develop authorities, in the case of health, to develop regional administrative districts where those that are closest to the action can be in charge of the action. And, Mr. Speaker, I think it's time for us to do something similar in certain portions of social services. There's no reason why we can't look at that and link the social service to the job creation at that local level.

And, Mr. Speaker, our plan is working, and I just have at random here a collection from recent articles in the newspaper about what's happening to jobs in Saskatchewan. It's working because the people of Saskatchewan believe that this is a good place in which to do business and as a result, more and more jobs are being created and people are willing to put their money into Saskatchewan because they know that the whole economy is being stabilized.

Let me give you a few examples, and I give this for the edification particularly for the member from Wilkie, who seemed to have a hard time finding anything good to say about our province. From the Swift Current *Sun* on March 16 — the headline — New venture will create 60 jobs here. Where? Here in Saskatchewan, Mr. Speaker. Up to 60 workers, when they've already hired 17, and this is a group called Saskatchewan Urban Forest Recyclers Inc.

Another clipping from a newspaper, Mr. Speaker. The headline says, Melfort assists in a unique recycling, creating jobs through the Saskatchewan Association for Community Living. That was from *The Melfort Journal*, March 15, 1994.

Here's another one, March 22, 1994 right from Rose Valley, *The View from Here* is the name of the paper. And the headline here is Hog-barn project. And to take a look at it in a little more detail, Mr. Speaker, and there's a group of people that have held a meeting with the view of establishing a 5,000 sow barn in the Kelvington area — proof positive that the people of Saskatchewan have got a lot more faith in Saskatchewan than do those Liberals and those Tories, those black cats and those white cats.

Here we have, Mr. Speaker, an article from *The Grenfell Sun*, dated Tuesday, March 22: "Jim McKee opening new business — Grenfell General Repair". From various sectors of the province, Mr. Speaker . . . here's one, March 22, 1994, from *The Outlook* paper. The headline says: "Quadra Group Formed". It's Quadra Management Services who will "provide a complete range of services for financing, building and managing profitable pig production". Again, Mr. Speaker, in Saskatchewan. Here's an article from *The Kindersley Clarion* dated March 23, 1994, and the article, the headline, says it's a "Swine centre addition opening this spring". Mr. Speaker, proof positive once again — Kindersley . . .

The Deputy Speaker: — Order.

Mr. D'Autremont: — Mr. Speaker, with leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. D'Autremont: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the House, my number one son, Nicholas, who's up in the east gallery observing procedures today. And I'd like to ask the members to welcome him here today.

Hon. Members: Hear, hear!

PRIVATE MEMBERS' MOTIONS

Resolution No. 51 — Federal Government Social Safety Net Review (continued)

Mr. Kowalsky: — Thank you, Mr. Speaker. I continue . . . another article from the March 21 edition of *The Outlook* paper. It says the "Outlook Waste Management Facility Makes (its) First Shipment to Calgary". They're in business. Something new in Saskatchewan and it's working. From Strasbourg from the *Last Mountain Times*, and they talk about a company here that's established in Strasbourg, and this is dated Tuesday, March 22:

A La Ronge wild rice company has achieved another milestone in offshore marketing.

Recently, in its La Ronge facility's Canadian Wild Rice package the last of 80,000 point-of-sale boxes for export to Europe — about 20 tonnes of wild rice (were packed).

Well, Mr. Speaker, a lot of good news if you look for it, a lot of good news. *Estevan Mercury*, March 23, and it says here: "Waste disposal company eyes construction date". And this is in Estevan where they hope to start construction of a service centre facility by September in anticipation for it to be in operation early in '95.

Mr. Speaker, these are but clippings from one week in March in Saskatchewan — but one week — and it's proof positive, Mr. Speaker, that the plan that this government has put into place is being accepted with confidence by the people of Saskatchewan. The corner is being turned, Mr. Speaker. The corner is being turned, and that is because we are linking and we are insisting on linking job creation with social assistance. The only way to lower the social assistance network is to do it through jobs.

(1600)

There are basically three kinds of people, Mr. Speaker, on social assistance. First of all, those that are handicapped and unable to work. Secondly, there are those that are temporarily between jobs, that sometimes have to find themselves in a social safety net. And unfortunately, Mr. Speaker, right now a great

deal of people who really had never, ever dreamed they would ever be on social assistance and look very much for stability in government, a government with a plan that will provide jobs such as those that I've given an indication of a few minutes ago.

I do want to mention one other thing before I sit down, and that is I want to refer to a remark made by the member from Moosomin. And he talked about how angry people get because the government is no longer giving away money and because there is offloading going on.

Well, Mr. Speaker, how short the memory is of that member. While he was in government they borrowed 20 cents in addition to every dollar that they took in in taxation so they could spend \$1.20 for every dollar of taxation. And you know you can only do that for so long, Mr. Speaker. Eventually if you don't straighten out, the people kick you out as happened in this particular case. In the last election the people spoke loudly and clearly that that was not to take place any longer and so they elected a new government.

And we found, Mr. Speaker, that in order to create the stability which will get us the jobs back, we are in a position where we cannot spend \$1.20 for every dollar taken in in taxation, but we have to reverse that. And we have asked the people of Saskatchewan to participate. We are collecting . . . We are paying out 80 cents worth of services for every dollar collected; the rest is going to pay off interest — 80 cents.

But the service that is being provided by the people of Saskatchewan that are working to provide those services is phenomenal, Mr. Speaker, and we're doing it in a way that is going to be successful. And if you ask any person in the medical field, in the health field, in the social service field, and you ask them to compare with what's happening in Alberta or in Manitoba or in B.C. (British Columbia), they will give you a standing ovation at this particular moment for Saskatchewan, Mr. Speaker.

So I'm very, very proud of the plan that this government has put forward. I ask the Liberals to come to their senses, to get after their federal counterparts, to part from the ways of the Tories. Forget about becoming Tories right now, and set up a system; try to encourage the federal government to set up a system that is not just there to penalize those that are poor, but is there to help them through a good job plan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Motion agreed to.

Resolution No. 53 — Repeal of Bill C-91

Mr. Draper: — Thank you, Mr. Speaker, sir. I rise to raise a matter which I feel, as a private member of this House, to be very important to the people of Saskatchewan. It's a matter that is of considerable importance to all other Canadians too, especially to those in the seven other provinces where there is no

drug plan at all.

We've had many complaints about the reductions in coverage that we have had to make because of the financial restraints brought about by the utter incompetence of the previous government. And as a physician I've had this brought up to me innumerable times in my medical office. As patients, my wife and myself have had to pay the excessive costs of medicine, but despite my anger I can at least know that our maximum costs are going to be \$850 in any six-month period.

It's not much of a reassurance perhaps, Mr. Speaker, but it is something, and when we get the budget balanced in 1996-1997, I hope that we can put some flesh on the bare bones of the present plan.

That problem is compounded by Bill C-91, passed by the federal government of Brian Mulroney as another bone thrown to the multinationals on whom he fawns and who are now repaying him with lucrative directorships.

For your information, sir, the president of the Pharmaceutical Manufacturers Association of Canada is a former Liberal cabinet member, the Hon. Judith A. Erola, PC. And the PC actually stands for Privy Council. But it makes you think PC (Progressive Conservative); Liberal, Tory, same old story.

Bill C-91 increases the length of time of patent protection for new drugs from the current 17 years to 20 years. And this is expected to cost the province of Saskatchewan alone between 6 and \$10 million each year. I don't deny that the pharmaceutical companies do valuable research in drug treatment of disease. They do. And one of my own lecturers at Glasgow University, a Dr. Black, won a knighthood and a Nobel Prize for the invention of Tagamet which is for stomach disorders and Inderal which is an entirely different medicine used for high blood pressure. Both are still in use, and both are being manufactured under compulsory licence by generic companies.

All I am saying, sir, is that they do it for the money and will stop at nothing to protect their profits. To rephrase it: the pharmaceutical companies are not Santa Claus. Much of the research that is done is simply me-too drugs: drugs that we really don't need, therein designed not to help us but simply to grab a share of somebody else's discovery.

The Eastman Committee, which studied this matter in 1983, claimed that across Canada at that time, we the public saved \$211 million per year in drug costs from generics. In 1986 the Canadian Drug Manufacturers Association, which is the organization of companies that manufacture generic drugs, estimated that compulsory licensing saved us \$500 million a year. We don't seem to have a more up-to-date estimate than that, Mr. Speaker, sir, but I think that we can probably talk in terms of \$1 billion a year in today's inflated prices.

And not only do we save on the generic price, sir, but

whenever a generic equivalent is introduced to the market, the brand name product falls about 20 per cent to compete with it. The Eastman Committee at that time recommended a maximum monopoly of four years. The government legislated 7 years for some drugs and 10 years for others. And there's some wag in the Department of Consumer and Corporate Affairs said, we didn't give them a nickel more than they asked for.

And now it is not 7 years, not 10, not even 17, but 20 years. And how long will it be before they up that again to 25 years, sir? There is a well-known drug, an antibiotic that is marketed as Septra by a company called Burroughs Wellcome, and there's Bactrim, by another company called Hoffmann-La Roche. This medicine is composed of two constituents that work together to produce their effects in the urinary tract and in the respiratory system. One of these components is owned by the British drug company, Burroughs Wellcome, and the other is owned by the Hoffmann-La Roche company of Switzerland.

And not only do the components work symbiotically, sir, so do the companies. Wellcome makes enough of their product to supply their own needs and that of the Roche company, while the Roche company makes sufficient of its own product to supply them and the Burroughs Wellcome company.

And then each company advertises its own product as superior of that of the opposite company, and they will produce research material to prove it. Yet the only difference is that the one company markets this tablet green, and the other is coloured white. There is a slight difference in shape, but they both contain the identical amounts of the same two drugs that came from the same two companies. They come from the same machinery in the same factories. And not only that, but they each thereafter supplied these components to generic drug companies who could produce them under compulsory licensing and then these companies have the cheek to call themselves ethical pharmaceutical manufacturers.

These first line companies complain furiously about generic drug houses and lobby constantly against compulsory licensing, and at the same time they either set up subsidiary generic drug houses of their own or buy an existing one. And they use that subsidiary company to make generic substitutes of rival drug companies' products under the compulsory licensing Act, and they have the cheek to call themselves ethical companies.

I'd like to make this point quite clear, sir. I'm not an advocate of the generic drug companies as such. The Pharmaceutical Manufacturers Association of Canada may well be predators, but most of them are simply branch plants of parent companies in the United States and in Europe. The members of the Canadian Drug Manufacturers Association are simply the scavengers, picking up whatever is left after the major pharmaceutical companies have had their fill.

My point today is that in the battle against the

voracious members of the Pharmaceutical Manufacturers Association of Canada, the generics are our natural allies. And as the ethicals gobble up the small fry of the CDMA (Canadian Drug Manufacturers Association) whenever they get the chance, I'm sure there are many members of the Canadian Drug Manufacturers Association who long to graduate and become members of the Pharmaceutical Manufacturers Association of Canada and become first line drug companies themselves.

In the past, generics have not only bought the patent rights outright from a line firm, but they have actually bought out complete line firms, usually small ones that the big boys didn't want or else that they've sucked dry and thrown back in the pond when they had everything out of them that they wanted.

I'd like to give you an example, sir, of how ethical these drug companies are. A scandal broke out while I was working in west Africa. At that time the contract came up for the renewal to supply tetracycline, which is an antibiotic, to the hospitals of the British National Health Service.

A generic company was providing them with this medicine and the subsidiary of the Pfizer Drug Company in the United States was offering their own product to the government, which was currently selling at four times the price that the generic manufacturer was offering it at. This contract was to hospitals only and not to neighbourhood drug pharmacies, because they're separated under the health service.

Pfizer mounted a smear campaign, charging that the generic company was selling the hospitals an inferior product that was being manufactured by a Hungarian company that was a wicked communist pirate, and this was exported to Britain in steel drums marked for veterinary use only. You can imagine the uproar, sir. Here was a company selling an inferior product meant for animals, to be used by hospitals on people, on human beings like ourselves. Oh, the righteousness was incredible to see and to hear.

(1615)

But then there was a curious and an enterprising and, strangely enough, an honest journalist, sir — they do exist, despite the experience that we've had here in Regina and Saskatchewan.

A journalist took a trip out to the Pfizer manufacturing company's warehouses just outside London and discovered in a warehouse that Pfizer had filled to capacity with bottles of tetracycline manufactured in Hungary and labelled for veterinary use only. Oh boy, was somebody's face red then, sir, because it turned out that Pfizer was importing the identical material from the identical drug company in Hungary in the same bottles with the same labels — for veterinary use only. They were putting it into their own capsules and then charging four times as much for it as the rival drug company. And Pfizer considers itself to be an ethical drug manufacturing company, sir.

An article in the *Globe and Mail* of January 20, 1993 which is well-known for its New Democratic leanings just over a year ago that is, sir, cites the chairman of the company that administers many private drug benefit plans in Ontario. He told the Senate committee investigating this matter that the average cost of a prescription in Ontario in 1987 was \$12.52, and in 1992 it was \$21.12 — an increase of 75 per cent over five years. And he projected that by the year 2000, which is only a short six years away, sir, the average would be \$34.57. He's pretty accurate with his determinations, but \$34.57 is the figure he gives us.

Not only that, sir, but the Bill C-91 is retroactive to 1991. Now I'd like to repeat that, sir. The Bill is retroactive to 1991, just to remind the official opposition that even Tories pass retroactive legislation, and not just for a few days, a few weeks, or even a few months, but for two full years.

And of course the federal government's rationale was that great big bogeyman, the GATT (General Agreement on Tariffs and Trade), and even if that were correct, why should Canada have internal matters decided by foreign governments? International trade, yes, but internal matters should be our own decision, nobody else's.

And nine provinces at the time opposed Bill C-91, and only of these, three have New Democratic Party governments. I'd be interested to know who the 10th government was that sided with Brian Mulroney and the multinationals.

Down in the States there was a gentleman named Estes Kefauver. Estes Kefauver was a senator and he chaired a committee that is still known by his name. That committee studied the administered prices in the drug industry in the United States. The published study contains 12,885 pages. It's not exactly bedside reading, sir, but the horrors documented in it would keep you awake anyway.

This dedicated man spent five years battling the multinationals, and deserves the respect of us in Canada as well as his compatriots in the United States, although he largely lost the fight. And I intend to quote from some of his findings.

I can hardly claim to be an unbiased observer, sir, as a physician, but I do have some knowledge of what I speak. We have no problem with the individual doctor or the individual pharmacist. Doctors and pharmacists are as much victims as the rest of the population.

We are taught at university the generic names of medicines. These are generally simpler in that they describe what the drug is made of or what the drug is for, or a combination of both. And of course there are fewer generic names to remember. There may be a dozen trade names, and in some cases it actually goes up in the United States to 200 trade names for one particular drug, which becomes very confusing to the

doctors.

But many of these drugs are simple molecule manipulations. All they do is to substitute a chloride ion for a sulphate radical and that sort of thing. It doesn't alter the effectiveness of the drug, but it means that the clever manipulator can often get round the patent himself. And this is usually a rival ethical drug manufacturer, and then he can market the clone as a better drug than the original — a development or an improvement or, to use the parlance, a second generation drug. The euphemisms for skulduggery, sir, are incredible. There's no wonder that we become cynical. And the doctors and the pharmacists are just as cynical as the rest of us.

But it is only when we are let loose on the public that we slowly are persuaded to prescribe by brand name. And there are several reasons for this. A patient comes in for a refill of a medicine that they had been taking for some years and produces a bottle which has a trademark name on it. So you tend to prescribe what it says on the bottle. The bottle maybe says Valium, or for example Amoxil, and if you write Diazepam or Amoxicillin, which is the generic name, the patient often comes back and queries it because it's a different name on the bottle and they don't know that it means the same thing. Time was when no name was put on the bottle that a patient got, and believe me, those times were a lot simpler for both doctors and druggists, sir.

And sometimes the price of a generic is so low that the patient refuses to take it — it must be inferior if the price is low. And this is one of the problems that we have to put up with. And part of this is the skill that a doctor has in explaining these, and there's not an awful lot of time to do it, sir.

I remember treating a child in Wadena way back in 1966, and I gave the mother a prescription for the little boy. A week later she brought him back and I asked how he was. And the response was, oh he's not much better doctor, but then the medicine only cost \$1.50. I guess if the medicine had cost \$15 it would have been 10 times as effective.

And then there's those charming young men — and now there are ladies as well — who travel the country talking to doctors and pharmacists about their company's products. And charming they are, sir, and young and handsome, and the ladies are pretty and well-dressed. They're smooth talkers. They often have more letters after their names than the doctors and the pharmacists themselves.

And they bring gifts, sir. Fly swatters in the summer; windshield scrapers in the winter; clocks in the shape of a pill or capsule; balancing knick-knacks to put on your desk; wall charts with their logo well displayed on them; models of the vertebrae or the hip joint as a teaching aid and the name of an arthritis cure embossed in gold letters on it.

It doesn't take long to be seduced, sir, and it costs a lot of money. The doctors don't see any of it — more's the

pity — and nor does the friendly neighbourhood drug pusher, but it does cost a lot of money.

The ethical drug manufacturers boast about how much they spend on research but they never let on as to how much they spend on advertising and promotion, sir, and not surprisingly. Because on an average, they spend four times as much on promotion as they do on research.

They put it together as a nice little package called research and development. And out of every dollar spent on research and development, 20 cents goes on research; 80 cents goes on so-called development. But that development, sir, is not development of the drug; that development is development of the market. And there's a big difference in that. It's possible that they're so poor that they can't afford it. So let's go back to the Canadian scene once more.

In 1966 the Canadian government set up the Harley committee on drug costs and prices. But their report only runs to 2,717 pages, and they're a paperback compared to the American version.

One of the witnesses to this committee was a Mr. Jules Gilbert. Originally from New York in the United States, he settled in Canada largely because he had married a Canadian girl, which seemed a very sensible thing to do. And he had two degrees, sir; one was in chemical engineering and the second made him a pharmacist.

Not surprisingly, he set up in business in the generic drug manufacturing as Jules R. Gilbert & Co. I've spoken to him on the phone and bought many effective medicines from him. He sold out and retired quite a few years ago, but the company still exists, although it's been rolled over and sold several times and it's now under a different name.

He testified on December 13, 1966 that he was selling a tranquilizer called Meproamate at \$5.50 per thousand, while the big drug companies were selling it at \$10 per hundred.

Gilbert testified that it cost him \$2.30 per thousand pills, including tableting and including testing. He was getting about 140 per cent mark-up at \$5.50, and the big drug companies were making a profit of 5,000 per cent, sir — 5,000 per cent, Mr. Speaker, sir. And we work for peanuts in this Assembly.

Another company was selling penicillin tablets at \$3 for a dozen. Gilbert sold a similar and also government-tested and approved product for \$17.50 per thousand. The big boy dropped his price to \$18 per thousand to compete. Good for Jules Gilbert. And there are many others on the market that we should be grateful to.

And talking about Meproamate, sir, this drug is sold as Miltown by one line company and another one sells it as Equanil. The drugs are identical. They're not even molecularly manipulated. They're both being advertised in the same issue of the American Medical

Association journal in opposition to each other. You know the sort of advert, sir, big, full-page adverts, glossy, multicoloured, and extremely expensive.

The advertisement for Equanil said that the drug was effective, but that careful supervision was required because of possible side-effects. The other for Miltown claimed that there were no problems whatever with the use of the drug.

Now the American Medical Association should have checked these adverts out more carefully and done something about it, but they didn't, sir, because they wanted the money. That smell of greenbacks is stronger than the smell of spring is today.

And here we have a major problem, sir. The adverts in medical journals pay for those journals, and the medical and the dental and the pharmacists' associations in Canada and around the world depend upon the advertisements in their magazines to pay the cost of those magazines. And they are desperate for the drug advertising.

And the universities are no different. Their medical schools want the money that drug companies pay them to do research. They sell the prestige of their names for drug company money. And deans and residents of colleges and universities would give an arm and a leg for a chair, any chair, to be endowed by a drug company.

Out on the street, sir, when you sell what you've got for money it's called one thing. At the university it's called endowment. Again another euphemism.

And this is the sad part, sir. The organizations that should be protecting us from the hegemony of the international drug cartel, our professional bodies who claim always to be purer than Caesar's wife, hop into bed with the first drug company that happens along and tells those knocking at the door to hold on because they won't be long. Talk about a gang-bang, sir.

And I fear our political parties are no better. They get nice donations when election time comes around from the big drug companies. And this is one of the reasons that the New Democratic Party refuses donations from corporate entities like the drug companies. It would be nice to have the money, but once you've got their money in your pocket, you find yourself in their pocket in pretty short order.

(1630)

Do you remember, Mr. Speaker, sir, the furore a month or two ago when a school board offered the Pepsi-Cola company a monopoly of soft drinks in their school. Believe me, sir, that is chicken-feed compared to pharmaceuticals. I sometimes wonder if illegal narcotics are really any worse than the legal drugs we are swamped with — tobacco, alcohol, pharmaceuticals. And we've all heard of thalidomide, I'm quite sure. The company that manufactures it are the same friendly people who give us napalm. They

refuse point-blank to compensate the children whose mothers took thalidomide during pregnancy and whose babies ended up with horribly deformed limbs. In fact one of the doctors in Gravelbourg that preceded me, he has a child with seal-limbs, as it's called, and he's having a terrible time at the moment and he's now in his 30's.

It wasn't their fault, they said, sir. They didn't prescribe it for pregnant women, they didn't dispense it to expectant moms. They said, sue your doctor, he prescribed it; sue your druggist, he dispensed it for you. They should have known better — it's their fault, not ours.

And eventually they were forced to settle, after being dragged through every court — every appeal court, kicking and screaming, appellate courts, supreme courts — they could think of. Anything to get out of their responsibility, anything to haggle down the price of their perfidy, anything to hold on to the money whilst the compound interest rolled in on it. And that drug company is an ethical drug company, sir.

Perhaps if trade mark drugs are too expensive it's because of high quality. Perhaps we could examine that a little bit. Perhaps thalidomide is an exception. According to the Food and Drugs Administration in the United States, whereas 7.7 per cent of generic drugs failed to pass potency tests, 8.8 per cent of brand name drugs failed those same tests.

In one six-months period one brand name company had 17 different drugs recalled from the market. Another company, in another year, had 30 of its products recalled for a variety of reasons. In one case they put penicillin tablets in aspirin bottles. Can you imagine that? What would happen if you had a headache and you took two aspirins? And what if you took two aspirins from a bottle that contained penicillin if you had an allergy to penicillin, sir? The thoughts are possible.

In some cases there was low potency so the medicine didn't work, and in other cases there was too high a potency, so the patient was given excessive amounts of drugs. And many incidents of contamination occurred.

And in *The Globe and Mail* of two or three weeks ago, Tuesday, March 15, 1994,

A drug-industry official threatened to end research funding after McMaster University tried to limit the firm's access to residents in internal medicine, according to the director of the residency program.

... the drug industry ... "tended to be quite a pernicious force in the way it influences medical practices."

... the official who threatened an end to research (work) worked for the marketing section of the Pharmaceutical Manufacturers Association of Canada ...

And Dr. Guyatt, the teacher, the professor, said that this is not an idiosyncratic situation, it's happening all the time.

But I think I gave you enough examples to prove to you and to this House, sir, that these drug companies are anything but ethical, that they're already excessively rich, at our expense, that their mark-ups are higher than probably any other sector than except possibly the cosmetics industry, and that they're extremely greedy and deserve no sympathy from us.

I therefore wish to move the following resolution, seconded by the member from Melville:

That this Assembly urge the federal government to repeal Bill C-91 because it provides excessive profits to foreign drug companies, causes severe financial hardship to prescription drug users, particularly the elderly, and makes provincial drug plans economically impossible.

Thank you, Mr. Speaker. I'll give this to you.

Some Hon. Members: Hear, hear!

The Speaker: — The question before the Assembly is a motion moved by the member from Assiniboia-Gravelbourg. Who seconded the motion? The member from Melville. Let me just remind the movers of the motions that they are to fill in the form, both the seconder and the mover, and the constituency that applies to the mover or to the seconder.

Mr. Carlson: — Thank you, Mr. Speaker. I would like to take the opportunity to read the motion out again. I think it's probably one of the most important motions and debates we're going to have in this Assembly in a long time and into the future. It states:

That this Assembly urge the federal government to repeal Bill C-91 because it provides excessive profits to foreign drug companies, causes severe financial hardship to prescription drug users, particularly the elderly, and makes provincial drug plans economically impossible.

Mr. Speaker, earlier on in this session when I rose to speak on the Speech from the Throne, there was two areas that I talked about and I just want to revisit them for a few minutes.

I talked about the importance of the new federal government to look into Bill C-91 and the economic impact that it has on the residents of the province of Saskatchewan, and not only the province of Saskatchewan, but all residents of this country. And of course we all know that hasn't happened yet.

The federal government, the new federal government, has chosen to not look at Bill C-91, not look at changing it to restrict the long-term patent protection

that the multinational drug companies have.

I also mentioned in my Speech from the Throne about the cats. And the member that moved the resolution today talked about Ms. Erola, Judy Erola. And I talked in my Speech from the Throne last February about when governments lose power, governments of cats lose power, within government they retrench into the private sector and have their onslaught on us as citizens.

And when I got a little letter from the president of the Canadian Pharmaceutical Association here in the last few weeks and lo and behold a former — as the member from Assiniboia-Gravelbourg mentioned — a former Tory cabinet minister, not within the reins of power in the federal government now but still with its onslaught on the citizens, lobbying and working on behalf of the Canadian Pharmaceutical Association to make sure, and I repeat, to make sure that Bill C-91 stays in effect.

And I wouldn't be surprised if in the years to come that there's more regulations and rules that would give pharmaceutical associations, multinational pharmaceutical associations, more power in the manufacturing of drugs.

In 1969 federal amendment, patent amendments, eliminated exclusive rights for drug inventions. Other producers, generic ones, were given the right to receive a compulsory licence which enabled them to copy and distribute generic brands in exchange for a paying a royalty to the inventor until the full patent term expired — 17 years in Canada.

In 1987 federal Bill C-22 granted the inventors of a drug a period of 10 years, and in some cases 17 years, of exclusive rights to market their drugs without concern about a generic maker acquiring a compulsory licence to enter into competition. In return the inventors committed to double spending on research and development in Canada, to 10 per cent of sales by 1995, and to hold increases in prices to the equivalent or lower than the CPI (consumer price index) inflation rates.

Now, Mr. Speaker, it's 20 years; longer patent protection for the multinationals means higher drug costs — higher drug costs for our residents, for you and I.

Pharmaceutical manufacturers have defied the recession and continue to be one of the highest profit industries in North America. Bill C-91 will assist in increasing profits for the industry while costs for consumers keep going up and puts more pressure on drug plans.

Ralph Nader, a well-known American consumer advocate, recently spoke out against Bill C-91. He said Canada's current system was a beacon — a beacon, Mr. Speaker — to other industrial nations and that the proposed legislation could spell the end, the end of medicare as we know it in Canada.

Now the drug companies would lead us to believe that the importance for them to have longer protection is they will invest. They will invest in new drugs. Well experience suggests that any increases in spending by pharmaceutical manufacturers will largely be concentrated in specific areas of this country, namely Ontario and Quebec.

Bill C-91 contains no formal obligation for pharmaceutical manufacturers to invest in research and development. So with no obligation in the Bill, maybe even Ontario and Quebec won't get much of an economic spin-off from it, but certainly not Saskatchewan or Alberta or Manitoba.

The definition of research and development must be closely scrutinized to ensure it is targeted at the treatment of diseases and not at popular drugs with good markets — drugs we call me-too drugs.

Since accessibility to quality health is reduced by the cost increases for such items such as drugs, it is important that an environment exists to encourage price competition. Bill C-91 will destroy any balance that we in this country have had and that had currently existed up until a year ago. Competition has been the country's mechanism to attempt to keep prices under control, and Bill C-91 has done away with that.

If because of the financial situation in this country, and I think we all will agree that the provinces and Canada as a whole is under a fair bit of economic hardship, and if they cannot find the means to live up to their obligations to fund health care, it has an obligation to at least refrain from actions which will increase the costs for consumers in provinces. To do anything else would demonstrate a blatant disregard for the mutual commitment to the cost containment which I referred to earlier.

This action that we saw a year ago is a severe blow to health care in Saskatchewan. Hospitals and consumers will have to buy newly developed brand name drugs from the large pharmaceutical companies. Now their generic equivalents will take years longer to get into the market-place. And on average, brand name drugs are twice the price of their generic equivalents.

(1645)

I've got a list of three drugs, Mr. Speaker, and the brand name costs for one particular prescription is \$35.79. For the generic equivalent, it's \$4.39. The second example, Mr. Speaker, is a particular drug whose brand name costs \$60.44. The generic cost is \$19.23. The third example, Mr. Speaker, is a particular drug. The prescription cost \$7.17 for the brand name, and the generic cost is \$2.53. So you can see, Mr. Speaker, that some drugs are a lot more than 50 per cent difference between the brand names and the generic drugs. When we talk about an average — that's an average — some particular drugs, there isn't as big of a spread, and some drugs there's a tremendous spread.

And that's where the economic hit comes against individuals, the economic drain out of our communities. If you look at provinces like Saskatchewan that has a drug plan and some of the other provinces, whether drug plans — in my opinion — whether drug plans carry 50 per cent of the cost of the drug or 10 per cent or 90 per cent, the bottom line is there's an economic drain out of our communities for the high cost of these prescription drugs. And these are going directly to the head offices of the major pharmaceutical companies which, I might add, are not even based in Canada but are based in other cities in the world, most notably in Europe.

I think the handling of the patent legislation by the former government and by this present government is a revealing approach to free trade in the GATT. I think that it's a . . . the GATT and free trade and the federal government — both the previous one and the present one — are lining up their ducks for more changes in trade that will have a heavier economic hit year in and year out on us as individuals.

So, Mr. Speaker, with that I would like to close by saying that I think that this is, as I started by saying, I think it's one of the most important topics we're going to be debating in this House. I think it's something that every MLA (Member of the Legislative Assembly) should consider seriously when they vote. I think every person in this province should understand what the pharmaceutical companies are doing to us, and I would ask that every MLA consider on supporting this motion. And I would shut down my comments.

Some Hon. Members: Hear, hear!

Motion agreed to.

The Assembly adjourned at 4:48 p.m.