

The Assembly met at 10 a.m.

Prayers

The Speaker: — Why is the member on her feet?

Ms. Julé: — With leave, to introduce guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, we have with us today 41 wonderful grade 6 students from St. Augustine School in Humboldt. Their teachers accompanying them are Lenora Bells and Terry Hladun. Plus I think there are some parents up there, I believe 12 in all. We welcome you to the legislature today. We hope that you have a wonderful time in Regina, and I look forward to meeting with you a little bit later on.

Would the Assembly help me in welcoming the students from St. Augustine School, the parents, the teachers, and chaperons.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 70 — An Act to amend The Urban Municipality Act, 1984 and to make consequential amendments to other Acts

Clause 1

The Chair: — I will ask the acting minister to introduce his officials, please.

Hon. Mr. Shillington: — The Assembly is honoured to have with us today the following officials: John Edwards, director of municipal policy and legislative services; Sharon Markesteyn, senior policy analyst; Perry Erhardt, legislative officer; and Gordon Hubbard, who is senior municipal adviser.

I ask the Assembly to welcome these people.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. I'd like to welcome the municipal officials here this morning. We have a fair number of questions to do with the urban Bill. I'll try to be easy on you, Mr. Minister, because I realize you're replacing the minister, but only to a point.

Mr. Minister, one of the concerns which the Bill has caused among urban municipal administrators and urban municipal politicians is that the classes of properties which the government may establish and the percentages of values which the government may set are all to be determined by regulation and not by statute.

As you know, Mr. Minister, the regulations can be changed quickly and without warning and that has caused some administrators and municipal politicians to become worried that the government will create a long list of categories and assign complicated percentages of value to the list and alter the list and the percentages of value frequently.

Mr. Minister, the Bill clearly gives the government the power, but I want to know what are your intentions for the use of this section as long as you are Minister of Municipal Government. And I'm realizing, Mr. Minister, that you're filling in.

Hon. Mr. Shillington: — The advantage of putting them in regulations is that . . . I suppose it does allow you to change them arbitrarily on a whim, but more to the point, it permits government to fine-tune them but also to draft this in close consultation with the municipalities.

It's really very difficult to do with legislation. You can present them with draft legislation but at the end of the day it's very difficult to work in close concert with a third party with respect to legislation. The process doesn't lend itself to that.

Regulations allow us to work in close consultation with the municipalities. It also gives us the flexibility to fine-tune these regulations as municipalities have experience with it and as they begin to realize what works and what doesn't. So regulations allow us to prepare them in close partnership with the municipalities and gives us the flexibility to change them when they find, through their experience, that there's room for improvements somewhere or other.

Mr. Bjornerud: — Thank you, Mr. Minister. I think one of the concerns we have is maybe the categories that are going to be created to go through this process. How many new categories are going to be created? Is there any idea how many?

Hon. Mr. Shillington: — Nine.

Mr. Bjornerud: — Thank you, Mr. Minister. What percentage of value do you intend to set for each of these categories?

Hon. Mr. Shillington: — That's one of the things that we will want to fine-tune in partnership with the municipalities. We'll want to receive their advice on that, and then having the benefit of that advice, which, as the world turns, will be sometimes conflicting from various municipalities and so on — once we have their advice, we'll be fine-tuning that. But that is yet to be determined.

Mr. Bjornerud: — Thank you, Mr. Minister. I'm glad to hear that, that they are going to have input into that.

I think another concern they maybe have is once these categories are set up, how long is the plan to leave them remaining? Like is there a five-year plan and then review them, or two-year or three-year or what is the plan?

Hon. Mr. Shillington: — They'll be reviewed for the next reassessment in the year 2000.

Mr. Bjornerud: — Thank you, Mr. Minister. And how long will the percentages of value remain the same?

Hon. Mr. Shillington: — Until the year 2000, same period.

Mr. Bjornerud: — Okay, I wasn't quite sure of your answer.

Are the categories now already established in the regulations, or are they just being worked on?

Hon. Mr. Shillington: — Just being worked on.

Mr. Bjornerud: — I'm sorry, Mr. Minister; I didn't get that answer.

Hon. Mr. Shillington: — Just being worked on.

Mr. Bjornerud: — Thank you, Mr. Minister. Another issue that has caused concern among urban municipalities is . . . urban municipal politicians and administrators, is a series of rules governing the vacancy adjustments when there is no business tax. This is all going to be left to be governed by regulation as well. Here I'm referring to clause 27 which makes major amendments to section 240 of the Act.

Mr. Minister, my question on this section is: why don't you put the formula for calculating vacancy adjustments into the Act?

Hon. Mr. Shillington: — We're still in fact developing that with the municipalities. The officials have given to me a copy of a letter from the minister to His Worship Henry Dayday. I could read it because I don't think there's anything terribly confidential about it. I just point out that the minister has set out one view of how this might be, how this might look in final form, has invited the comments of the mayor on it.

I can read it if you like. I think it's not germane to very much because the mayor and other mayors, perhaps the mayor of Regina and so on, will also write back and will want to comment on it. So this is being fine-tuned.

Again the same comment applies. And that is that this is being prepared in partnership and in consultation with the municipalities. These are extremely complex and esoteric, I might add, both complex and esoteric concepts, and they're being done in partnership.

I note that the carbon copies of the letter was also sent to Mark Thompson, head of SAMA (Saskatchewan Assessment Management Agency), so they may well want to comment as well.

Mr. Bjornerud: — Thank you, Mr. Minister. I would say complex is putting it very mildly.

Is it your intention for your Bill, when the municipality decides to pass a by-law providing there will not be any business tax assessment within its boundaries, it must grant a property tax vacancy abatement where there is at least some degree of vacancy in business premises.

How long must there be a business vacancy before the requirement to abate property taxes kicks in?

Hon. Mr. Shillington: — Again, to be determined in the regulations after consultation with the municipalities; current thinking in the department, I'm told, is three months.

Mr. Bjornerud: — Thank you, Mr. Minister. What is your plan then for the regulations setting out how long there must be a vacancy before the obligation to provide an abatement of property tax kicks in?

Hon. Mr. Shillington: — Yes, that was in fact what I commented on, three months.

Mr. Bjornerud: — And do you have . . . in your mind, do you have an idea of what you would like to see?

Hon. Mr. Shillington: — Yes, in a way. The department officials tell me that they have drafting instructions which, I think members may know, is a preliminary draft of the regulations. So they have a very preliminary draft of the regulations; they've circulated these, invited comments, and they hope to have it finalized within a matter of a very few months I'm told.

Ms. Julé: — Thank you, Mr. Chairman. And I would like to welcome your officials today. Mr. Minister, I'm going to go to another question. Okay. An area of the Bill which has caused some worry and concern among municipal administrators and politicians is the new section 243 which is found in clause 28 of the Bill. That's the new section which requires urban municipalities which decide not to collect a business tax to none the less continue to levy some form of a tax on behalf of the other taxing authorities for whom it would be collecting revenue if it were still collecting a business tax.

Now first of all by using the term "other taxing authority" I presume that you are referring to school boards and district health boards?

Hon. Mr. Shillington: — That's affirmative.

Ms. Julé: — Mr. Minister, what mechanism do you expect that the urban municipalities will use to collect the revenue?

Hon. Mr. Shillington: — They'll simply adjust the school levy or the health levy as the case may be.

(1015)

Ms. Julé: — Will that mean higher property taxes do you think?

Hon. Mr. Shillington: — No. No, not necessarily, no. No.

Mr. Bjornerud: — Mr. Minister, if that's not going to increase the property taxes, where is this new-found money going to come from then to replace the business tax?

Hon. Mr. Shillington: — Well I may have misunderstood the

member's question or he may have misunderstood my response. The total tax take is the same and therefore when you said does it increase . . . I think it was the member from Humboldt said, does it increase the taxes? No. But it will result in a different shift. If they take it off business taxes, they may have to put more on property tax. It doesn't affect the total tax take from the municipality, but it may shift it from one kind of tax to another or from one class of property owners to another. Those are decisions which we feel are best made at the local level.

Ms. Julé: — Thank you, Mr. Chairman. Mr. Minister, the new section 243(1) provides for regulations to be passed setting out how the revenue is to be calculated. My question is, are those regulations ready in draft form?

Hon. Mr. Shillington: — Only in the form of drafting instructions. And I think I explained previously, this is a very early draft of the regulations which is then sent off to the various stakeholders to see what they think.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, can you tell me what are the essentials of the formula?

Hon. Mr. Shillington: — The formula would take into account the amount of revenue that was previously raised and then would adjust the school levy accordingly, so that the total revenue accruing to the municipality remains about the same.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, how are the urban municipalities and the other taxing authorities expected to reach agreements when they have not seen the regulations setting out how much revenue the municipality will have to collect on behalf of the school board and the health district?

Hon. Mr. Shillington: — Yes. This will . . . they don't need to know here and now. They don't need to decide this just yet. The proclamation of the Act and the implementation of this will all be coordinated so that they will have a reasonable amount of time. Once the regulations are completed, they will have a reasonable amount of time to adjust to it, to adjust their tax rolls.

The Act, in short, comes into effect on the day it's proclaimed, not the day of assent, so that we will implement the Act, coordinating that with the drafting of the regulations so that they have sufficient time to prepare themselves for it.

Ms. Julé: — Mr. Minister, how are the urban municipalities and other taxing authorities supposed to reach agreements when they have not even seen the detailed reassessment figures, which are not expected to be available until October or November of 1996?

Hon. Mr. Shillington: — While it may pose a bit of a challenge, the department believes that that schedule is attainable, to have it in effect in 1997. Everybody's working at full speed, SAMA included, the department really in some ways playing a supporting role to SAMA. They believe that that will give them sufficient time. It will, as I say, pose something of a challenge. But they believe and SAMA believes — and it's

really, in a sense, SAMA's decision — they believe that that is a realistic goal, they can get the regulations in effect, and give the municipalities and school boards and hospitals and so on, time to make the necessary adjustments before it kicks in in 1997.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. Thank you for that answer, Mr. Minister. I would just like to reiterate possibly what you said. I think that a lot of their concerns out there is the quicker they can see these things, the better. And I realize it's complicated and time-consuming, so I think we're all working to the same . . . or we're hoping the same end comes there.

I'd like to go to clause 30, and it contains the section 248 of the Act. The new wording states that:

The assessor may, at any time, request from any assessable person any reasonable information or documentation that relates to . . . determination of the value of any land, improvements or business for the purpose of preparing an assessment . . . for any year.

My question, Mr. Minister, is, does the term "assessable person" include appraisers and property managers? In other words, do assessors have the right to demand information from appraisers and property managers who may be employed by the property owner?

Hon. Mr. Shillington: — No, I'm told assessable person means the owner — the owners who pay the taxes. In the appropriate case of course, you might ask the agent or manager of a person, particularly where the person is a juridical person of a corporation.

But an assessable person is an owner or their agent. It wouldn't include an assessor.

Mr. Bjornerud: — Thank you, Mr. Minister. The time limit for filing notices of appeal as set out in the new section 251(3) as set out in clause 31 of the Bill is both impractical, I think, and unfair. If a person receives his notice of assessment and wants to file a notice of appeal, he must do so within 30 days, if I'm understanding this right according to the new section.

This is an increase from the present time of 20 days, but as we know now how bureaucracy works and the amount of paperwork involved with all of this stuff, you know, we feel this time is much too short.

Before he can file a proper notice of appeal, a person needs to retain an expert who in turn must research, review the assessment process, and draft the grounds and the material facts of the appeal. Thirty days from the mailing or the posting at city hall or the publication in a gazette of the notice of assessment is simply unreasonable. In my estimation or in our estimation, we possibly feel that 90 days might have been a better number to be used here. And I realize naturally we're dragging the process out. But, Mr. Minister, you know yourself how long these things take, and 30 days does not give much time.

Hon. Mr. Shillington: — There's a range of days in which one can appeal, whether you're appealing to the Supreme Court of Canada or you're appealing to a taxing assessment. There's a range of days; 30 days is kind of the outside. The normal time for appeal is 15 to 30 days because there is a balance of interests here. It is true the assessed owner would like more time. They'd like time to research and all that.

The municipality however, wants to finalize the tax roll. And if you were to put in a figure such as 90 days, first of all you'd have the longest bill period in the world. But apart from that and I guess on a more substantive basis, the problem is that the municipalities would not be able to finalize the matter.

Municipalities want as short a tax period as possible so that they can finalize their tax rolls. Assessed owners want as long as possible for their own convenience so they can research it. Thirty days in this area, and in all others, has been found to be the maximum that is practical given the competing interests. And I don't think I said earlier that 30 days is in fact an extension of the time period given in the old legislation, which I think was 20.

Mr. Bjornerud: — Thank you, Mr. Minister, I guess I can see where you're coming from as being involved with a municipality. Naturally we like to expedite everything that we do from our end, but these concerns have been brought to us by others that would also like time to complete the work they have to do before their appeals are presented.

Mr. Minister, often there is no mailing address of assessment notices. This means that the property owner must regularly be checking city hall, or town hall, or the village offices, or be checking the *Gazette*, just in order to make sure that he does not miss the notice. The 30-day time limit on filing the notice of appeal is completely, and again I say unreasonable, because when notices of assessment are not mailed . . . What other time limits would you consider in these situations?

Hon. Mr. Shillington: — All property owners should understand, if they don't, that it is their obligation to provide the municipality with a mailing notice. It is not the obligation of the municipality to whip around, back and forth, trying to find an address for a . . . the problem is normally corporations, particularly where they are of a less substantial nature, shall we say.

It is the obligation of tax owners to provide the municipalities with a notice. If they fail to do so, they take the risk that they may not get the proper notices. Here the citizen and the taxpayer has an obligation to the taxing authority to provide them with an address.

Mr. Bjornerud: — Thank you, Mr. Minister. I'm also particularly concerned about the proposal in this Bill that would make it mandatory for people to pay filing fees. The provision dealing with the payment of filing fees is in clause 31 of the Bill which amends section 251 of the Act, and in clause 32 of the Bill which adds a new section to be numbered 251.1 to the Act. The concern that has been expressed to me about these clauses, Mr. Minister, is that they could be used to impose

filing fees on appeals that have already been filed but not heard.

My question, Mr. Minister, is that, have you received an opinion as to whether these new and revised sections will give either the Lieutenant Governor in Council or the urban municipal right to impose filing fees on appeals to the board of revision where the notices of appeal have already been filed before this legislation is passed?

Hon. Mr. Shillington: — Yes we have, and the opinion which I have is that is not retroactive. So the problem which you envision could not arise.

Mr. Bjornerud: — Thank you. Mr. Minister, in subsection 7 of the newly revised section of 251 . . . states that the fees that an urban municipality may charge for filing notices of appeal may not exceed the prescribed maximums. By that term, I presume that you and your department intend to pass regulations . . . will set out a maximum for the fees that may be charged for filing notices of appeal. What are these maximums? Can you tell us today?

Hon. Mr. Shillington: — We don't have figures yet. We're still doing some consultations. We want to establish a maximum which is at the upper end of covering the costs of these appeals. The municipalities have a right to cover their cost of the appeal.

On the other hand, what we want to prevent is a filing fee so high as to make the appeal prohibitive. So we're trying to establish the maximum at the maximum cost of the appeal to any municipality. We're doing that in consultation with the municipalities and they generally agree with the goal.

And so here again, I know these are perhaps a series of circuitous answers, but we are fine-tuning this as well in consultation with the municipalities to achieve the goal which I just enunciated.

Mr. Bjornerud: — Thank you, Mr. Minister. I think though, what this reiterates again is the concerns of not only urban municipalities, but I think rural municipalities too, is that we're leaving so much to the unknown here yet, and yet we're trying to pass these Bills without really realizing that, because a lot of the meat and potatoes of this stuff is going to be brought in in the regulations.

And I think this is a lot of the concerns that are being brought to us right now, is because people can't really judge on what this is going to do until they see these regulations.

(1030)

Hon. Mr. Shillington: — That's a legitimate concern really, and I think all municipal governments have this concern about the provincial government, I suspect. When dealing with the feds, we always have this problem with the feds. The spectre that always haunts us is that they'll make rules and regulations and put them in the mail for us after the matter is an accomplished fact.

All I can say to you, and through you to the municipalities, is that you should take some comfort in the minister who's actually here. The minister has been a reeve; is steeped, I would say, not only in the law with respect to municipalities, but the practical problems. She's one of them. And I think the municipalities could take some comfort in the current occupant of this office who is very aware of the problems and will, I think, go to extraordinary lengths to ensure that the municipalities are fully consulted before these things are finalized.

Mr. Heppner: — Thank you, and welcome to the minister sitting in and to his officials this morning as well.

One of the questions that I have is with the business tax which is basically going to disappear with this whole situation. There was always a concern that the evaluations or the amounts that different businesses would be taxed on business tax based on approximately how much money they could earn, let's say on square footage, that there was a certain amount of unfairness there.

I'm wondering what is in this new, particular situation that businesses will find themselves in with variable mill rates and things that will make that a more fair situation?

Hon. Mr. Shillington: — I would point out first of all for the benefit of the member opposite that the new system is optional. It's up to the municipalities. They can stick with the old system if they prefer. But you're right — it's based on the square footage.

The new system would have it levied as a percentage of the property assessment, and thus, the theory is, more closely related to the ability of the owner of the property to earn income on that property. The new . . . The property tax has always been based on the usage and thus its potential to earn profits.

By making the new system a percentage of property assessment, the theory is that the municipalities, if prefer they can do that, and that is more closely related to the ability of the owner or occupant of the property to make money with it.

Mr. Heppner: — I seem to sense a bit of a difficulty here when we're dealing with property assessments. So you can buy a particular building; it has a certain assessment. That doesn't relate in any way to the kind of business that you're going to operate within that building. And so you can end up with a situation that's very unfair.

Hon. Mr. Shillington: — There's an attempt in the system to . . . There is an attempt in these changes to make the system more market orientated. I concur however, with the member. It's a long way from being perfectly reflective of the market. At times it's capable of being a crude system. I think it's probably as good as you can make it though.

A perfect system, I suppose, would be an income tax system directly related to the income you make. The difficulty is, that's a very complicated system to administer, well beyond the

capacity of the municipalities. So you have a balance here of simplicity, therefore ease of administration by the municipalities, versus on the other hand a more true and perfect reflection of the market.

And the officials have pointed out to me just now that there will be three-year updates of these assessments hereafter, so we'll never again, hopefully, be in the position we're in now where they get so far out of date.

Mr. Heppner: — Thank you. And having been involved in municipal politics I'm quite aware of the difficulties that do come in with some of these assessments.

Moving into the area of residential situations. As I understand it, the reassessment on residences is tied to market value. And the main determining factor seems to be the age of the house; older homes will have their taxes remain the same or decrease. However, recently residents were warned of some trendy older neighbourhoods, such as Regina's Cathedral area, that this rule of thumb may not apply to them.

Can you tell us what other factors will affect assessments on those residences.

Hon. Mr. Shillington: — There are two factors in the broad go into this. One is the land, the market value; the other is the building, the depreciated replacement cost.

The factor which you mentioned, the Cathedral area of Regina which becomes trendy, that I think would be reflected in the land value because it's there the lots are worth more because they're in that area. So that would be taken into account in the first of those factors — the land.

And so I think that's covered off actually.

Mr. Heppner: — Has your department studied how this assessment will impact the average home-owner in communities under 5,000 and in communities over 5,000, and in the two major urban centres? It seems to me that smaller communities will have older homes and therefore would create few new tax changes in small towns. Would the SAMA assessment confirm that observation?

Hon. Mr. Shillington: — Yes, it does in fact. In fact it's the market which reflects this. The values in small communities are declining relative to the values elsewhere.

Mr. Heppner: — An issue that's been brought to me by a number of businesses and relating a little back to what we discussed earlier, in changing the tax structure for businesses, some businesses, and I think I've been approached by a number of car dealerships on this one, need a lot of property, while others, such as office-based services, need relatively little. The amount of property does not necessarily relate to profitability of the business or ability to pay. What is the present rebalance and will there be a rechecking of that situation as time goes on to make sure that if there's a glitch in the system that it can be corrected?

Hon. Mr. Shillington: — The system is in a way self-correcting. You've got the three-year updates and then the broader review in the year 2000.

Mr. Heppner: — Thank you. The Canadian Federation of Independent Business has expressed concern that the provisions for variable mill rates may offset the business benefits for eliminating a local business tax. What's the response to that, and how are we addressing that?

Hon. Mr. Shillington: — Again the thrust and the philosophy behind this is that these decisions are better made at the local level than in this Chamber or through regulation. This is being left to the municipality. The municipalities will have the discretion. They are elected and accountable to their public. They can tailor their tax systems to what they believe to be the needs of their business community and the citizens in their community.

So this is the case of local discretion, local autonomy. To that extent I think the government takes issue with the CFIB (Canadian Federation of Independent Business). We believe in local autonomy and we believe that this will provide . . . overall this will provide a system which is much better attuned to the needs of any individual community.

The Chair: — Why is the member on his feet?

Hon. Mr. Serby: — With leave, Mr. Chairman, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Serby: — Thank you very much, Mr. Chairman, and my thanks to the opposition members for the leave. I want to introduce this morning, seated in the east gallery, Mr. Chairman, are 28 students . . . in the west gallery, Mr. Speaker — seated in the west gallery are 28 students from the city of Yorkton, from the Dr. Brass School. Accompanying them this morning, Mr. Chairman, are Glenda Lazurko and Val Robertson who are the teachers.

The students are going to be visiting other sites in Regina this morning as part of their educational tour. I look forward to meeting with them in the next few minutes for some refreshments, and we're going to have some photographs and some really tough questions, I know, that they're going to have of me.

So I want to ask all members of the Assembly to join with me in welcoming the students and teachers from Yorkton this morning, wishing them a great day here in Regina today as they tour all of the other sites, and a safe journey home. And I look forward to meeting with them in the next couple of minutes.

Thank you very much, Mr. Chairman, and members of the opposition.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 70

(continued)

Clause 1

Mr. Heppner: — Thank you. The individual reassessment on residences will not be started until January of next year. This is going to leave a lot of people in the dark, especially those people who are buying homes and who will want to gauge whether they can afford the taxes on new residences, especially if some of them will have some substantial changes.

The question is on the fairness of that situation that's being created. And is there any way, other than a few rules of thumb which you admit are unreliable, for home-owners to get a clear idea in advance of the taxes that they'll be facing?

Hon. Mr. Shillington: — No really perfect system. The home buyers could ask the . . . a prospective home buyer . . . First of all, I think the real estate agents, hopefully, will be relatively adept at providing general information: if you buy this home in this new area, a new home in this new area, you may expect the property tax to rise; we want to tell you that before you buy it.

The prospective home buyer may be able to get additional and better information from the municipality. But at the end of the day, buyers are going to have to take this into account. Many risks in buying a new home or in buying another home; this will simply be added to it until after January 1. The taxes may go up and your information about it may not be perfect.

Mr. Heppner: — Thank you for that answer. And I think there's a certain amount of risk there obviously. And hopefully some of the solutions that you answered and the people that could give some advice to new home-owners will do that.

You've said that home-owners should not worry too much about reassessment because of the new tax tools for municipalities to cushion that particular blow. Could we review those particular tools that are out there, or that are going to be given to municipalities, and go over the logistics of how they could be implemented in a major urban centre?

Hon. Mr. Shillington: — Yes, there are a number of tax tools. The variable mill rate is certainly one of them, allows rates to vary. There is minimum taxes allowed that can be set with respect to various properties.

And the other factor which we think will be significant is that it can be phased in over three years. So it will allow the municipalities and the property owners to adjust to the changes.

Mr. Heppner: — Thank you. Another question that deals with differential that's going to occur . . . or the difference that will occur between older and newer homes and how that reassessment will happen. I'm wondering if there's, in general, an age bracket where people could say if my home is older than this, it will probably go down. If it's newer than this, it'll probably go up, realizing there's exceptions such as that trendy area we talked about earlier on.

Hon. Mr. Shillington: — No, there's no such rule of thumb.

Mr. Bjornerud: — Thank you, Mr. Chairman, Deputy Chair. Mr. Minister, I'm just going to kind of touch on some of the things that my learned friend has also asked you but to a different aspect of it.

The Bill will give you and the department the power to set the . . . determine different classifications of property and then impose different percentages of value to be used in the taxation of those different classes. This indicates an intention to tax different property types at different rates.

Instead of using different percentages of value for the different classes, wouldn't you consider simply employing better assessment techniques in the first place, including the assessment of commercial properties using, say, income and expense analysis methodology?

(1045)

Hon. Mr. Shillington: — The percentages, the fundamental purpose of permitting them to apply percentages, is really to cushion the changes. Some cases they could be very, very dramatic without being able to set a percentage. So the function of the percentages is to enable the municipality and the property owners together to cushion the changes.

Mr. Bjornerud: — Thank you, Mr. Minister. I realize that. I think where the concern comes, and from the people that feel 100 per cent should be held across the board, is that the minute we bring in flexible variables here with percentages — and as we all know, everyone's human — that it could favour one set over another.

I think the difficulty with placing — for an example, say hardware stores, just using that as an example all across the province — in one class and then stating that they're all going to be taxed at the same rate is that some hardware stores may be placed in a much more valuable, from an income and expense point of view, than others. Placing all hardware stores in that same class may prove to be too arbitrary a method of proceeding.

Wouldn't it be better to evaluate all hardware stores using whatever sophisticated appraisal tools may exist, including income-expense analysis if necessary, and then use the regular standard percentage of value of tax hardware stores along with other businesses?

Hon. Mr. Shillington: — The member is coming very close to suggesting the income approach. This has been a subject of — but moved . . . really I think what you're getting to — this has been a subject of some considerable discussion within the department and the municipalities. I think everyone agrees that this is an idea which is interesting but which, at best, is not ready to go yet.

It is going to be the subject of discussion, and if it can be brought to completion — and here a primary problem is the complexity in administering an income approach — but if it can

be brought to a final form, perhaps at the next reassessment in three years it could be done then. So you're really suggesting the income approach . . . I think everyone agrees is not ready yet. Perhaps it may be ready in three years time, the year 2000.

Mr. Bjornerud: — Thank you, Mr. Minister, I sympathize with that because I realize it would be hard to end up with that. But I think in the end it may be fairer because just take the income projections for a hardware store in one of our small urban towns and if you compare that with a larger city one, I don't think it would really work out very fair.

Another concern, Mr. Minister, that has been brought to our attention is in the cities, especially in the larger towns, is the apartment owners, apartment block owners, and even ones that have duplexes and stuff like that that they rent out. How does the vacancy rate work out in here that if, say, two out of ten are empty and that, but yet they're taxed on the whole thing, how are we going to adjust for that or is there an adjustment in here for that?

Hon. Mr. Shillington: — No, there's no adjustment for vacancy purposes in that context.

Ms. Draude: — And welcome to your officials, Mr. Minister. I'm wondering if you can tell me what impact the new assessment will have on heritage buildings, heritage buildings?

Hon. Mr. Shillington: — They'll be one of the benefactors of this. There will be a greater appreciation of the depreciation, and so they'll actually benefit. Because the depreciation will be taken into effect, the taxes will be lowered, and so the status of heritage buildings will actually be improved.

Just a personal note if I can be forgiven — I'm a veteran of this. Back in the '70s, we spent a lot of time when I was in old Department of Culture and Youth trying to design something called The Heritage Property Act, which still is with us actually. We did . . . but the taxes were a real problem because they often did not reflect the value of the building, but more important, its ability to earn income. That will now be reflected in a far better fashion. So the heritage buildings will be one of the benefactors of this whole system.

Ms. Draude: — Was the Saskatchewan Heritage Foundation a part of the deliberations when you were working with this agreement or with this new proposal?

Hon. Mr. Shillington: — Yes, they were consulted.

Ms. Draude: — Thank you, Mr. Minister. A new section, 253.2 of the Act, sets out in clause 36 that examinations for discovery are available to applicants who wish to know what the assessor was thinking when he actually conducted the assessment. The examination for discovery process is a welcome addition to the Act. Some would say that it's actually long overdue, and still the process is long and tedious.

My question is, is there any less expensive way for an appellant to find out how the assessor reached his original evaluation rather than the formal process involved in an examination for

discovery?

Hon. Mr. Shillington: — Yes there is. The examination for discovery should only be used where all other methods fail. First method of doing it is to pick up the phone and ask them. And if that provides a satisfactory response, that's the end of it. If it doesn't, one side or the other appears to be evasive, then the next step I guess would be to write them a letter and say please put your approach in writing.

If all that fails, only then do you go through the examination for discovery. The examination for discovery is sort of a final method of doing it if more informal and obviously less expensive approaches don't work.

Ms. Draude: — What do you think the cost is when you have to go to the approach and the examination for discovery?

Hon. Mr. Shillington: — It depends how formal it is. It can be a lot. If you hire legal . . . if you hire counsel to conduct them and you get a court reporter to transcribe the notes, it can be very expensive. On the other hand, I suppose the examination for discovery could be done fairly informally.

It depends how formal it is, but it can range from a very little to thousands of dollars depending on how formal it is.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

The Chair: — Is this the amendment that was sent to the Table earlier, introducing new clause?

Hon. Mr. Shillington: — Yes.

The Chair: — I would prefer that. According to Beauchesne's, all clauses of the Bill should be considered before any new clauses are added. So I would prefer to go through the Bill and then add the new clause at the end.

Clause 5 agreed to.

Clauses 6 to 61 inclusive agreed to.

The Chair: — We will accept the amendment now.

Hon. Mrs. Teichrob: — Thank you, Mr. Chairman. This amendment, House amendment to section 12 of The Urban Municipality Act, 1984 will allow for the dissolution of villages and resort villages to take place by order in council in three different sets of circumstances.

First, where the village or resort village requests that a dissolution be ordered. Second, where there is a failure to elect a council. Or third, where the population falls below 100. A dissolution won't take place for each and every instance that I've just described, but the ability to effect the dissolution is there when it is requested or required.

Most of the amendment restates the existing provision. However, the ability to comply with requests for dissolution from villages with over 100 population is being added. There have been a number of villages inquiring as to their ability to seek dissolution even when their population exceeds 100.

The town of Fleming which borders the rural municipality of Moosomin is one example and has expressed an interest in dissolution. These municipalities cannot be accommodated as the Act is currently worded and it is in response to their request and desire that this amendment is advanced.

Our government is committed to working with local governments to help them achieve economies. I hope that everyone will join me in supporting this amendment for the benefit of local governments.

And I believe I have provided opposition members with copies yesterday and had some brief discussion with them on the intent.

I so move, Mr. Chairman.

The Chair: — I don't believe that the minister has read the amendment. Would she please read it into the record, please.

Hon. Mrs. Teichrob: — Mr. Chairman, the proposed House amendment for Bill No. 70 of 1996, An Act to amend The Urban Municipality Act, 1984 and to make consequential amendments to other Acts.

I move that:

New clause 5 of the printed Bill

Add the following clause after clause 4 of the printed Bill:

“Section 12 amended

5 Subsection 12(1) is repealed and the following substituted:

“(1) On the recommendation of the minister, the Lieutenant Governor in Council may, by order, dissolve a resort village or village:

(a) if the council of the resort village or village, by resolution, requests it be dissolved, or there is a failure to elect a council; or

(b) if the population of the village is less than 100 or the number of persons within the resort village is less than the minimum required pursuant to clause 4(1)(a)”.

I so move, Mr. Chairman.

(1100)

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, I think we need to do a little bit of clarification before we allow this to go ahead. The new section of course alludes to 4(1)(a),

and I would like first of all to know what that number is. I just don't have it with me and so I'd like you to tell me what that is.

Hon. Mrs. Teichrob: — Mr. Chairman, it's in the definition of the current statute where it describes the requirements to achieve village status, being a population of 100 or the number of dwellings being 50. And those are the provisions that it refers back to.

Mr. Goohsen: — Thank you, Mr. Chairman. The only real difference then is that it includes the restriction of 50 dwellings then because we've already had the 100 population mentioned.

So my question then is, it's fine and dandy for the village to say, well we want to disband; we're tired of taking care of our own affairs. But obviously somebody's going to take care of those affairs. So is it then the responsibility of the local municipality that surrounds that village to take them over and take over responsibility for their municipal needs.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, this amendment is simply enabling. And it would respond . . . it would enable the government to respond to a request from a municipal council pursuant to a resolution of their council. So it is presumed that until satisfactory arrangements had been made with neighbouring municipalities, or whatever the case might be, to provide services to the people in that community, that they wouldn't pass a such resolution asking for dissolution until they were already satisfied that such arrangements had been made.

Mr. Goohsen: — Well, Madam Minister, I'm sorry, but that's not what the Bill changes say. It says, if the council of the resort village or village by resolution requests to be dissolved, then you are allowed and empowered to grant that request.

It doesn't say anything about the rural municipality that surrounds them being involved at all. And yet they will be saddled with the responsibility, I think, of taking care of the affairs of this village that they may not want. Is that a fact or is it not?

Hon. Mrs. Teichrob: — Mr. Chairman, I would say that's not an accurate interpretation because it says, section 12(1) says that the Lieutenant Governor in Council may, by order, dissolve a resort village or village.

And if there was a resolution by the council of the resort village or village that was relayed through the minister, then the reference wouldn't be made, or the request to the Lieutenant Governor in Council, until the neighbouring municipalities had been consulted and until there was satisfaction that arrangements for the continuity of the appropriate level of services to the people in that community had been arranged for.

The Chair: — Why is the member on his feet?

Mr. D'Autremont: — Thank you, Mr. Chairman. With leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. D'Autremont: — Thank you, Mr. Chairman. To you and through you to the Assembly, I would like to introduce 46 grade 5's from the McLeod-Churchill School in Moosomin, seated in the east gallery. They are accompanied by Mrs. Geraldene DayDay and Mrs. Ann Norgan, and including six chaperons, some of which . . . I'm not sure if they're bus drivers or if they're car drivers, because some of the groups come in by private vehicle.

I would ask everyone to welcome them here today, and I look forward to meeting with them later for refreshments and for some discussion. Please welcome them here today.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 70 (continued)

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, I don't know if you're deliberately trying to be evasive and cute with us or if you've suddenly become a lawyer and want to use these kind of evasive tactics. But the truth of the matter is we can read; we understand what's in your proposal.

What we want to know is how you're going to apply it, because you say you may take the action if requested by the resort village. But you say you will reserve the option to either grant that request or not, after you consult with the rural municipalities surrounding them.

Well that's fine and dandy that you're going to go and consult. Consulting doesn't mean anything though if at the end of the day you simply say, well we consulted; we have the request; now you're taking them over.

What if the rural municipality says flatly, no thank you, ma'am, we don't care to take over this village; we don't want it. Will you then honour that request from the rural municipality and say, that's it; we're not going to do it?

Hon. Mrs. Teichrob: — Mr. Chairman, in the proposed amendment, there is no change from the current statute except that the statute will now apply to communities of over 100 rather than just communities of less than 100.

And I want also to share with the members opposite that I have spoken personally to the presidents of SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) about the wording of this and the House amendment that we intended to bring forward. So that in the spirit of the memorandum of understanding that the three parties have signed; this is seen to be consistent with that. And they have agreed, and they have no problem with this amendment going ahead in the case of either organization, Mr. Chairman.

Mr. Goohsen: — Madam Minister, I don't think that the word

“amalgamation of municipalities” has really gone away. This is just a back-door attempt to get exactly what we had you pull from the order paper with your larger Act of amalgamation. There’s no question in my mind that you’re playing games with rural municipalities here, and the games of course are that you are now going to have amalgamation of villages with rural municipalities whether they like it or not, because every village with a hundred or less people is going to want to get rid of the responsibility of having to run their own affairs, if they can saddle the local rural municipality with providing the goods and services that they’ve had in the past. And they will attempt to do that.

And I’ll go straight back to home, so I know what I’m talking about. The village of Carmichael gets a grant because they are a village. They get a grant from the government, and that grant goes into providing water and sewage services for that village.

Do you think for one minute that after you dissolve that village council and make them, by compulsion, a member of the rural municipality of Carmichael, do you think for one minute that those people are going to tolerate not having those same services in the future? They are going to want those services provided. At the present time though, no farmer in the rural municipality of Carmichael gets water and sewer services provided by the municipality. They buy and pay for their own. But in those villages, they get a grant that helps them, so they don’t pay for their own, only partly.

So what you’re doing is providing an option to amalgamate municipalities so that you can stop paying the grants that you’ve committed yourself to to those villages and hereafter saddle the rest of the rural community with the taxation to provide those goods and services to that village. And so you are amalgamating through the back door with this amendment, and you’re going to force rural municipalities to take over a responsibility that they’ve never had nor do they ever want.

Because we have had the situation where these villages have asked, will you take us over? And after the rural municipalities looked at it and said, no thank you; we don’t need an added expense for the rest of our ratepayers. And there’s no possible vehicle available for us to recover those costs from the people who are going to get that service. No thank you, we don’t want you.

It’s been a loud, clear message all through the years, and it was a loud, clear message from SARM, SUMA, and all of the people that you’ve met with in the last month telling you they didn’t want amalgamation. And yet this particular Bill, tried to be slipped in the back door in the last dying days of this session, gives you the power to amalgamate a whole lot of municipalities whether they like it or not. And I challenge you to stand in this House today and say that it is not so.

Hon. Mrs. Teichrob: — Mr. Chairman, I accept that challenge, and I say that this is not so. And we are not changing anything at all from the current statute, except that the provisions for dissolution would be able to be applied at the wish of a council in cases where the community is over 100.

Without this amendment, we would be placed in the position where a community might come . . . a community with over 100 population might have complete agreement with some neighbouring municipalities that they wanted to form a different unit and they wanted to reduce their status or dissolve their village status. And if they had a population of more than a 100, we would have to say no.

That wouldn’t be acceptable when we’re asking people to look at the way they do business and the way they deliver services if they came to us and voluntarily, having made an arrangement with their neighbours, wanted to dissolve. But under the current statute without amendment, we would have to say no, since your population is over 100, we cannot permit you to do that.

And I want to repeat again that I have, in the spirit of cooperation that was demonstrated by the signing of the memorandum of understanding between SUMA and SARM, that I have spoken personally with the presidents of SUMA and SARM about the wording and intent of this House amendment, and they have both agreed on behalf of the people they represent that it is reasonable and in fact desirable that this amendment should go ahead, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, very simply, does the RM (rural municipality) that would be involved in this scenario have the right to refuse to take over the village that is being disbanded?

Hon. Mrs. Teichrob: — Mr. Chairman, of course where the legislation is enabling and where it says the Lieutenant Governor in Council may, then nobody in their right mind would allow a dissolution that would place a burden on a neighbouring municipality. Before the “may” was exercised, everyone who was responsible for those actions would want to be assured that it is voluntary, that the resolution of the council requesting dissolution follows upon their cooperating with their neighbours and making an arrangement which was acceptable to all the parties involved. And these are the kind of details that will be worked out in the plan of action at the municipal round table.

And I say again that this is enabling, it is not meant to be mandatory in any way, and it has absolutely nothing in the world to do with amalgamation.

Mr. Goohsen: — Madam Minister, this is the first time that I’m going to have to say this, but I don’t believe you. I absolutely do not believe you. This time you’re pulling my leg. Now you have never done that in the past, but this is just not acceptable. You have skirted the issue by not using the words that definitively tell us what the intention will be that alleviates our fears.

If the RMs do then have the right — and you haven’t said that — if the RMs have the right not to accept these villages and take over the responsibility of their operations, if they do have that right to turn that down, where do these villages go after you’ve cancelled their councils and dissolved them?

Hon. Mrs. Teichrob: — Mr. Chairman, there is no intent, and

in fact there is no ability in this legislation to arbitrarily dissolve the status of any community in Saskatchewan. The legislation clearly says that it is upon the resolution of a council. It says, "if the council of the resort village or village, by resolution, requests it be dissolved . . ."

Mr. Chairman, the member opposite knows that members of local government — having been a reeve himself — knows that members of local government, rural or urban in this province, are responsible people and they would not do anything that would not be in the best interests of the people they're elected to serve.

It's in that confidence, knowing that a council of a village or any municipality, urban or rural, they would not make such a resolution asking for dissolution unless they were satisfied that it was in the best interests of the people that they serve or the people in their municipality surrounding them. There is nothing arbitrary about this.

And I wish the member opposite shared the same confidence in the wisdom of the people that are elected in local governments as I do, Mr. Chairman.

(1115)

Mr. Goohsen: — Well, Madam Minister, I'm sorry but this time I don't believe you and I don't trust you. And I'm not going to go into why. The important thing is here that you are skirting the issue. You will not definitively stand up and say that the rural municipalities that would be involved in this situation have the right to say no.

You imply that they do. You try to suggest that they will, because we're all going to be nice and we're all going to discuss it and we're all going to go around the round table. You know that's bunk. You know that's bunk as well as I do. It is not going to happen that way.

You are sneaking in amalgamation through the back door, and you will not be the minister that will probably put it into effect because you will likely slip into another portfolio and let somebody else take the lumps for it.

And I can see the member from Rosetown gleefully looking at the opportunity to use this kind of legislation to ram through the kind of amalgamation that your party has stood for and has wanted all along, clearly demonstrated by the fact that you tried to put through a Bill earlier in this session that got such resistance in this province that people came out so hard against you that you felt you had to drop it. And now you're sneaking it in the back door.

You're going to do the honourable thing and maybe not do anything to RMs because you have this integrity and I believe you want to uphold that. But the next minister in your seat simply takes this piece of legislation and rams it down the people's throats, because then it's on the record and it is legislation and it is law.

And you will not stand here and definitively say that the RMs

will have the right to turn down the responsibility of taking over these villages and the responsibility of providing services under the municipal Act to those villages. You will not definitively say they have the right to say no.

And as long as you don't do that, we know that this is an intended piece of legislation for a forced amalgamation at some levels, and that is at the lower levels, which is the villages and the resort villages.

Now there may be some sense for some of them to disband, but we already have that. We already have the ability for people to cooperatively sit down and decide that they want to take over one another. It's been there for a long, long time.

I was a reeve a long time ago for quite awhile and we always were approached by the village of Carmichael to take over their affairs.

But they always wanted to have goods and services provided to them that we didn't provide to the rest of our ratepayers, and we weren't prepared to start providing them to one group of ratepayers and not to the others. So we said no, you take care of your own business. And it's been that way and it's stayed that way. Because we didn't want to take over their responsibilities because they were getting more services than we were willing or able to pay for.

And in order to be fair, you now have to stand in this Assembly and say to us definitively, that the rural municipalities — no matter who requests it; no matter how good your intentions are — have at the end of the day the ability to stand in their place and say, no thank you. And that that will be considered to be the last word on it and they won't have to take over the villages and the responsibilities involved.

Now let's hear you stand up in this Assembly and say that the rural municipalities that might be forced to take over — or might not be forced but even if they're just requested — if they decide they don't want them they have the right to say, we're not taking them.

Hon. Mrs. Teichrob: — Mr. Chairman, I would like to clarify for the member opposite that in this proposed change to the statute, there is no change whatsoever in the rights of rural municipalities.

He cites an example. I'm very familiar with the example. In fact I recently visited, as he knows, that part of the province. And the amount of intermunicipal cooperation that's going on there between a large group of municipalities is highly commendable.

And the rights of the rural municipality to not accept responsibility for a dissolved urban municipality remains exactly the same under this proposed change as what the member cites right now, is that the rural municipality in the past had the right to say they would not accept the responsibility for the citizens of a dissolved village. Those rights remain unchanged in this amendment.

And I want to say that I did cite one example when I introduced

the amendment, but there are other examples of where communities as large as 800 have spoken to us about looking into a reorganization. They have spoken to their neighbours. If that happened . . . And there's one case of 200, one of 800, that have spoken to us about exploring this.

We would have to say, without this change, if they came to a complete agreement with their neighbours and came to us and asked for a dissolution to make a new organization, we would have to say no on the basis that they're over a hundred. This would be silly.

And so we are trying to put in some enabling legislation so that when communities make an arrangement to come together that's mutually acceptable, that we can agree to that, Mr. Chairman.

The Chair: — Why is the member on her feet?

Ms. Draude: — With leave, to introduce guests, please.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Draude: — To you and through I take great pleasure in introducing a group of constituents of mine from Pleasantdale. There are 22 grade 6 and 7 students there. Marg Carlson is the teacher; assistant, Emily — and I don't think I can say your last name right so I'm not even going to try; and the bus driver is Harvy Wood.

And these students are going to tour the building and then we have an opportunity to talk for a few minutes. So enjoy your tour and we'll talk to you later.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 70 (continued)

Mr. Goohsen: — Thank you, Mr. Chairman. No, we're not ready for the question, Mr. Chairman.

And we probably might never be ready for the question, because quite frankly this time the minister goes too far. Her explanation is not acceptable to rural Saskatchewan. It is not acceptable to the people who have spent hours and weeks and days and months lobbying hard through this province to have a Bill removed from the order paper that would provide the government with the opportunity to amalgamate municipalities.

They spent many days, many hours, thousands and thousands of dollars, in this lobby attempt. And now with one quick stroke of the pen in the last dying days of this Assembly, an amendment is slipped through the back door of what seems to be a very inconspicuous, uninteresting, and not too important Bill that allows the minister basically the same powers that she was lobbied to stop. That's not acceptable, Madam Minister.

No matter how good you are at convincing people with your persuasive voice at saying that you would never do anything silly . . . and obviously you won't. I have the highest regard for your integrity but the point is that I don't have integrity for the party . . . I don't have any kind of faith in the party that you joined.

And there is an absolute principle direction in your government to take this province into a more consolidated process — larger this, more centralization, less and less out in the country, less and less of everything for all rural areas, and more and more concentrated into the cities.

That principle and that process lies as the underlying factor in everything that your government does. You yourself may never stoop to the point of being silly because you are not a silly person, and I believe that. But I don't believe you will be the Minister of Municipal Affairs for very long if you get this kind of legislation passed, because you won't put up with enforcing it. And so the Premier will slip you into another more important portfolio to make you feel good and he will promote you out of the job by promoting you up to something else.

And he will slip somebody into your chair that believes in the principles and philosophies of socialism and they will go ahead with this amalgamation process and it will hit like a heavy hammer when nobody can stop it any more. This is the day that we have to challenge you because you are being used as a pawn by a determined government that has a determination to centralize things rather than to expand things and to allow people to run their own affairs.

We also have in this country at the present time, and in this province, legislation that allows municipalities to do exactly what is written here by voluntary measures. But as the legislation provides now, municipalities can say no. We don't want any more responsibilities. We have the right to say no. What you are trying to change is to take away the right of municipalities to say no.

Now, Madam Minister, very simply put, if you decide to cancel a small town or village — you're going to wipe it out and it's no longer going to be there — will the rural municipality who takes them over be required to provide services to that community, services that municipalities normally provide — the building of roads; the maintenance of roads; provision for garbage disposal? Will they have to provide snow removal, dog catching, all those things that are in the by-laws of all of the communities in our rural areas? Will that include providing water and sewer services? Will it include providing whatever municipalities have to provide? Or can the municipalities say no, we're not going to provide services.

Hon. Mrs. Teichrob: — Mr. Chairman, this time the member opposite goes too far. First of all, I'd like to tell him that not only did I join this party, I was born into it. And I believe in what we're doing for Saskatchewan and rural Saskatchewan and walking hand in hand with Saskatchewan people into the 21st century instead of having our heads buried in the sand.

I want to say too that the paranoia . . . and the idea that there's

something sinister about this legislation and that I will be moved to a more important portfolio. I want to tell you that I don't think there is a more important portfolio in this government.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — And I think that . . . and it is because we have so much respect for the people who are elected at the local level, and their ability to make common-sense decisions on behalf of the people that elect them, that we want to make sure that there is enabling legislation to allow them to exercise that wisdom and experience and common sense in order to provide a decent level of services in rural Saskatchewan into the future in spite of some changes to the landscape which will happen and are happening. I've lived in rural Saskatchewan all my life — and that's getting to be a longer time than I like to admit — but I think that I understand people in rural Saskatchewan.

And as far as the member opposite saying that as a result of this amendment that all kinds of villages and towns are going to want to dissolve and abdicate their responsibilities and become part of the rural municipalities, it's simply not true, Mr. Chairman. Because there's a great deal of pride involved in the autonomy of small villages and small urban communities. They are very proud of how they serve their people and the level of services that they provide, and they don't want to give up their status easily.

So this is not going to start some kind of a bonfire across Saskatchewan of dissolution of incorporated towns and villages. It's simply enabling, where those communities see that there is a better way to organize themselves to provide services, that they will be able to do that. And there is absolutely no change in this proposed amendment that would change the ability of rural municipalities or any municipalities to exercise their autonomy in expressing how they want their affairs to be ordered, Mr. Chairman.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. I would like to follow up on what my counterpart has started, Madam Minister, and I think you are really asking us to trust every minister to come, no matter actually what government is down the road, if this legislation is in.

What happens if a village cannot create a council or if for one reason or another refuses even to try to, and wants to dissolve, that they refuse to try to form a council. Now we have said that the RM, or you've said that the RM has the right to say no, they don't want them. What if this village does dissolve? Where do they go, Madam Minister, then? They're in the middle; they're dissolved; they do not have a council. The responsibilities that the member has said come along with the villages, but the RM doesn't want them — who accepts responsibility for this village if it does really get to the point where it refuses to govern itself, they are left in the middle without any form of government, and the RM refuses to take them.

(1130)

Hon. Mrs. Teichrob: — Mr. Chairman, there are several isolated examples actually, of what has happened in the past where the population of a small, formerly urban community or one that had at one time achieved enough population to apply for village status and had done so, and there wasn't the ability to raise a council because the population had dropped and perhaps the handful of souls who were left were elderly and didn't feel as if they wanted to seek seats on a council, and they were not able to raise a council. In those cases, the experience that we have so far is that those communities have reverted to hamlet status, and they have become a part of the RM.

Usually though, in the cases we've had so far, they're very small communities, and they don't have such things as a water treatment plant or a sewage lagoon or the kind of things, the kind of services, that would provide liabilities for the rural municipality in which they're located. And usually there has been contractual arrangements, such as in the case that the member opposite cited in the village of Carmichael, where they have already contracted for some time with the rural municipality in which they're located to do some maintenance work on their village roads and that sort of thing. So there are already cooperative arrangements in providing services. So that's what has been the case in some isolated incidents that have happened.

One of the stumbling blocks to this is something that we have already addressed at the round table — which is not yet resolved but which we will work through — is particularly those liabilities like underground fuel tanks, leaking lagoons, the sort of liabilities that obviously rural municipalities would not want to volunteer to accept, and we need to find ways to deal with those outstanding issues, Mr. Chairman.

Mr. Bjornerud: — Thank you, Madam Minister. I would imagine in that situation that you were talking about, those grants would still be there because of hamlet status. Would they? And therefore I can see the RM accepting them.

I think what maybe the problem that we're all discussing here is, if they dissolve, these grants would dry up, whether for water, roads, what ever. And the RM would have to accept the whole, complete responsibility for these people. And I can't in my wildest dream see why any RM would want to do this — to pick up the added responsibility and provide services that they aren't providing for their own people now. And they would have to do that if there was no grants that come along.

So the ones that you were talking about, the examples, did grants follow them along? And if so, I can see why the RM would want them. What happens if they dissolve and there is no grants?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, there would still be, if a village reverted to hamlet status within a rural municipality, there still are some grants existing, and this is one of the important issues that we want to address at the round table.

And one of the provisions that's expressed in the memorandum of understanding is that we need to come to a joint resolve

about the future of the revenue sharing pool and how it will be distributed in the future, whether we'll continue to provide base grant to villages in the same amount that it is now. Will it be an equalization formula that will sort of prop up and assist small communities, or will it be diverted to growing communities? These are, you know, philosophical questions that need to be resolved in cooperation around the round table because none of us have a crystal ball about the future. But that is the case right now . . . is that the grants do continue in a different form but to flow to the hamlet within a rural municipality.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Madam Minister, I got to think about a couple of statements you made, and I can only offer to you my deepest sympathy that you feel that you have to remain with the political party that you were born into. I think it is a tragedy when a person feels that because they were born into a certain family that they have to vote a certain way for the rest of their life. I mean that has to be the ultimate destruction of the democratic process because, after all, we only have to trace our roots back for three or four generations and say well everybody's got to vote that way, and we'll determine who the government is by the fact of your heredity.

Well, Madam Minister, as I say, I can only offer you the deepest sympathies because obviously your philosophy is not, as I've known you for a long time, consistent with the political party that you sit with. That's just a plain fact of your actions and the way you've lived. And you are out of tune with the party that you represent.

And so I say to you quite simply this. In all honesty, you may have every intention of doing the right thing, and I believe you will. I honestly believe you will, and I believe you won't be silly. And I believe you won't use this amendment to hurt people or to force a philosophy and a principle on people. Unfortunately you will not always be the minister of Municipal Affairs. I don't care, you know, how you argue that. It's just going to be a simple fact that everything that starts must end. And the next minister sooner or later will use this Act to force amalgamation of municipalities at this level.

Now on the other hand, if you are so adamantly convinced that I'm wrong, then I challenge you to prove the point by supporting my amendment, which I will now introduce, that will clearly define that all municipalities involved will very simply have the option to say no.

Mr. Chairman, I move the proposed House sub-amendment for Bill No. 70, 1996, An Act to amend The Urban Municipality Act, 1984 and to make consequential amendments to other Acts, moved by myself:

Amend proposed Clause 5 of the Printed Bill by adding after subsection 12(1) as being enacted therein the following:

“(1.1) An order may be made under subsection (1) only if the municipalities affected thereby agree to the dissolution.”

I so move, Mr. Chairman.

Hon. Mrs. Teichrob: — Mr. Chairman, we would not be able to support this amendment. I would like to ask the member opposite to show us in the amendment, as compared to the current statute, where we're taking anything away from rural municipalities. We are not.

And have we ever, under the existing statute, ever acted arbitrarily to dissolve a community? Never. The answer is never. And nothing changes in the amendment to the current statute except the current statute can now apply to communities of over 100 instead of being limited to those of under 100. So if the member could show us where we are taking anything away from the current powers of rural municipalities, then we would be interested in looking at the amendment. But we are not taking anything away, and on the basis of that, Mr. Chairman, we cannot support the proposed subamendment.

Mr. Goohsen: — Madam Minister, I take great pleasure in telling you exactly what you're taking away from municipalities. You're taking away the right of the rural municipality to say no. It is as clear and simple as that. The wording of your amendment takes away the right of the rural municipality to say no to having to take over the responsibilities of a dissolutioned village or resort village.

In the past, municipalities have always had the right under legislation to say no, and they have because nobody takes on more added costs and responsibilities than they have already. Nobody takes that on. And you are very simply taking away the right to say no, and you know that. And you can stand there and holler and act pompous all day. But it is a fact of life that, in this legislation, you're removing the right for people to say no. And my amendment would change that.

And so if you're saying that you are so right and that you're not doing anything different and you're not changing anything, then support my amendment and prove that what you say is right. A very simple thing — put in the right for everybody involved to be able to say no, and not just half of the people, not half of the people saying we want to do it and then just allowed to do, if you decide as a cabinet to do that.

You are changing things in principle phenomenally here with such a small, little move. But it is in principle a very big decision and a change in the course of history. You are taking away the right of rural municipalities to say no. Madam Minister, I would suggest that you confer with your officials and with your House Leader and reconsider your position because this is a very important decision that you make today.

It will affect your political career in the future. Every municipality in this province will know about this decision today very shortly. Don't make a mistake. We give you a chance to get off the hook. Save face. Save your integrity. Support this amendment, Madam Minister.

The division bells rang from 11:40 a.m. until 11:50 a.m.

Sub-amendment negated on the following recorded division.

Yeas — 10

Osika	Aldridge	McLane
Draude	McPherson	Belanger
Bjornerud	Gantfoer	Hepner
Goohsen		

Nays — 23

Mitchell	Wiens	MacKinnon
Shillington	Atkinson	Johnson
Whitmore	Goulet	Lautermilch
Upshall	Kowalsky	Pringle
Trew	Lorje	Teichrob
Nilson	Stanger	Murray
Wall	Kasperski	Ward
Sonntag	Murrell	

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, and perhaps you would like to get . . .

The Chair: — Order, order. We'll wait and get the officials back in before the debate continues.

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, you of course know that we are disappointed in you for not supporting a reasonable amendment to what you claim is already available to people but is not in fact there.

So, Madam Minister, I want you to know that we agreed with a lot of what you're trying to do in this Bill. But the fact that you're slipping in this one clause that gives you so much power and your government so much power to do the things that people in Saskatchewan do not want, we have to oppose the entire Bill now because of this one clause. We want it to be very clearly stated, when we vote against your Bill, we don't vote against everything that you've been trying to do in your changes. But we cannot support a Bill that contains this kind of an attack on Saskatchewan people.

After they have spent so many hours, so many weeks, so many months, so many thousands of dollars lobbying, you to get rid of this exact same principle in the Bill that you pulled — in the Bill that you yourself recognized was not going to be acceptable to Saskatchewan. After all of that effort, trying to sneak this same principle through the back door in this last minute amendment to your own Bill makes us have to vote against everything that you are doing in your changes.

It's not because we disagree with everything. But this principle outweighs all of the other things that you are doing. This is a key, important issue to all of Saskatchewan, and I want you to know that we are going to let the municipalities know. They won't be in the dark for weeks and months. They are going to find out immediately that you have done through the back door what you could not accomplish through the front door because of their resistance. Their collective resistance will come against you again, and I suggest to you that you are at political peril here for yourself and your party.

I am really disappointed in you as a minister. I had thought of you as being a person of integrity. I now have to cancel that

thought. Madam Minister, I leave you to live with your own conscience.

Mr. Bjornerud: — Madam Minister, I think we also would reiterate what the member of the third party has said here today, although it hurts.

I think we have a couple of questions on it. We understand what you are trying to do with the whole intent of the Bill. I think the first problem we have with this Bill though is for the lack of regulations that are included in this Bill. And there's so much being left to be decided after or to be brought forward after that I really find it hard how anyone can approve or disapprove of something when only a small part of it is involved here today.

I would go on and say too that at any point, when an amendment is brought in that it in any way weakens the authority of RMs or is the possibility of weakening RMs and diminishing their powers, we just cannot support. So we also would not be able to support this Bill now in whole.

Hon. Mrs. Teichrob: — Mr. Chairman, just briefly, I just want to reiterate, following the rhetoric from the members opposite, that the powers that the government has after this amendment are exactly the same as has existed in the existing statute which was amended in 1984 by the previous administration. And nothing has changed except that the provisions could potentially apply at their request to municipalities of over 100 rather than being limited to those of under 100.

There is no intent, and there is . . . you need to have the wildest imagination to even find any way that this amendment weakens the role of municipal government in this province. It absolutely does not. It is simply enabling legislation that will enable the government to accede to the wishes of municipalities in Saskatchewan who wish to reorganize themselves in some way if their numbers are over a hundred.

The regulations will be worked out. They're always pursuant to the legislation. The regulations are never before us at the time we pass a statute. The regulations are worked out in consultation, in concert, with those affected parties and will be discussed at the Municipal Round Table with input from SUMA and SARM, Mr. Chairman.

The division bells rang from 11:49 a.m. until 12:09 p.m.

Amendment agreed to on the following recorded division.

Yeas — 23

Mitchell	Wiens	MacKinnon
Lingenfelter	Shillington	Atkinson
Johnson	Whitmore	Lautermilch
Upshall	Kowalsky	Pringle
Trew	Teichrob	Nilson
Serby	Stanger	Murray
Wall	Kasperski	Ward
Sonntag	Murrell	

Nays — 10

Aldridge	McLane	Draude
Belanger	Bjornerud	Julé
Gantfoer	D'Autremont	Heppner
Goohsen		

Hon. Mrs. Teichrob: — Mr. Chairman, I move that the Bill be reported as amended.

The division bells rang from 12:12 p.m. until 12:18 p.m.

Motion agreed to on the following recorded division.

Yeas — 22

Mitchell	Wiens	Lingenfelter
Shillington	Atkinson	Johnson
Whitmore	Upshall	Kowalsky
Pringle	Trew	Lorje
Teichrob	Nilson	Serby
Stanger	Murray	Wall
Kasperski	Ward	Sonntag
Murrell		

Nays — 11

Aldridge	McLane	Draude
Belanger	Bjornerud	Julé
Krawetz	Gantfoer	D'Autremont
Heppner	Goohsen	

The committee agreed to report the Bill as amended.

Bill No. 71 — An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act

Clause 1

Ms. Julé: — Thank you, Mr. Chair. Madam Minister, are you expecting the RMs which decide not to assess businesses to use their power and to raise mill rates on some other types of land use to make up for the lost revenue?

Hon. Mrs. Teichrob: — Mr. Chairman, if rural municipalities decide not to have a business tax, then the options that are open to them of course, are to use the variable mill rate or to have a uniform mill rate. There's no relationship between the option to have a business tax and what other tax tools rural municipalities use.

Ms. Julé: — Thank you, Madam Minister. Madam Minister, do you expect bidding wars between neighbouring RMs on the question as to whether they will have a business tax?

Hon. Mrs. Teichrob: — Mr. Chairman, no. No more so than whether an urban municipality decides whether or not to have a business tax.

Ms. Julé: — Madam Minister, what is in this Bill that will

prevent a bidding war?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I guess I would submit that there's nothing in this Bill that would prevent a so-called bidding war any more than there is under the current statute the potential for that sort of behaviour, in that there's already the ability to make exemptions and abatements to business, and that is widely practised.

I think we will rely in the future, as we have in the past, upon . . .

The Chair: — Order, order. Could we keep the conversations across the floor between the minister and the critic that is asking the questions only, please. Could we come to order.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I was just observing that we will rely on the wisdom, experience, and common sense of locally elected councils in the future under this statute in the same way that we have in the past.

Mr. Bjornerud: — Thank you, Mr. Chairman. Madam Minister, I think we've gone over a lot of our stuff so we don't have that many questions left for you. There's just a few here that I'd like to touch on. The part that . . . regarding the powers of the council to deal with unsafe and unoccupied buildings. Should there not be any limits on the amount of money which a council may be ordered to be spent on repairs where the repairs are undertaken by the council after the failure of the landowner to do so?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I think that the sort of eventuality that the member opposite refers to is exactly what we're trying to address by the changes in another statute — The Tax Enforcement Act — which shortens up the period, which obviously then would reduce the liability or the potential for liability that a municipality may incur by reason of a deteriorated property.

Mr. Bjornerud: — Thank you, Madam Minister, but I think where I have some concerns is, do you not think that there should be a limit placed on how much that RM council could spend to upgrade these buildings? If there's no limit on it and you had the wrong council in place or for some reason or other they felt that this was a good time to pay back someone, they could spend any amount of money?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, we're trying to create an environment where locally elected councils can have as much autonomy and exercise their judicious discretion as far as possible. And it sounds as if the member opposite is suggesting that there should be more regulations that limit the discretion and the ability of locally elected people to use their judgement.

That's not our wish, Mr. Chairman, because we have confidence in the ability of those people to manage their affairs at the local level in the best possible way.

Hon. Mr. Shillington: — I move we rise, report progress, and ask for leave to sit again.

THIRD READINGS

**Bill No. 70 — An Act to amend
The Urban Municipality Act, 1984
and to make consequential amendments to other Acts**

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

Motion agreed to on division.

Hon. Mrs. Teichrob: — Mr. Speaker, by leave of the Assembly, I move that the Bill be now read the third time and passed under its title.

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

The committee reported progress on Bill No. 71.

The Assembly recessed until 1:30 p.m.

The Assembly met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Osika: — Thank you, Mr. Speaker. I rise on behalf of concerned citizens of the province of Saskatchewan with respect to the closure of the Plains Health Centre. The prayer reads:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The names on the petition are from Estevan, mostly from Estevan, Mr. Speaker, and some other smaller communities in southern Saskatchewan. Thank you.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also would like to present petitions of names from throughout Saskatchewan regarding closure of the Plains Health Centre. The prayer reads:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And all the people that have signed the petition are from the city of Regina, Mr. Speaker.

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre closure. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed the petitions, Mr. Speaker, are from Grenfell, Glentworth, Kipling, and other communities throughout the province. I so present.

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, I also rise today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed this petition today, Mr. Speaker, are from Weyburn, Radville, Raymore, Indian Head, and a number from Regina. I so present.

Mr. Gantefoer: — Thank you, Mr. Speaker. I rise as well on behalf of citizens concerned about the impending closure of the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

Signatures on this petition are all from the city of Regina, Mr. Speaker.

Ms. Draude: — Thank you, Mr. Speaker. I also rise today again to present petitions of names from people throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

Everyone that has signed this petition is from the city of Regina.

Mr. McLane: — Mr. Speaker, I rise again today on behalf of concerned citizens throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider the decision to close the Plains Health Centre.

Mr. Speaker, this petition has been signed by many concerned citizens, upset citizens, from the communities of Loreburn, Riverhurst, Central Butte, and Moose Jaw.

Mr. Aldridge: — Thank you, Mr. Speaker. I too rise to present petitions of names of Saskatchewan people with respect to the Plains Health Centre. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And those who have signed this petition, Mr. Speaker, are from a number of communities from across Saskatchewan, including communities such as Mossbank, Chaplin, Pense, Grand Coulee, Weyburn, a number also from Broadview, Fort Qu'Appelle, and many from the city of Regina as well.

Mr. Belanger: — Thank you, Mr. Speaker. I rise again today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And the people that have signed the petition, Mr. Speaker, they're from Swift Current, they're from Ernfold, from Frontier, from Regina, from West Bend, from Swift Current, and they're all from throughout the land, Mr. Speaker, and I so present.

Mr. McPherson: — Thank you, Mr. Speaker. I rise with my colleagues today to present petitions on behalf of the people in southern Saskatchewan in their efforts to save the Plains Health Centre here in Regina. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And the people that have signed this petition, it appears, are almost all from Regina, White City. I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order, the following petitions regarding the closure of the Plains Health Centre have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Public Accounts

Deputy Clerk: — Mr. Gantfoer, Chair of the Standing Committee on Public Accounts, presents the committee's first report of the twenty-third legislature, which is hereby tabled as sessional paper no. 200.

Mr. Gantfoer: — Thank you, Mr. Speaker. On behalf of the Standing Committee on Public Accounts, it's my pleasure to take this opportunity to table our first report. In doing so, I'd like to make a few general comments, Mr. Speaker.

Firstly, I would wish to acknowledge and thank the members of the committee: firstly, the Vice-Chair of the committee, the member from Meadow Lake; other government members — the member from Last Mountain-Touchwood, the member from Saskatoon Sutherland, the member from Saskatoon Eastview, the member from Lloydminster, and the member from Regina South; my colleague in the official opposition, the member from Thunder Creek; colleague from the third party, the member from Moosomin; and independent member from Saskatoon Greystone.

As a new member of this Assembly and a new chairperson, the members have treated me with a great deal of patience and understanding through our deliberations. I believe the committee has worked very diligently to address the issues placed before us. We have held 11 meetings through the session, two of which were orientation meetings. I gratefully acknowledge all of those who participated with our education, and in particular the past Chair and past Vice-Chair of Public Accounts, the member from Regina Victoria.

Given the large volume of work, the committee was given in its order of reference, a broadened mandate from the Legislative Assembly to include the unfinished business of the twenty-second legislature in addition to the *Public Accounts* and various reports of the Provincial Auditor tabled since the dissolution of the last legislature. These documents date back to the '92-93 fiscal year and encompass five reports of the

Provincial Auditor and the *Public Accounts* for the corresponding years. And this has been a very large challenge for your committee.

Given that large amount of work that faced us, your committee chose to not deal with issues that had been in previous reports and had been repeated or resolved in subsequent reports. So we adopted a schedule of provincial audit recommendations that we're now working on. And we have done a great deal of work.

This report reflects deliberations up to a meeting held this morning

And in closing, all of this work could not have been accomplished without the gratitude of the committee being expressed to the Office of the Clerk for administrative support and procedural advice, to the Office of the Provincial Auditor, and to the Provincial Comptroller and his staff, to *Hansard*, and the officials of the Department of Health that appeared as witnesses.

Therefore, Mr. Speaker, I would like to move, seconded by the member from Meadow Lake:

That the first report of the Standing Committee of Public Accounts be now concurred in.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Sonntag: — Thank you very much, Mr. Speaker. I'll be very brief in my remarks. It was with a great deal of pleasure that I second the motion by the member from Melfort-Tisdale. I want to reiterate some of the things that the Chair of our committee has already said.

From the government side and from the government members, I want to thank first of all, and of course the officials and staff involved in compiling this report, and indeed those that worked with us through the weeks that we've spent putting all of this report together. The task when we began seemed quite formidable, but I believe under the good shepherding of our Chair that we've accomplished a substantive amount of work.

To our Chair, I want to say how much I appreciated working with him, and compliment him especially, as a new member, and all the members, on the spirit of cooperation that was generally apparent throughout our meetings.

I want to report to the legislature as well that the task at hand no longer appears insurmountable, and by the sitting of the next legislature, I would hope that we would be current with all of our reports.

So again just in closing, I want to thank all of the members — government and opposition, certainly — and all of the staff that were involved in helping us, and just really thank them for all they've done. Because as I said, when I started it appeared almost impossible to get this done. So thank you very much.

Some Hon. Members: Hear, hear!

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Krawetz: — Thank you, Mr. Speaker. It is my pleasure today, Mr. Speaker, to introduce to you and to all colleagues in the Assembly, a group of students and parents and teachers from Theodore, Saskatchewan. They are from the Theodore School. They are a group of grade 5 and 6 students; 19 in total have made their trek to Regina today to take in a number of sights including the legislature. And I want to welcome them here this afternoon to the legislature.

I also want to introduce to you, Mr. Speaker, the teacher, Mrs. Valerie Jeske, teaching assistant, Arlene Fenske, and some chaperons, Barb Madsen, Carlyle Topliss, and Marty Roebuck, and of course the bus driver, Fred Dowholis, who makes sure they have a safe trip home, Fred. Welcome, and I'd ask all the members to join me.

Hon. Members: Hear, hear!

Mr. Sonntag: — Thank you very much again, Mr. Speaker. I would like to introduce to you, Mr. Speaker, and through you to the members of the Assembly, 13 students and their chaperon, Shelley Adamson, and the one of the teachers, Charles Stein, in the west gallery.

They've travelled down all the way from Makwa School. And I believe, unless we sit well into the fall here, I believe they will be the one and only group visiting the legislature from the constituency of Meadow Lake this year. And so I really want to welcome them. I will be meeting you later on for drinks, I believe down in your office, Mr. Speaker.

Over the years the Makwa School has been fairly regular visitors to the legislature and so I want to compliment the chaperons and the school for paying particular interest to the legislature and welcome them here.

They wanted to have a nice picture on the legislature steps later on, but even if they do want a nice picture, I'm still going to join them. So we'll get together later on. If everyone would join with me in welcoming the Makwa School to the legislature here today, please.

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I'd like to introduce to you and through you to the Assembly, the members of the Land Titles Advisory Council of the property registration branch of the Department of Justice. There are 14 people here who are representatives from the various land titles offices in Saskatchewan, and they are here to see how the legislature works and understand where the laws come from that they end up administering.

Welcome to the legislature.

Hon. Members: Hear, hear!

Hon. Mr. Anguish: — Thank you very much, Mr. Speaker. I have some special guests in the Assembly I'd like to introduce today. And the reason I want to introduce them with a special note of congratulations and thank-you is that this group has come to us as a Legislative Assembly and asked us to introduce a Bill called the reorganization of labour relations between the health sector employers and employees. And this group represents the health care unions in Saskatchewan and the health care employers through SAHO (Saskatchewan Association of Health Organizations).

We have with us here today Pat Gallagher representing SGEU (Saskatchewan Government Employees' Union), if you'd please stand; we have Alice Robert representing health sciences; we have George Wall representing Service Employees International; we have Bev Crossman with the Saskatchewan Union of Nurses; Judy Junor, the president of the Saskatchewan Union of Nurses; and Rosalee Longmore — I'm sorry if I pronounced your name wrong; I hope that's right — she's the vice-president of the Saskatchewan Union of Nurses; we have Andrew Huculak with the Canadian Union of Public Employees; and we have Brian Morgan representing SAHO, the Saskatchewan association of health care organizations.

And with them today, out of the mediation and conciliation branch of the Department of Labour, we have Terry Stevens who is the executive director there who's helped in pulling these people together.

So I'd like the Assembly to welcome them and thank them for coming together to make a request to sort out some of the jurisdictional issues within health care in Saskatchewan. I'd ask all members to welcome them here today. Thank you.

Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. I'd like to join the member opposite in welcoming the group here today, as well the union representatives, as well as Mr. Brian Morgan who worked for SAHO at my time of chairmanship there, and it was indeed my pleasure to have worked with him. So I'd like everyone to welcome him on our behalf as well.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. On behalf of the third party, I'd also like to welcome the guests here from the health care unions and from SAHO, and I hope they enjoy their visits here today.

Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, I should like to introduce to you and through you to the members, a couple of special guests that are seated in your gallery. In particular I want to note the presence of Mr. Leender Oorschot from Krommenie in the Netherlands. He's accompanied here today by Betty Lewis of my constituency of Regina Victoria.

Mr. Oorschot is a retired personnel supervisor for a major pharmaceutical company in the Netherlands. He's travelling throughout North America, and if I'm correct, this is his second visit to Saskatchewan. He takes a strong interest in Canadian politics and finds this is an interesting stop in his journeys throughout North America.

Mr. Speaker, if I might be permitted to say a few words in my first tongue.

(The hon. member spoke for a time in Dutch.)

Mr. Speaker, I would ask all members to please join me in welcoming our special guests — if they could rise — to greet them here today. Thank you.

Hon. Members: Hear, hear!

Mr. Flavel: — Thank you, Mr. Speaker. Mr. Speaker, I just want to take a minute to also join with the Minister of Labour in welcoming Andrew Huculak, or however they want to say it — good friends; you can say it 14 different ways if you want I guess. Andrew and his wife Bonnie live just across the river out of Last Mountain-Touchwood. They're in Regina Qu'Appelle Valley, I guess. But we've been good friends for quite some time and I'm delighted to see him here, and welcome.

Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to take this opportunity to join with the member from Canora-Pelly in welcoming the students here from Theodore. I want to tell you, Mr. Speaker, that this is one of the finest schools in Saskatchewan, and I know this school very well and want to tell you that since 1968 the quality of students that have graduated from this school have increased significantly, Mr. Speaker.

I want to congratulate just the excellent work that this school has done for the people of Saskatchewan. Many, many of these students have gone on to just make major contributions to the people of Saskatchewan.

I met these students on my way in from Regina this morning, Mr. Speaker, and they were stopping for some brief refreshments at Fort Qu'Appelle. And I indicated to them that likely the member from Canora-Pelly wouldn't mind assisting in picking up some of the cost of that refreshment as well. So when they're meeting with them earlier today, they might want to have that discussion with him.

So I want to congratulate them for coming to the Assembly and to enjoy their tour and their day here at the legislature. Thank you very much, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Mr. Hagel: — If all other members have completed introductions, the Speaker would like to introduce 28 grade 4 students from Palliser Heights Elementary School in my constituency in Moose Jaw. These students today are here

together with their teacher, Grace Walton, and are accompanied by chaperons Mrs. Hunt, Mrs. Schaaf, Mr. Heath, and Mr. Zarhariuk.

After being in the gallery here until 2 o'clock they will be taking a tour of the building. And I look forward to meeting with them at about 2:30, with the help of the Deputy Speaker, to enjoy together with them a visit and refreshments and an opportunity for us to take a class photo.

I'll ask all hon. members of the Assembly to welcome the guests of the Speaker who are seated in the Speaker's gallery here today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Computerized Axial Tomography Services for Prince Albert

Mr. Kowalsky: — Mr. Speaker, I'm pleased to share with this Assembly some exciting news for people served by the Prince Albert Health District. Yesterday it was announced that Prince Albert will become the first community outside Regina and Saskatoon to provide CT (computerized axial tomography) scan services. There has been almost a 30 per cent increase in the number of scans performed in the province from 1991-92 to 1994-95.

Having this state-of-the-art diagnostic imaging technology available in Prince Albert will eliminate hundreds of trips residents from the P.A. (Prince Albert) area make to Saskatoon to obtain this important service. It will reduce in-patient hospital days and will help Prince Albert-based physician specialists to provide a wider range of up-to-date treatment services.

The decision to offer CT scan services in Prince Albert was made by Saskatchewan Health on the advice of its technology advisory committee. In its review of the Prince Albert proposal for a CT scan, the committee considered issues of access, quality of care, cost-effectiveness, and capacity utilization.

CT scan services will be available in Prince Albert by the spring of 1997, and during the coming year the Prince Albert Health District will participate on a committee to address practical matters concerning diagnostic imaging for the entire province.

Mr. Speaker, I would like to congratulate the Prince Albert Health District for the work they did on this.

Some Hon. Members: Hear, hear!

Members' Salary Structure

Mr. McLane: — Thank you, Mr. Speaker. I would just like to bring to the attention of some members of this House who may not have heard, that my colleagues and myself will be repaying money owing as a result of the new MLA (Member of the

Legislative Assembly) pay structure.

As a member of the official opposition, I will now be looking to the government, and to the independent member as well, to demonstrate the same level of integrity and return that money to the Saskatchewan taxpayers.

I know these steps need to be taken to restore the public's faith in politicians and the political system, and because it is the right thing to do, Mr. Speaker. I hope the government members and the independent member soon accept that reality too.

Some Hon. Members: Hear, hear!

Canadian Wheat Board Conference

Mr. Whitmore: — Thank you, Mr. Speaker. I would like to congratulate the Canadian Wheat Board for sponsoring its first in a series of conferences in the prairie provinces dealing with adding value to prairie cereal grains.

Moving Up To Market, held in Saskatoon from June 9 to 11, gave the industry an opportunity to work together in examining the challenges of adding value to these cereal grains. Large and small industry representatives attended the conference, including AgPro Grain; Darlaine Ventures from Radisson; United Grain Growers; Coteau Hills Rural Development Corporation; Weyburn Inland Terminal; and Lakeside Seeds from Wynyard.

The conference showed us that there are common interests in value added with companies of any size, even those who have not yet started.

Some of the key areas of the conference explored were market potential for North America and offshore, value added experiences highlighting the successes on the Prairies, and business plans and finances — getting started in value added with expertise offered from prominent business consultants.

Mr. Speaker, this conference was an excellent step for the Wheat Board to take in a continued and evolving support of producers it serves. I congratulate everyone who participated at such a busy time of the year. Thank you.

Some Hon. Members: Hear, hear!

Contract for Free Form Plastic Products Inc.

Ms. Julé: — Thank you, Mr. Speaker. I rise today, Mr. Speaker, to extend my congratulations to a company in my constituency, Free Form Plastics of St. Brieux who recently landed a contract to manufacture 600 residential garbage containers for Saskatoon. In fact, plant manager for Free Form, George McQuarrie, says they will probably start shipping the containers to Saskatoon in the very near future.

Free Form was awarded the contract after winning a competition with other Saskatchewan and Canadian plastic firms. This is the first time a Saskatchewan company has received Saskatoon's container contract.

Free Form will employ about 15 people on its production line to fulfil the contract which is worth over \$160,000. I would like to congratulate the management of Free Form for putting together such a successful bid and for bringing more economic activity to St. Brieux. Thank you.

Some Hon. Members: Hear, hear!

Used-oil Management Program

Hon. Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, today I'm pleased to promote another successful community program that's happening in my constituency.

The agriculture development and diversification board, known as the ADD board, and the municipalities in the areas of Watrous, Young, Lanigan, Simpson, Nokomis, and Jansen, have been running a very successful used-oil management program. Waste farm oil is an environmental concern to many farmers. Yet until recently there have been very few alternatives for the disposal of waste oil.

The program in my constituency has been going for three years now and it has been an overwhelming success. In the last two years over 10,000 barrels of oil and more than 20 barrels of used filter oil have been collected.

Mr. Speaker, in fact things are increasing so rapidly that this year they have already collected over 9,000 barrels of oil. Once the oil is collected, it is picked up by RRR Environmental services of Regina, which the announcement was just made recently with assistance from the government, and used for making diesel or heating fuel. Not only is additional use being made of waste oil but those 10,000 barrels of oil are prevented from harming any soil or water in our province.

I am pleased that my constituency is setting such a fine example on how to provide a service to farmers and protect the environment. The people in my communities can take pride in what they have done. Please join me in commending all those people involved in the used-oil management program. Thank you.

Some Hon. Members: Hear, hear!

High School Athletes

Ms. Draude: — Thank you, Mr. Speaker. There are many youth who are dedicated to sports in my constituency. Today I rise to recognize the achievements of Shawna Leffler, a constituent from Rose Valley, and Daryl Finch from Kelvington.

Shawna has taken the sport of badminton by storm, placing first at divisions, first as NESSAC (North-east Secondary Schools Athletic Conference) and first at regionals. Shawna is now guaranteed at least seventh place in the province. This grade 12 student has competed in the last four years at the districts four times and she has visited the regionals at least three times. She also has been division champion for three years straight.

Daryl Finch was recently awarded the Saskatchewan Volleyball Association's Midget Male Athlete of the Year Award. This is a result of hard work and dedication to the game of volleyball throughout the past year. He has played with Kelvington High School and club volleyball with the Wakaw Warriors who won the provincials and went to Victoria for the western championships. Daryl will also be busy playing for the first Sask First team this summer.

Mr. Speaker, I ask the members of this Assembly to join me in congratulating these students for their dedication and excellence in sports.

Some Hon. Members: Hear, hear!

Community Home for Disabled Opens

Ms. Murray: — Thank you, Mr. Speaker. I'm sure many people can remember the colourful cartoon chipmunks known as Chip and Dale. My statement today is not about cartoons, but about Chip and Dale Housing Incorporated, a non-profit organization established in 1980 to provide community homes for persons with multiple disabilities.

Last Thursday I attended, along with my colleague the Minister of Social Services, the official opening of this organization's new group home at 146 Nollet Avenue in Regina. The objective of Chip and Dale Housing is to provide residents of the home with the appropriate high quality care which addresses all aspects of development: intellectual, physical, social, and emotional — regardless of the degree of disability experienced by each person.

The objective of the group home is to provide as normal and home-like an environment as possible and to provide a program and environment which enables each person to develop his or her full potential. The philosophy of Chip and Dale Housing is an appropriate one; it is the right of every individual to live in a normal home setting, and disabled persons must have residential options, other than living in an institution.

I would like to congratulate Chip and Dale Housing, the board of directors, staff, and volunteers for their commitment to this very worthwhile cause.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Macklin-Eye Hill Municipal Airport Opens

Ms. Murrell: — Mr. Speaker, communities in my constituency continue to show their optimism concerning economic activity and growth in the Battleford-Cut Knife region. As I mentioned previously in the Assembly, there are many thriving businesses in the area with people who are excited about new opportunities.

The community of Macklin is no exception. Recently the Macklin-Eye Hill municipal airport had its grand opening. Upgrading of the 3,000-foot paved airstrip was completed last

fall at a cost of just over a half a million dollars.

Special ceremonies for the opening were held on June 2, beginning with a pancake breakfast sponsored by the Macklin Chamber of Commerce. UMA Engineering presented a framed photo which shows an aerial view of the new airstrip. This project is a welcome addition to the region and I would like to congratulate all the communities, organizations, and individuals, who helped bring it to completion, including the town of Macklin, RM (rural municipality) of Eye Hill, Macklin Chamber of Commerce, and the Macklin Flying Club. This is yet another sign of positive growth in the region. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Political Donations

Mr. Osika: — Mr. Speaker, the Minister of Post-Secondary Education regaled in this House yesterday with the suggestion that we read a book entitled "Election Financing for Dummies." Well perhaps the minister should pick up . . .

Some Hon. Members: Hear, hear!

Mr. Osika: — Perhaps the minister should pick up a couple of books on "Integrity for Dummies" and "Compliance of the Law for Dummies."

Mr. Speaker, the minister's attempt to trivialize this issue were a disgrace to this government and this Assembly. We are talking about a massive loss of public confidence in political financing at least as great as a catastrophic loss of confidence in the administration of justice in our province when it too was under the direction of the now minister in charge of Post-Secondary Education.

That loss of faith became a national scandal and was recognized by the now Minister of Justice. He appointed counsel from outside the province to inquire into and report upon the practices of the prosecution branch of that department.

Will the Premier demonstrate the same courage and conscience and call for an independent inquiry into this issue to restore public confidence.

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — No.

Some Hon. Members: Hear, hear!

Mr. Osika: — Mr. Minister, yesterday in this House, the minister responded to questions related to The Election Act by advising us that the NDP (New Democratic Party) has the best lawyers, the best auditors, and the best accountants.

Mr. Speaker, perhaps they do. What they certainly have is the best teachers. The Conservative Party, whose act the NDP is following, could give lessons to anyone in how to launder

political donations.

Mr. Speaker, I am sure that the NDP has excellent lawyers, auditors, and accountants; however, I must point out that the Mafia also has a very good . . . good lawyers and accountants.

Mr. Speaker, the issue before this Assembly is not how much professional talent a political party can bring together to circumvent The Election Act. The issue is whether this government will admit that serious violations of the Act have taken place, that millions of dollars of anonymous political contributions are in the hands of the New Democratic and Conservative parties.

Will the minister now agree that only an independent inquiry can properly examine the state of affairs that exist and restore public confidence to political financing in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — No.

Some Hon. Members: Hear, hear!

Mr. Osika: — Well, Mr. Speaker, this seems to be a trivial matter to the members opposite. Mr. Speaker, the Liberal opposition has provided a number of warnings in this House about the dangers of not disclosing political donations. We have pointed out that this opens the door for individuals or corporations to influence government decisions or receive government favours.

Mr. Speaker, the Saskatchewan Liberal Association recently received a letter from Extencicare, which notes that this firm has a practice of donating funds to political parties in provinces in which they have operations. The letter states that because the Saskatchewan Liberal Party has questioned this NDP government's dealings with Crown Life and because, and I quote, "Crown Life is a Regina-based company in which Extencicare has a major share holding, we will not provide support this year."

In essence, what Extencicare has said is, that if you don't follow our direction, you won't receive any political donations.

Mr. Speaker, this is a perfect example of the kind of financial blackmail we have been warning about. Will the minister explain if he believes that this kind of financial blackmail is appropriate? And I'll pass a letter from Extencicare to the minister.

Mr. Mitchell: — Mr. Speaker, I have stood in this House on June 6, June 7, June 10, June 11, and June 12. And all of my answers to all of the questions have been as follows: we have complied with the law. The law is perfectly clear and we've complied with it. We've been in compliance with the law since it was passed.

I remind the members opposite that that law was passed in this House over the opposition of the Liberal Party at the time. We have complied with it. That is the end of it.

Now we are prepared, as I have offered again and again, to make sure that the election law of this province is so clear that even you and your lawyers can understand it. You have said you don't want that. Fine. We're going to go ahead and do it anyway.

Some Hon. Members: Hear, hear!

Mr. Osika: — The law has been contravened. It's in black and white. And, Mr. Minister, I took a bit of a lip-reading course since you proposed your comments to me yesterday — read my lips. Please read our lips: judicial inquiry.

Some Hon. Members: Hear, hear!

Mr. Osika: — The Saskatchewan Liberal Party is not in the practice of buying and selling favours. And if the New Democrats and Conservatives are fully prepared to clearly demonstrate that they are not, they should open their slush funds up to the public scrutiny.

The minister can take a step in this direction by telling this House where Extencicare donations to the NDP are disclosed.

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, I repeat again — please, Mr. Speaker, implore upon the member to listen to me — we are in compliance with the laws of this province.

You are speaking to something else. You are speaking probably to a time down the road when the laws will be amended so it will say what you say it says. But the law doesn't say, but the law doesn't say what you say it says. The law is perfectly clear and we have complied with it.

Now how many times, Mr. Speaker, am I going to have to stand in this House and give that answer to the member opposite?

And if that's not a good enough answer, then let's work together to amend Bill 92, before this House, so that the law is perfectly clear so that even the members opposite, even the member from Wood River, can understand it.

Some Hon. Members: Hear, hear!

Mr. Osika: — Mr. Speaker, we have a difference of opinion. And again I've been saying day after day, we believe we're right, they believe they're right; let's get an independent opinion. What are they afraid of? Let's call for an independent inquiry and clear this up. Let's re-instil some confidence in the political system here in this province.

The Premier has obviously heard the phrase: whoever pays the piper calls the tune. Until such time as there is full disclosure of the NDP and Conservative slush funds, one can only guess how many firms such as Extencicare are holding finances over the head of the current and previous government.

Mr. Speaker, Saskatchewan residents need and deserve to know that government decisions are not based . . . or influenced by

political donations. Will the Premier make a commitment in this House today to order a judicial inquiry to examine the level of corruption that we may be dealing with and clear this matter up once and for all?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, yesterday I cautioned the Leader of the Opposition that if he kept up on this line, one of these days he's just spin out into outer space. I think today he's done that.

The answer, Mr. Speaker, as I sit down, is the same one I gave when I first stood up — no.

Minister of Labour's Resignation

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, my questions today are to the Premier or his designate. Mr. Premier, we'd like to ask you, do you think it's appropriate for the Minister of Labour to retain . . . and remain in cabinet even though he has already another job? This is certainly an unusual situation, particularly when he won't tell anyone what the new job is.

Mr. Premier, doesn't this create a potential conflict of interest — a minister remaining in the cabinet after already accepting another job? And in order to remove any threat of a conflict of interest, either real or perceived, we ask, Mr. Speaker: don't you think, Mr. Premier, that the Labour minister should step down from cabinet immediately?

Hon. Mr. Anguish: — I'll bring those concerns to the attention of the Premier, Mr. Speaker. I would say, although it is correct the hon. member points out that I have accepted another position, that position does not come into effect until July 3.

I would further say that I can't foresee any possible conflict of interest. If there was, I would take the normal course of events and absent myself from any discussions that would concern the particular topic being discussed. But in respect to the member, I will bring that to the Premier's attention.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I have a supplemental for the Premier or his designate, and we do want to thank the member for his answer. I appreciate that kind of an approach to this problem.

However, Mr. Premier, your government is clearly struggling with the issues of your union-preference tendering policy, and we would like to see this matter resolved before this legislative session ends. But your Labour minister has been a staunch defender of the CCTA (Crown Construction Tendering Agreement) in its present form. And this makes him a major stumbling block to any resolution to this issue.

Yesterday the executive director of the Saskatchewan Construction Association said he looks forward to working with a new minister who might be more willing to work toward

making changes to the CCTA.

Mr. Premier, you have a lame-duck minister who is probably thinking more about his new job than his current one. Why don't you take this opportunity to show that you are listening to the concerns of the non-union contractors and workers? Why don't you immediately appoint a new minister who is committed to resolving the union-preference tendering policy problem before the end of this legislature ends?

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order. All hon. members know that the Speaker can't hear the answer even before it begins. I'll ask all hon. members of the House to allow the . . . Order. Order, order. I'll ask all members of the House to allow the minister to be heard in his response.

Hon. Mr. Wiens: — As the member opposite knows, the Labour minister has done a very good job in this government from the first day of his appointment. But what the members opposite also know, is that this is a policy of the Crown Investments Corporation and a policy of the Government of Saskatchewan, not just of the Department of Labour.

And what the members also know is that the discussions that have been going on in the last number of weeks have been going on between the parties that have an effect on the agreement, not driven by government but driven by the parties themselves. And I wish the members would give credit to that fact and continue to support the work of those at the table who are looking for a better relationship.

Some Hon. Members: Hear, hear!

McDowell Report

Mr. D'Autremont: — Thank you, Mr. Speaker. My question is to the Premier.

First of all I would like to congratulate the Liberals for following our example and agreeing to pay back their MLA pay hike. It only took them 71 days to come to this decision but, Mr. Speaker, I suppose it's better late than never.

Mr. Premier, this leaves one party standing alone at the trough, that being the NDP. It leaves one party leader standing alone at the trough and that's you, Mr. Premier, the leader who promised that spending cuts would start at the top.

Mr. Premier, will you follow the example set by our . . . that our party has set and that the Liberals have followed? Will you and your caucus members give up your \$4,400 MLA pay increase?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you, Mr. Speaker. I would start out just by saying no, and to affirm that we would never want to make our mark by following your example on most things.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — The members know this is a pay cut, and I don't know why you would pay back a pay cut. I mean there is just no logic to paying back a pay cut. You know that not only is it a reduction over the term but, Mr. Speaker, this is a reduction in every single year. The reduction exceeds . . . it turns out to be a net reduction considering all monies received, all monies paid.

I can understand the Tories wanting to pay 4,000 each to get people to forget \$15 billion in damage to this province. Maybe I can even understand the Liberals not feeling they've earned their pay for the people of Saskatchewan when they've done nothing to defend the province against the transfer cuts from the federal government.

The member from Wood River should probably give back 10,000, and the member from Thunder Creek should probably give back the whole works.

Some Hon. Members: Hear, hear!

New Health Legislation

Mr. Heppner: — Thank you, Mr. Speaker.

The Speaker: — Order, order. Now I'm unable to hear even a single word that the hon. member from Rosthern has said in presenting his question to the House. Order! Order. And I ask all hon. members on both sides of the House . . . Order. Order! The Speaker is not seeking advice. Order.

Mr. Heppner: — Thank you, Mr. Speaker. I was about to the point to ask everyone in the House just to read my lips.

My question is for the Premier or his designate. Mr. Premier, in your letter to the outgoing Labour minister, you appear to have confirmed that your government is planning on bringing in another major health Bill this session.

The health sector labour relations Act will result in sweeping changes to the health sector bargaining in this province.

Mr. Premier, is this Bill going to be introduced in this session, and if so, why would you leave such a major piece of legislation until so late in the legislative session?

Hon. Mr. Anguish: — I thank the hon. member for his question. It is a very timely question indeed. Later this afternoon I'll be talking with the House leaders of both parties. We want to have a copy of this Bill just as soon as possible.

I tried to introduce, although briefly as it was, why the guests of mine were in the gallery this afternoon. And we wanted them to be here to show that there's been a request from both the employer side and the employee side to come forward with legislation to help them sort out the jurisdictional issues within the health care districts throughout Saskatchewan.

And what we'll be asking for later this afternoon is for unanimous consent by leave of the Assembly to have first reading of the Bill. And that way you will get a final copy of the

Bill. And I'll be talking to your House leaders later this afternoon. We recognize it's late in the session that this is coming in, and the only way that we would do that is because all of the stakeholders immediately affected by the legislation have come forward in unanimous request to have this legislation come forward.

Some Hon. Members: Hear, hear!

Child Prostitution

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, a prostitution crackdown in Saskatoon this past week resulted in the arrests of 14 women, including two girls aged 14 and 17. These women are often the victims in the sex trade. They have been sexually and physically abused and often suffer from drug problems. Two of those arrested in Saskatoon last week are teen prostitutes.

I find it to be extremely disturbing that more is not being done to target the johns. The system protects these men but often offers little help to the many children who are victimized through the prostitution trade. A few months ago, I asked the Justice minister to use his influence to pressure the courts to take a hard line with men arrested for soliciting young girls and boys. They should be charged with sexual assault.

Mr. Speaker, what is the Justice minister doing to encourage Saskatchewan Justice officials to target men who roam our streets to buy sex from children? These men are in fact pedophiles. Will the minister commit to treating them as pedophiles and let the world know what they are, and will he see to it that there is law enforcement that reflects zero tolerance for this criminal act?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Yes, I'd like to thank the member for that question. The whole situation relating to child prostitution is very disturbing for all of us. The police have the rules set out in the Criminal Code and they can lay charges, and they do lay charges when they have the evidence. They also are very concerned about this, and I think it's clear that they are using the tools that they do have to try to deal with a very difficult problem that includes many sectors of our society.

As we know, in Saskatchewan, a number of the groups in both Saskatoon and Regina and other parts of the province have been working together on a sectoral basis, different people working together. And the question that the member is asking today relates to one piece of that whole puzzle. And I think practically, what she should be doing is assisting in working with all the people to come up with a solution for this difficult and disturbing problem.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you. Mr. Speaker, I am assisting in every way I know possible. That's why I'm standing here today, in fact, presenting these questions. I think that at this point, the Minister of Justice has a lot more authority and ability to move

ahead with this than I do.

Mr. Speaker, I am sick of hearing this government try and shrug off its responsibility to the people of this province and others. Many of the children selling their bodies on the streets are at the point of no return when they are arrested. They have been physically, emotionally, and psychologically beaten. Many are desperate for help to leave the streets, but the system is extremely inadequate.

I am asking the minister to support proposals by groups in Regina and Saskatoon for the establishment of safe houses which would offer valuable, comprehensive treatment for child prostitutes rescued from the streets. I am asking once again, for the sake of our children who are crying out for help, will the minister immediately assist communities in setting up safe houses in Saskatoon and Regina?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — I appreciate the offer of assistance from the hon. member in this area. One of the most significant things that she could do would be to talk to the member in Ottawa who represents the same area that she does and work with the federal government, who has pulled out of this field and has left the province of Saskatchewan and primarily the department of services to finance most, if not . . . well not all the costs but probably 80 per cent of the costs of the services that are presently in Saskatoon.

Those were started by federal programs, and I think that it would be of great assistance for that member to assist us in approaching the other members of her party to assist in solving this problem.

Some Hon. Members: Hear, hear!

Northern Round Table Meeting

Mr. Belanger: — Thank you, Mr. Speaker. Before I get into my question for the minister of housing, I just want to make a point, a remark, to the member from Cannington in terms of the \$4,000 payback that his caucus has agreed to pay back. Certainly myself, and I believe the Liberal caucus, will not be following the Tories on any financial path that they take. We've said this from day one, that we would do this, and we are doing it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Belanger: — This question is to the minister of housing and Municipal Government, and it's a letter from Joan Macdonald of Stony Rapids, and I quote from the letter:

There was a northern round table meeting held in La Ronge, Saskatchewan, and there was absolutely no participation from the basin communities. And yet after we were promised a charter, which didn't happen . . . and I'm wanting to see what type of minutes would come out of the meeting. And how can you call it a northern round table when we're not welcome. We're a hundred miles south of

the North West Territory border and part of the Athabasca basin.

Madam Minister, can you tell me why the far northern communities of Stony Rapids and others were totally excluded from the round table meeting you had in La Ronge?

Some Hon. Members: Hear, hear!

Hon. Mr. Goulet: — Mr. Speaker, I attended that meeting when the point was raised by actually a person from that area. And I think the reason why that they didn't come was they looked at the travel costs in regards to the costs of flying from the far North into that area. And I think they had made that decision themselves. It was not that they were not invited. They were clearly invited to come to the meeting. And that was . . . I think they made that decision upon themselves.

I know that the member had made a tremendous statement in regards to, let's say another community in the far North, that they made a special trip to take the students down to Toronto, etc. and that type of thing. And the local communities make those types of decisions, Mr. Speaker. And I think that the next time around we'll be looking at this question again when another round table is done in northern Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. Again I quote from the letter from Joan Macdonald. And that was one of the issues that she was going to bring up at this round table. They were promised to be flown down from their community down to La Ronge for this very important meeting, but that offer was taken back.

However, Joan Macdonald writes in this letter, and I quote again:

Why in 1996 are we still hauling water and pumping sewer? There are no subsidies on our groceries, freight, gas, construction materials, etc. There's no recreation facilities for our people to utilize in their isolated communities. It costs \$266 to fly one way for one person and get out of the community into the nearest city of Prince Albert. (And she further goes on) I believe I heard the government say that health and education was their number one priority, and we feel very neglected.

Mr. Speaker, can you tell me today . . . and I'll ask the Minister of Municipal Affairs, or Minister of Northern Affairs, why Fond-du-Lac or Stony Rapids haven't got water and sewer to this day? Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Goulet: — Mr. Speaker, in regards to the person that was mentioned, Joan Macdonald, I did speak to her after this issue of the northern round table was done. And I did meet her at the SUMA (Saskatchewan Urban Municipalities Association) special meeting that was held. I think it was approximately a couple of weeks ago. So Joan Macdonald and also the mayor

were represented and they presented this issue with me.

Mr. Speaker, in regards to the health issue, we must recognize that in regards to the health care developments, we're looking at approximately an \$11 million facility right in Stony Rapids. When we're looking at the situation of capital costs in this province and we're in a tough situation, etc., again not only have we built in regards to the facility in La Ronge, but also in Stony Rapids, right in Stony Rapids, Mr. Speaker. I think that's a plus in regard to the government.

Of course the issue of sewer and water — and the fact that we have put in 20 million over 90 communities, etc., over the past four years — I did talk about this issue last time, Mr. Speaker. And of course we will be dealing with these issues in the future.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Clearwater Forest Products Signs Partnership with Government

Hon. Mr. Renaud: — Thank you, Mr. Speaker. Earlier today it was my pleasure to sign a partnership agreement on behalf of the province with Clearwater Forest Products.

The objective of this agreement is to reduce trucking costs for the company by allowing them to use more efficient vehicles. In return, Clearwater Forest Resources has agreed to return 50 per cent of their savings to the Department of Highways for use in improving our northern road system.

This partnership agreement will make the Clearwater mill more viable and helps to sustain long-term jobs. It also benefits the travelling public by providing new revenues for northern road upgrading.

This 10-year agreement has grown out of a temporary agreement for the 1995-96 logging season. In the last 12 months, at least \$800,000 has been accumulated in savings. Half of that money will be used to finance improvements to Highway No. 55 in the Green Lake area.

The partnership agreement also creates spin-off benefits for our provincial economy in that the trailers that are being used for this hauling program are constructed by Bee Line Welding in Prince Albert. This trailer configuration is a new product line for Bee Line and opens up possibilities of sales to other companies, both in Saskatchewan and outside of our province.

This partnership agreement also utilizes the latest in truck technology, like central tire inflation, air-ride suspensions, and anti-lock brakes to provide these vehicles with excellent safety and handling characteristics. Central tire inflation will also allow truck drivers to minimize road damage.

Mr. Speaker, we see partnerships like this as the way of the future. Working together with industry, we can benefit both economic development and the general public. I would like to thank Clearwater Forest Resources and the staff at my

department for designing an agreement that promotes economic development and improves our highway system for our public. Thank you.

Some Hon. Members: Hear, hear!

(1430)

Mr. Belanger: — Thank you, Mr. Speaker. Just to respond to the ministerial statement, and certainly on behalf of the Liberal caucus, I want to congratulate and commend the company that we're speaking about, Clearwater Forest Products, in terms of taking the initiative to put this extra revenue into a fund for the benefits of the travelling public by providing new revenues for northern road upgrading.

And, Mr. Speaker, as we're probably aware through time here, and certainly my time as MLA, we have been dragging up the issues of roads in northern Saskatchewan. There are a tremendous amount of roads that are in very poor condition, and I think we should as legislators really commend companies like the one we're speaking about today on their initiative. And certainly the savings that they have of \$800,000 and half of that, which is \$400,000, can certainly be of some benefit to the northern people and certainly to the northern roads.

And I would also say that it's a sad day in the province's history when you see companies that see the roads in a very poor condition saying, well something should be done about that. The government isn't doing anything about it, so we will do the extra initiative and do the extra work.

So in essence, Mr. Speaker, I sincerely support the Clearwater Forest Products Company for doing a tremendous job in recognizing the challenges of northern Saskatchewan communities and certainly the roads. And I also point out that not only does the minister need one company doing this, the minister may need 50 companies doing this to finally fix those roads in northern Saskatchewan — roads that they have neglected for many, many years.

And I would suggest that they also set up a separate fund, Mr. Speaker, one fund for a washout fund, another fund for the ruts fund, another fund for the gravel fund. I think we need about 50 funds, Mr. Speaker, to . . . and a helicopter fund. We need about 50 funds, Mr. Speaker, to try and fix the problems of poor roads in northern Saskatchewan. And we do hope that the entire money they're speaking about here gets utilized for northern roads right directly at the source. And we have a heck of a long ways to go, Mr. Speaker.

But I sincerely congratulate this company, and I urge the government to try, in the very least, match what they're trying to do. Thank you.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. We too would like to respond to the ministerial statement and the agreement that he has come to in northern Saskatchewan.

We want to go on record of course, first of all, saying that obviously we do support the initiatives of improved transportation, and we certainly do support any initiative designed at improving trucks and the quality of equipment that are used on roads for hauling. Any of those initiatives, obviously we support that.

Unfortunately though from our perspective, this raises several new questions — new to the Assembly and to the people, but not new to our party because these issues were raised with us by the construction association people last year and the year before.

There are serious concerns about the way that these kind of agreements go into effect and the precedents that might be established in so doing. Now the questions that come to mind of course, first of all, if you're going to have a sweetheart deal for the trucking company in one area, is that deal now going to be extended to other companies and to other groups? Will this be a segregated situation? Or will all of the people in the province who are in this industry be allowed to use these kind of vehicles?

Now obviously if this company can save money by using different vehicles, then those vehicles must be designed in such a way as to provide a larger payload for the same amount of travel, and that gives them more profit for each trip. Now if you do that, you have to be looking at overloading because the safety features that are mentioned are only that — safety features. They do not provide for more rubber on the highway, as I can see it, or those kinds of things. So it's allowing for either longer loads or heavier loads or a combination of both.

Now if that is well and good on this road, is it also then good for the rest of the contractors in the province to be able to go ahead and make those same savings?

It also opens the door, Mr. Speaker, to some abuse, because it obviously now appears that we have a precedent set where a company is willing to pay the Department of Highways cash in order to be able to break the rules or bend the rules. Now does that mean the Department of Highways and the government now can impose rules on industry, and then in return we will allow you to bend or break the rules if you pay cash? Mr. Speaker, these are serious questions.

The next question is, if you're building the road, does that mean that the Crown Construction Tendering Agreement kicks into place? We were told by the contractors that on Highway 55 and those highways, if there was reconstruction, the government was only going to allow one group to bid on the construction. There also opens another can of worms that this government has to deal with. The construction association did not agree with that, and we have very serious reservations about this policy, Mr. Speaker.

The Speaker: — Why is the member on his feet?

Hon. Mr. Anguish: — Mr. Speaker, earlier today I gave a notice of motion for reading of a . . . first reading of a Bill, the Bill that I mentioned in introductions and also in question

period, the reorganization of labour relations between the health sector employers and employees.

And after some consultation, I'd like to ask today, by leave of the Assembly, that An Act respecting the Reorganization of Labour Relations between Health Sector Employers and Employees be now introduced and read a first time, so that the Bill can be distributed to the members of the opposition — the official version — so they can have a look at it.

Leave granted.

INTRODUCTION OF BILLS

Bill No. 120 — An Act respecting the Reorganization of Labour Relations between Health Sector Employers and Employees

Hon. Mr. Anguish: — I would move, Mr. Speaker, that by leave of the Assembly, that An Act respecting the Reorganization of Labour Relations between Health Sector Employers and Employees be now introduced and read a first time.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 71 — An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act

Clause 1

Mr. Bjornerud: — Mr. Deputy Chair. Madam Minister, I've just about wound all my questions up from other sessions and then this morning. One more I have is — and I'm thinking about section 9(e) in the Bill — I guess what I'm asking is, what other matters does the minister have in mind when she wants to give the powers to pass regulations respecting any other matters that the Lieutenant Governor in Council considers necessary or desirable to carry out the intent of subsection 8.

Can you give us an explanation of what things that is added in there for? It seems to give a broad piece of control just by that last clause.

Hon. Mrs. Teichrob: — Mr. Chairman, could I ask the member opposite to clarify the section to which he refers. Because we're trying to check his reference and it seems to be completely out of context.

Mr. Bjornerud: — 9(e), Madam Minister. Madam Minister, it's our mistake; you're not going to find it. We're on the wrong part of it here.

One other comment I'd like to make before I wrap up, Madam Minister, is that we find it very hard to support these pieces of legislation when we are leaving so much to do with regulations. A lot of the intent of this whole Bill is going to be brought in when the regulations are brought forward, and the explanations that we have got this morning to do with the regulation part of it, are absolutely next to nil.

So in many cases here we're not really getting what the intent of the Bill will be and we'll find it very hard to support. Thank you.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, the intent of the Bill is to provide the framework and then the mechanics of that intent expressed in the Bill are carried out in regulations. And regulations are never before legislators at the time they approve the Bill because the mechanics are worked out later, after the legislation itself is in place.

Mr. Bjornerud: — Thank you, Madam Minister, and I realize what you're saying, but I would really wonder how you would expect the parties involved such as SARM (Saskatchewan Association of Rural Municipalities), and in the case of the urban Act, SUMA, and ourselves, and for that matter the third party, to actually discuss and approve or disapprove of any part of this when really the intent is not here because the regulations are not involved.

So it makes it very hard for us. And I can see why SARM and SUMA are very hesitant to really endorse any or all parts of this, because they really don't know what is coming down the road. And it's hard to properly discuss.

Hon. Mrs. Teichrob: — Mr. Chairman, I need to correct the reflection that the member opposite has made in that SUMA and SARM as municipal . . . or organizations representing municipalities have any reservations about these amendments that are proposed to the legislation, because we have been in close contact and consultation with them through the entire process and they do understand the intent, and they have no hesitation in supporting the changes that we're bringing forward for the most part, Mr. Chairman.

(1445)

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, your last comment makes me wonder — and your comment was that SARM and SUMA are all happy and they think everything you're doing is hunky-dory here. Then it makes me wonder why did they phone me up here just a day or so back and ask if I could come out to a public meeting of several municipalities to explain to them what the legislation is going to do?

Now if they understand it so well and they're so trustworthy of what you're doing in your regulations, how come they're asking me to come out and explain what's going to happen to them?

Hon. Mrs. Teichrob: — Mr. Chairman, I think the member opposite should explain exactly who it is that's making the

request to him. If it's a group of municipalities in his constituency, fair enough. I don't think it's accurate for him to reflect that the membership of SUMA or SARM is asking him to go and provide explanations. Because we are in the process now of attending the 12 regional meetings of SUMA and SARM that are regularly scheduled for this time of year.

We've already attended two of the SUMA regional meetings. The SARM regionals have yet to commence. But I will be in personal attendance at every single one of those 12 meetings that will be held throughout the province. And we are perfectly prepared to provide any explanations or answer any questions that are put to us, and we have been doing that. And we've had a very positive response, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Madam Minister, I beg to differ with you. You haven't had a very good response from SARM or SUMA. You haven't had a very good response from anybody this year.

If they were so responsive to everything that you say and if they were so happy with everything you've done, how come they lobbied so hard to force you to take your most important piece of legislation off of the order paper? The proof is in the testing of the pudding and the pudding's already been tasted. And I think possibly your whole argument has been defeated by the actions of the people that you talk about.

Madam Minister, later on as we go through this Bill, and even though once again — as I said earlier — there are some things that are good about the Bill, but there are some things that need to be changed. And we will warn you that — and I think you've had a copy already — we will be introducing an amendment to this Bill probably in about clause 24. So having noted that, I suggest to you that you have your officials examine it because I really believe that we can help you to save part of the day at least by doing the right thing so that you can in fact go to the municipalities and claim to be open, honest, and accountable, as you like to say your government is.

So if you're open, honest, and accountable, then put into writing the things that you are claiming will never happen, the things that you are claiming people have nothing to worry about. You should have no problem in simply putting in clearly in English, in simple, non-disputable words, exactly what your intent is going to be. If you are so trustworthy, why would you want to leave things in a grey area where they can be misinterpreted or misunderstood. Simply clear up the whole matter by putting in there exactly what needs to be done.

And that's what we're going to help you to do when we introduce our amendment in clause 24. In the meantime, Madam Minister, I have a list of questions that municipalities have been sending in for us, and I want to ask them of you today so that you can go on record, so that we can send *Hansard* back to these people to show them that you have had the opportunity to answer, and then they can judge for themselves what your answers are.

My first question, Madam Minister, could you provide me with a brief explanation of exactly how this Bill will affect the oil

companies and where their property taxes will go.

Hon. Mrs. Teichrob: — Mr. Chairman, I just simply can't allow the member opposite to ramble on with this wild rhetoric, with widespread misrepresentations of what the intent, the purpose, the understanding of the amendments to this Act entail.

There has been broad consultation on the intent and on each and every proposed amendment. His last comment as to how the oil industry will be affected has absolutely nothing to do with the changes in this Bill, has to do with tax policy and with the operations of the independent Assessment Management Agency, SAMA, and is not relative in any sense to the amendments that are before us.

The amendments that are before us are to facilitate the work of the independent agency and to allow some flexibility for municipalities to deal with the changes that will be happening. But in terms of the tax policy itself, these provisions have nothing to do with that.

What we are doing is being enabling. We are respecting the autonomy of local government in this province, unlike the members opposite, I guess. And I would differ with the member and say that we do have strong support for the changes that are being proposed.

Mr. Goohsen: — Well, Madam Minister, you're entitled to live in your own little dream world, but you do not have very much support. In fact I would say it would be probably less than 4 per cent in the province, as I can judge it from the kind of calls that we've been getting.

And the only thing that is wild about this whole process, in terms of rhetoric, is the snow job that you're trying to feed the people of this province when you say that this Bill is rather inconsequential, and it really doesn't matter, and that you've got support.

But I'm going to go on, because the reality is that I've been asked to ask these questions and they want to hear your answers, they don't want to hear my answers. I ask the questions right now.

What sort of dollar figure does your department have to show regarding how much revenue is lost from oil companies to municipal governments when you finish with this process?

Hon. Mrs. Teichrob: — Mr. Chairman, I couldn't identify a question there that is begging to be answered.

Mr. Goohsen: — Thank you, Madam Minister. Your answer is duly noted. We also want to know — from the rural municipalities that are worried that revenues will go from oil companies straight to the provincial government after you finish with the reassessment program and the amendments that you're bringing into the Acts — so where is the revenue going to be made up?

Hon. Mrs. Teichrob: — Mr. Chairman falling from . . .

flowing from these amendments, there is assessment policy which SAMA is responsible for. There is tax policy which has been developed with extensive consultations. Municipalities, local governments, will have a great deal of flexibility in dealing with the changes that are proposed to bring the assessment up to date, which is sorely needed after 30 years.

The system needs to be modernized. Municipalities recognize that — 85 per cent of municipalities, members of SAMA, voted at the SAMA annual meeting in 1995, September, which I attended, to go ahead with these changes. And what we are doing is facilitating, Mr. Chairman, the wishes of local government in this province.

Mr. Goohsen: — If I heard you right, Madam Minister, you said there was a vote at a SAMA meeting. I don't think municipalities, urban or municipal, really would want to be tied to anything that was ever done in terms of a vote at a SAMA meeting. It is not representative and it does not truly reflect the feelings and the wishes of the people of this province.

Madam Minister, you talk about the availability of flexibility, and that leads me to the next question. Could you — and I'm presuming that when you're talking about flexibility that you're talking about variable mill rate provisions — so could you give me a brief explanation of the variable mill rate provision in Bill 71.

Hon. Mrs. Teichrob: — Mr. Chairman, first of all I wish to clarify that the meeting to which I refer, where 85 per cent of the member municipalities present voted in favour of proceeding with reassessment along the lines that we are now facilitating through these amendments, was not the SAMA board. It was the annual general meeting of the total membership of SAMA, being all municipalities, rural and urban, in this province. So this was an open membership meeting at which every municipality in this province, urban and rural, had the opportunity to be represented. And I think that there was, if not 100 per cent, very close to it at that meeting.

Then on the explanation that the member asks for on the variable mill rate. Well there will be several tax tools. One will be . . . well first of all, the province will set the property tax classes and the percentages of value that will be deemed to be used, if other than 100 per cent, for the various classes. That is the role of the province.

Then on top of that, municipalities will be given the opportunity to apply a variable mill rate to those various property classes. They will also have the option of having a uniform mill rate, but they have that; they use that now. But the variable mill rate is added. The facility to impose a minimum tax is added. And the facility to phase in changes over a three-year period is also a new feature of the system.

So there will be flexibility and avenues for municipalities, for local governments, to use their discretion to suit the tax regime in their area to those unique features. Of course in some municipalities the oil and gas industry is not a factor, the same as in some municipalities tourism or resorts or the forest industry is not a factor.

Saskatchewan is very diverse and that's why there a wide range of tax tools to use so that local governments will be able to use their discretion to create a package of tools that will suit their particular circumstances and the circumstances of their ratepayers, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, just to step backwards a little bit. I suggest that you are misrepresenting the question that was asked at that SAMA meeting. When you asked people from rural municipalities and urban municipalities, do you agree that we should update the assessment process, obviously people will say yes.

When you then say that that meant that they agreed to changes of the formulas, I say you have misrepresented the question that was asked and the vote that was taken. And people from the country and from the cities will judge you on your answer. You have misrepresented what they had agreed to.

Madam Minister, the people that have been calling to tell me that, in fact they believe that you have misrepresented the process right from the beginning and all through want us to ask you some more questions. Prior to this Act, did your government commit to allowing rural municipalities the right to use a variable rate structure?

Hon. Mrs. Teichrob: — Mr. Chairman, I must apologize. I just didn't catch the wording that the member used. He asked the question: what did municipalities do, and I'm sorry, I simply didn't hear.

Mr. Goohsen: — Thank you, Mr. Chairman, I'll repeat the question because I think probably the minister didn't hear. Prior to this Act, did your government commit to allowing rural municipalities the right to use a variable rate structure?

Hon. Mrs. Teichrob: — Mr. Chairman, the answer to the question the member opposite asks is yes. Because as the tax policy discussion has evolved, first of all, cities, urban municipalities, identified that they wanted to have a variable mill rate. At first, rural municipalities said that they felt more comfortable — and I'm going back quite a number of months now, if not years, in the consultation and development of the system — that rural municipalities that first expressed a view, that they would prefer to stick with a uniform mill rate.

Then as the consultations evolved and there was more discussion about how the system might work, rural municipalities then decided that if urban municipalities were to have access to the use of a variable mill rate, then they would want to have the same facility.

(1500)

So we are responding, in these amendments, to the wishes of local governments in this province. This is . . . the role of the provincial government now, beyond the establishment of property classes and the percentages of value, our role now is simply to provide a framework for SAMA, the Saskatchewan Assessment Management Agency, independent of government and municipalities who own the system, to do their work.

That's our role and that's all we're doing.

And also I have to correct the member opposite on his observations about the annual meeting and what the wishes of municipalities were and what it was that they voted on, because that meeting was held on September 29, 1995 to my recollection, at the Hotel Saskatchewan and I was present through the whole meeting. I heard all of the presentations from the Chair and from other speakers.

I heard, in the breaks and at lunch time, conversations among the members who were there and I was present for the vote. I know exactly what happened there and I am satisfied that what is happening here today and the tax policy that has evolved, evolved from the wishes of a majority, a vast majority — 85 per cent or more — of the municipalities in this province.

Now mind you there may be . . . if there's 85 per cent in favour, that means there were some who were not. And maybe those are the ones that you're hearing from. But it is the government's job to represent the majority view after having full and free consultations, and that, Mr. Chairman, is being expressed in the actions that we're taking here today in introducing and asking support for these amendments.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Madam Minister, you also told us that you had support for your service district Act. You also ran a few people in from different areas of the province, both urban and rural, to support you and say that yes, we are in support of what the minister is doing. And obviously again you can play with numbers and play with figures and I'll suggest to you that yes, probably 15 per cent of the population out there supported the service district Act. The 85 per cent that did not support it, you didn't bother bringing in at that time.

But they clearly showed you what they thought of your Bill with their united effort to lobby against it, and their determination resulted of course, in your having to pull this Bill off the order sheet. I think that's great. I think that your courage to do that should be commended.

But it also proves to us that we can't trust your word when you say that you have the majority of people supporting your views. You have proven clearly that you didn't on the service district Act and we believe that you clearly don't in the changes that you're making to the assessment process in our province.

I believe that people asked for some things to be changed. They never, ever dreamt that they were going to have the baby thrown out with the bath water. And I use that metaphor because it's the only one that comes to mind. You've overkilled the situation; you're putting in far, far more than anybody ever anticipated or asked for.

Madam Minister, I do have to get on with these questions because these people will want to read the answers that you give. In spite of your claim, we need to know, how will these variable rates work? And who will set the rate scale?

Hon. Mrs. Teichrob: — Mr. Chairman, first of all before I

answer the question, I'm really getting weary of the members opposite whistling through the cemetery and digging up issues that are dead. And I think that The Service Districts Act, we never said that we had large majority support for it. We said at first that it was being treated in a somewhat different manner than a normal Bill in that it was removed from the legislative review cycle for further consultation.

Certainly I became aware during that time that there was wide misinterpretation of what was intended. And we responded to that. We ended up with a much better situation because cooperation — at least we think — that cooperation beats legislation any day. And we think that the memorandum of understanding that was reached between SUMA and SARM and the provincial government to sit down and work collectively on all of the issues that are before us was a much better solution.

And so we did the right thing. And we can be counted on to do the right thing because we do honestly consult with people and when . . . We don't just talk to them — we listen to them. When they speak, we hear. And if what they want reflects good policy, then we act. And that's what we did. So I just wanted to make that point.

And I also wanted to assure the member opposite that we have an understanding with what is called the local government federation. SUMA representing urban municipalities, SARM representing rural municipalities, and the SSTA (Saskatchewan School Trustees Association) representing school boards has formed this loose affiliation that they call the local government federation. They produced a joint paper some months ago that reflects their joint wishes. And I can ensure the member opposite that the terms of these amendments are reflected in that paper.

Now how could we possibly be more responsive than by acting in accordance with a paper produced by those three organizations — all elected people at the local level in this province? That is what we are responding to. And we are confident that that is what they want and that they are going to have the common sense to be able to use those tools.

And the question the member asked, is how would the variable mill rate be used and at what variations will there be and what flexibility will there be? Who will make the decisions?

Local councils will make the decisions, and we have confidence that they will make the right decisions. And that expresses, Mr. Chairman, the confidence that we have in those people elected at the local level to determine their own destiny and to serve the people that elected them in the best possible way.

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, I would suggest to you that it is not only unfair but foolhardy for you to listen to anybody when you are taking advice on how to interpret the views and the wishes of the local people in local governments, either urban or rural. It would be desperately wrong of you to take opinions from anybody except the annual general meetings of these organizations you call SUMA and SARM. That's the only place where you have a truly

representative, democratic vote on the issues.

And I suggest to you that if you put these amendments to a vote one by one at a SARM or SUMA convention, some of them would pass and some of them would not pass. Because you have put together a package including some things that people have asked for, and then slipped in a whole bunch of other things that you want to have done. Because as you say, you consult, you listen, and then you do as you please. You've become a true New Democrat in the government of today.

Madam Minister, I want to repeat the question because I didn't get an answer that is reflective of what your department is attempting to do. The municipalities want to know who will set the rate scales in this variable rate process.

Hon. Mrs. Teichrob: — Mr. Chairman, with exception, I did answer the question. I said that municipal councils would be responsible for using their discretion in how they use the tax tools that are at their disposal. They have the wisdom and the experience to do that, and we have the confidence that they can do that appropriately.

Mr. Goohsen: — Then, Madam Minister, what safeguards are there for racial discrimination, personalities being discriminated against, and other forms of discrimination?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, the province will set property tax classes and percentages of value. Municipalities will apply either uniform or variable, depending on their preference, mill rates to those classes. They won't be able to — I don't even like to use the word discriminate — they won't be able to use discrimination any more than they do now.

It could be said now, under the current system, that for instance on appeals, that it's possible that boards of revision could use discrimination in allowing or not allowing appeals, that kind of thing.

I think that most, if not all, local elected councils are above that sort of thing. And so I'm not sure exactly what kind of a situation the member opposite might be referring to, but again we have confidence in local councils to manage their affairs. And they have, if they manage improperly, to face the same test as we do — except more often — at the ballot box, being that rural municipal elections, being held on a staggered basis, have some of their members up for re-election each and every year, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Madam Minister, excuse me, I think you'd make a good used car salesman, because everything that you say, you say you think, you don't say I know, or I'm going to make it clear; it's always you think or we have faith in. Well this old trust-me syndrome probably is what's gotten our world into a lot of trouble in a lot of areas in a lot of times.

So we don't trust you. We want you to definitively spell out how your process is going to work. Because we know very well that the record of your government is not to be kind to rural Saskatchewan or to urban centres in many areas.

But, Madam Minister, I do have to get on with these questions. I'm concerned about what will happen to producers' share of local taxes. Are you going to place a cap on the rate in which individuals can have their taxes increased in a single year?

Hon. Mrs. Teichrob: — Mr. Chairman, the answer to that question is no, because there are no such caps now. There never have been. Municipalities set their priorities, set their budget, and base their mill rate on that. And there are no caps now. And there are, of course, wide variations in the mill rates — school mill rates or municipal mill rates — throughout the province.

But I want to read, for the benefit of the member opposite, from page 24 of Bill No. 71, about the variable mill rate. It says this — it's new section 330.3:

The following section is added after section 330.2:

Mill rate factors

330.3(1) A council may, by bylaw, set mill rate factors (that's another word, definition, for variable mill rates) that are to be multiplied by the rate established pursuant to section 258 and clause 330(1)(a), or subsections 15(2) and (3), section 259 and clause 330(1)(a), for the purpose of establishing the levy for a taxable assessment.

(2) A mill rate factor may be made applicable to a class of assessment of land, improvements or both established by regulations made pursuant to this section.

(3) The Lieutenant Governor in Council may make regulations:

- (a) setting classes of assessment of land, improvements or both for the purposes of this section;
- (b) respecting limits on mill rate factors that may be set by a council; (or)
- (c) prescribing classes of assessment of land, improvements or both for which a mill rate factor may not be set.

(4) No council shall fail to comply with any regulations made pursuant to subsection (3).

And so I think that sets out — I know that sets out — very clearly, for someone who wishes to read it, what the powers of local councils are with respect to this matter, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, most of the time it's good to have power in the hands of local people. But if those powers include the ability to treat different taxpayers in different ways, then there is a potential for abuse in the system.

If your land falls into different classes because first . . . And you can correct me if I'm wrong. Perhaps I have a hog operation on my land. I may be classified as an intensive hog operation. That would be a class. If I have another quarter section that I grow wheat on, it'll go into probably cereal production class, and that'll be a class, a different class. If I

happen to have a feedlot on another quarter of land that feeds out beef cattle, that'll probably be another class, a different kind of intensive livestock, other than hogs.

Then tell me . . . And of course if I'm in oil industry, I'll be in a different class. And I guess if I have a small business in the country selling antiques, I'll probably have a different class. And I suppose maybe then, because you also include improvements in the definitions of the things that may be classified, that also can include my farmhouse. If I build a new farmhouse, that'll go into a special class.

Now if I decide to put a new set of granaries on my farm for grain, maybe that'll become a new kind of class. Maybe if I decide to store my machinery on one quarter in the winter months rather than others, that'll become a class because that is my machinery storing quarter. So I've got a whole bunch of different classes.

(1515)

Now tell me, Madam Minister, suppose the council is elected of six hog producers in the area and they all have decided that they don't particularly like beef producers and they decide to increase the mill rate on all beef production improvements and classes. What is to stop them from doing that, other than the electoral process where you would hope those councillors might get, I suppose, defeated in the future?

But aren't you leaving an awful lot of time in between for people to be discriminated against and to be hurt while this class system goes into effect, where you have no caps, no limits, and no regulations that guarantees that the people will use the system fairly and equitably across the board?

Hon. Mrs. Teichrob: — Mr. Chairman, I think it's important to refer back again to the sections of the Act that I read which says the Lieutenant Governor in Council may make regulations. And I have said that we will be, as a province, using our responsibility to establish classes of land, classes of property, and percentages of value. And it also says that the Lieutenant Governor in Council may make regulations respecting limits on mill rate factors that may be set up by a council.

I want to refer to some of the discussions that have happened during the consultations, and to assure the member that the number of property classes — while it hasn't been completely fine-tuned yet and has not been announced — that is proposed to be set by the government for these purposes is very, very broad.

For instance, there would be five — one would be agriculture; one would be residential; one would be seasonal property; one would be commercial and industrial; and one would be resource production industry. There wouldn't be 10 classes of agricultural land such as the member is talking about, and using his very fertile imagination, that there would be land on hog farms, dairy farms, chicken farms, asparagus farms, land with only granaries on it. I mean this is in your wildest dreams.

At the current time we only have arable land. Classes are arable

land, where the assessment is based upon the productivity indexes that I'm sure the member is familiar with, and the other is range land, or unimproved land.

There's not a large variation from the current system in terms of classes that we plan to establish. So the member can be assured that there will be no such range of classes which will make it so complicated and difficult for local councils to cope.

Mr. Goohsen: — Thank you, Madam Minister, for the compliment. I want you to know that I have always been happy that everything about me is very fertile. And I don't give in easily to nightmares or bad dreams so I'm not really too worried about those things either.

But I am concerned the reality . . . that you continue to tell us that we should take comfort in the fact that you say things may be done. And that's supposed to mean, of course, that they may not be done. But it also doesn't alleviate the 50 per cent probability that they may in fact be done. And of course I think I can get better odds than that at the casino down here.

The reality is, Madam Minister, that once you put these things into effect, under law, they are in fact going to probably happen some day. No question in my mind whatsoever. If you don't do it, the next minister will. You're opening the door to abuse and to all kinds of problems and we're going to have a nightmare figuring this mess all out. And in time, certain individual groups are going to find themselves forced out of agriculture perhaps, or forced out of certain kind of businesses.

We've seen examples of discrimination being applied to what seemed to be normal, ordinary laws in the past. You know that as well as I do. It will continue in the future. It's a human problem. We'll never solve those kind of problems 100 per cent. It's just one of those things we have to live with. But we don't have to open the door to make it just a hundred per cent more probability. We can limit those probabilities to the kinds of things where maybe you have the 1 per cent chance of error instead of a 99 per cent chance of error. And that's what you're doing here. You're opening up a 99 per cent chance of error.

But I want to go back, Madam Minister, to some of the statements you just made with regards to the classifications. And just to get a little more clarification, let's just deal with a couple of things that most people really understand, and that would be like farm land versus pasture land.

The concerns that people have been expressing to me is that they would like to know about ranchers and farmers and the way classification is going to work for them. Could you provide me with a brief explanation of how pasture land and grain land would differ in classification and how the classification process would affect the taxation, as compared to the way it's taxed now?

Hon. Mrs. Teichrob: — Mr. Chairman, it is proposed that there would be one class for agricultural land and then the differential could be made by using a variable mill rate; for instance, a lower mill rate for non-arable range land than there is for productive cultivated land, in much the same way, Mr.

Chairman, as the assessment system works now, where the assessment is based on the productivity for the production of wheat, being the staple crop. And we had this discussion the other day, about specialty crops and so forth. But there isn't a radical change.

And, Mr. Chairman, the members opposite, instead of making people worry . . . of course there's some apprehension. The changes are long overdue; we haven't changed the system for 30 years.

And instead of digging up fears, imagining the worst potential problems there are, the members opposite should be positive and get on board and reassure people that they will be able to cope with this, that it will be a fairer system at the end of the day. Because that is the objective of the whole exercise, and being negative and dreaming up potential problems that never will happen and scaring people, is not responsible, Mr. Chairman.

Mr. Goohsen: — Well thank you, Mr. Minister, How soon compliments turn to the other side.

Madam Minister, I'm hoping that we won't be too irresponsible by asking you questions, but the truth of the matter is that when you suggest that we should climb on board whatever it is you're floating, I'm afraid we just can't do that because we don't agree with what you're doing.

So I guess we'll have to take this, as you call it, irresponsible approach and try to find out for the people out in Saskatchewan's rural and urban communities exactly how your new policies are going to affect their lives. Or whether in fact it might be time for some of these people to say, as thousands and I guess maybe you could even stretch that to hundreds of thousands have done in the past, and simply pack their bags and leave the province.

Is this whole process going to end up so complicated, so discriminatory, that some classes of people, some races of people, will have to leave our province? That is a very real question that people are asking, and the answers you're giving are comforting no one. There has been absolutely no comfort in any answer you have given me that makes me think that if I was a Hutterite in Saskatchewan, that I'd have very much of a chance of surviving without paying a penalty for the fact that I wear a black hat. Now I hate to get right down to the bare bones of it, but that's what it sounds like.

We also have the problems, Madam Minister, that we talked to you yesterday about, or the day before or whatever it was, about the example of the beef producers who have to compete for grassland. Now they found themselves, in many parts of Saskatchewan, competing against the monies that were brought in through native land claims. And I don't know why native people want to buy grassland and not farm land, and I guess in some cases they buy farm land, but in our area they have concentrated on buying just grassland. So we have to deal with what I know about.

And you can talk about the rest and that's fair, but the reality is

in our area, grassland is calculated to be at a certain value in proportion to how many cattle can be run on that land, and how many calves. And the ranchers in the area have figured out a rather unique formula that I just don't have written down here, but they do have a rather unique formula of deciding that so many cows on a quarter section relates to how much you can afford to pay for that property. They don't go by the assessment base so much on that as grain and cereal farmers do.

I'm not sure why that has evolved, but it's something that has happened out in rural Saskatchewan in the south-west. And I think it's rather a general rule for beef producers throughout the province. And probably it comes also into play in Alberta and other places.

Now the thing is though, that because the native people had these large sums of money and were anxious to buy land, they were prepared to pay far more than market value, and that's fair ball. The people that were selling probably are pretty happy to get the extra price. Unfortunately though for all the ranchers who existed who are not buying or selling their ranches, now are going to have their taxes determined on those super-escalated prices of somewhat of a one-time unique situation, not a fair market value over time, not a fair market value in anybody's wildest imagination, as you like to use the term. The truth of the matter is that this is a glitch in the process.

Native people won't be paying four times the price for land probably for ever because their land claim monies, once they're settled, will be spent. They'll be gone. And when that happens, then things will settle down. But now, in 1994, you say is your trigger year, that's the year when land prices in many parts of Saskatchewan peaked as a result of these land claim monies being available.

Now not every band settled at the same time. Some didn't. But others were fortunate enough to have that money available, so they did spend it. But now the rest of the community is going to be — and the natives themselves — are going to be taxed higher because of that choice that they made. I'm not going to say it's good choice or bad choice. They made a decision; that's the free market system. I agree with it.

The truth of the matter is though, that their taxes should not have been based on that glitch situation that happened as a result of people wanting to do the right thing to settle up grievances on past native claims and those kinds of things and those kinds of contracts.

But, Madam Minister, the price of cattle has fallen by 50 cents a pound. And now their taxes are going to reflect that higher value because you've gone to this market value process, which I honestly think, if you went and took a vote out in the country today, you would find more than your 85 per cent would oppose that again because I have heard nobody say that they think that that's a fair way to have their property taxed.

Now the reality is that there are always a few people willing to sell their soul for cash, and so there will probably be somebody that you can drag in here to prove me wrong if I say 100 per

cent, so I'll never go that far. But reality is that the vast majority of people are against you.

What we need to know, Madam Minister, how can you correct this situation of the prices having fallen so much when a glitch situation has caused the tax base now to go up so much? You talked about this the other day, and you said there's a three-year rotation. But when we got finished with the numbers — and I looked it over afterwards — and what you really said is it was a six-year process. You can have all kinds of people in the agricultural industry gone broke in six years. I mean you just can't have a system that takes six years to correct itself and call that fair — not in today's escalated dollar values where taxes are very, very high. I expect maybe in the 1930s, when land was valued very low and if you made some kind of changes in those days, people either couldn't pay and left, or else the margins were small.

But these days when we say we're going to increase the mill rate by 1 or 2 mills, that reflects on land values that are a situation of inflation-induced numbers. And while the value may not be all that much different, the numbers that we use are bigger. And 2 per cent of 1,000 is a lot more than 2 per cent of 100 and you know that, and you know what I'm talking about. So immediately we're caught up in this fantastic kind of a multiplication problem where people are going to have to pay vast amount of money more. And if that happens to be a situation where there is a one-time problem with the land prices having been driven up, there has to be some mechanism in here for fair play and reality to come into allowing people to get back to a more realistic tax base.

And I don't think you've built that in. And none of your arguments I've heard so far have given anybody any comfort whatsoever. And we've had some people look at this, and they're just standing there shaking their heads. So why not take a consideration, go back to the drawing board on this thing, and try to find out if there is some way that you can allow for these glitch situations to be taken out of the formula.

Hon. Mrs. Teichrob: — Mr. Chairman, first of all SAMA decides the assessment policy and practice. The province leaves assessment methods to SAMA; it's been given this responsibility by law. If the council has difficulty when they have the assessment information from SAMA, it can use a variable mill rate to make the adjustments. And the province is looking at reduction in range land assessments, achieved by setting percentages of value.

And I just want to say to the member opposite, that he's just stood up and contradicted himself in the most incredible way. He said that he believes in the free market, but at the same time he objects to using market value as a benchmark for an assessment system. Now if that's not contradictory, I don't know what is.

And I only have to say one other thing, that the statements that he made with respect to the changes in the new system providing a potential for discrimination against Hutterites or any other group is absolute balderdash.

(1530)

Mr. Goohsen: — Thank you, Mr. Chairman. Madam Minister, we want to go on record as saying that we support some of the changes again that you make, but the bad and the evil of what you are perpetrating on the people of Saskatchewan again outweighs the good. And we just simply can't go along with supporting what you're doing unless you straighten out some of the problems. And I think the door is open to straighten that out.

We are of course at this time going to allow the other party members to go on with some of the discussions with you. But I have suggested to you and I will remind you that when we get to clause 24, whenever that happens, we will be introducing our amendment.

Clause 1 agreed to.

Clauses 2 to 23 inclusive agreed to.

Clause 24

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Chairman, I move House amendment for Bill No. 71 of 1996, An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act, moved by myself.

Clause 24 of the printed Bill:

Amend clause 24 of the printed Bill by adding immediately after the words "are repealed" where they occur therein the following words:

"and the following is substituted therefor:

"289.1 Where the Lieutenant Governor in Council orders that a rural municipality be dissolved, such order shall be effective only if the residents of the municipality agree to such dissolution.""

I so move, Mr. Chairman.

The Chair: — The amendment to clause 24 of Bill 71 of The Rural Municipality Amendment Act, as moved by the hon. member from Cypress Hills, is out of order because it is irrelevant to the sections of the Bill that it seeks to amend. And to any other — Order — to any other provisions in the Bill. These sections relate to assessments and are reapplied as part of clause 23. And further, the amendment is beyond the scope of the Bill as agreed to at second reading.

The amendment deals with the dissolution of rural municipalities, but this topic is not covered in any part of Bill 71, thus the amendment being out of order.

Clause 24 agreed to.

Clauses 25 to 36 inclusive agreed to.

Clause 37

Hon. Mrs. Teichrob: — Mr. Chairman, I wish to make a House amendment to clause 37 of the printed Bill. I'll read the amendment. Proposed House amendment for Bill No. 71 of 1996, An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act. I move:

Clause 37 of the printed Bill

Amend subsection 330.3(1) of The Rural Municipality Act, 1989, as being enacted by Clause 37 of the printed Bill, by adding "or sections 8 and 9 of The Municipal Tax Sharing (Potash) Act," after "section 259 and clause 330(1)(a),".

This amendment, Mr. Chairman, will remedy a drafting oversight. It will provide a reference to The Municipal Tax Sharing (Potash) Act so that mill rate factors may be applied to the mill rate set under that Act for potash mines. Without this reference, this tax tool would not be available for RMs to use in these situations, Mr. Chairman.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Chairman, I only want to make a very brief comment about the amendment. Madam Minister, you referred to the fact that you needed to introduce this amendment because of a very drastic oversight. Quite frankly, I'm not surprised that you have drastic oversights in your department and in the way that you are presenting Bills. You've already had one of the biggest Bills ever presented to this legislature, The Service Districts Act, that was so drastically flawed that you've had to pull it from the paper after public protest grew so strongly against it that you had no choice but to remove it altogether.

The drastic oversight of course, is certainly an appropriate term for you to use. This entire Bill, I think, is a drastic oversight of the wishes of the people of Saskatchewan and I think the people of Saskatchewan will revisit this question at election time.

Amendment agreed to on division.

Clause 37 as amended agreed to.

Clauses 38 to 49 inclusive agreed to.

Clause 50

The division bells rang from 3:41 p.m. until 3:47 p.m.

Clause 50 agreed to on the following recorded division.

Yeas — 25

MacKinnon	Shillington	Anguish
Johnson	Upshall	Kowalsky
Crofford	Renaud	Calvert
Pringle	Koenker	Bradley
Scott	Teichrob	Cline
Serby	Stanger	Hamilton

Murray	Wall	Kasperski
Ward	Sonntag	Murrell
Thomson		

Nays — 12

Aldridge	McLane	Draude
McPherson	Belanger	Bjornerud
Julé	Krawetz	Gantefoer
D'Autremont	Heppner	Goohsen

The committee agreed to report the Bill as amended.

Bill No. 72 — An Act to amend The Northern Municipalities Act and to make a consequential amendment to another Act

The Chair: — I'll invite the minister to again introduce her officials as we begin.

Hon. Mrs. Teichrob: — Mr. Chairman, on my right is John Edwards, director of municipal policy and legislative services. Behind Mr. Edwards is Perry Erhardt, legislation officer. And behind me directly is Sharon Markesteyn, senior policy analyst in the Department of Municipal Government.

Clause 1

Mr. Belanger: — Thank you, Mr. Chair. And just a couple of questions for you, Madam Minister. The only two sections that we are really looking at . . .

The Chair: — Order. Members, this is perhaps not the best way to start the Bill. I had difficulty hearing the hon. member for Athabasca in his putting of his question. I simply ask all members to allow this proceeding to take place properly.

Mr. Belanger: — Thank you, Mr. Chair. Just a few questions, Madam Minister, about the Bill. First of all in clause 16(a) and 16(b) this clause gives the minister the authority to define property classes and set percentages of value that are applied to property assessment in these classes. I guess from the northern perspective, the whole intent here, when we talk about the assessment and the intent of the Bill, is that we want to make sure that any moves and any regulations, any processes, would always result basically in the same level of revenues from the same different groups. And that of course is, I believe, the intent of the government. And I hope that this process certainly is followed.

I guess the few questions I have in reference with this, in that regard, why does the government insist on having this type of controlling power over municipalities when it comes to clauses 16(a) and (b)?

Hon. Mrs. Teichrob: — Mr. Chairman, the provisions would be exactly the same as for southern municipalities, in that the province would set property classes and percentages of value after the Assessment Management Agency has done its work, and those percentages and classes would apply and be used in the assessment for northern municipalities.

Mr. Belanger: — Thank you. It has been stated that one of the purposes of this new system of classification of properties and the assignment of differing percentage of value is to ease the impact of new assessments in order to protect some classes of taxpayers.

What classes of taxpayers in the North do you see being protected by this new system?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, there are different objectives in setting percentages of . . . in establishing property classes or setting percentages of value at other than 100 per cent of assessment.

And there might be a number of objectives. It might be economic development, it might be social objectives. But the variable mill rates that will be . . . municipalities will have the capability of using, will also be used for those very same purposes.

But the objective is not so much protection, although that's given as one of the possible or potential objectives, but is to make the system more fair and more equitable, Mr. Chairman.

Mr. Belanger: — Okay, another bonus of this system is to supposedly stimulate economic activity. Can you give me an example of where this will be achieved in the North as a result of the implementation of your system of classification and differing percentage values?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I can't be specific about this because the discretion will be used beyond the percentages of value and property classes by local councils. But they might, for instance, want to be careful, if there's a developing industry in their municipality or in their region, to be careful not to apply an overly high percentage on the variable mill rate in order to discourage such development. That's basically the parameters that are meant to be followed by these tax policy tools, Mr. Chairman.

Mr. Belanger: — Thank you very much, Madam Minister. And I only have one more question for you. Certainly you're aware of some of my questions in previous opportunities that I've had to discuss northern issues with you.

I guess the last bit of discussion I have in terms of northern Saskatchewan is that you're probably aware of the fact that northern municipal governments certainly occupy a small section of land. There's no such thing as RMs in northern Saskatchewan; most of it is Crown land, if not treaty land. So the whole role of the mining industry, and the forestry industry, and all the other industries out there that would have to be looked at, it would certainly be between the provincial government and certainly the different companies involved.

And I would suggest, Madam Minister, that you also involve the northern municipalities in some of these discussion and choices because they have a lot more to gain when you talk about assessment and taxation and industry in northern Saskatchewan.

I guess the final question I have is, what was your thinking in . . . why did you put in the provision of the examination for discovery which wasn't there before? What was the intent and reasoning behind that clause?

Hon. Mrs. Teichrob: — Mr. Chairman, the reason for including the provision for an examination for discovery is . . . first I need to point out that that is . . . the examination for discovery process is entirely at the option of the appellant. So there will be no appellant who will be forced into a situation of an examination for discovery or the engagement of a solicitor if they don't want to. It's the appellant's option.

And it was introduced in order to make . . . to have a better balanced system, to make sure that appellants have the ability to have the disclosure of all the information that they might need, which in some simple appeals, they're very seldom, or I would predict, never at all will this be used. It would be in more complex cases where an appellant is not quite satisfied that they have the range of information that they require from the assessor.

Mr. Belanger: — Thank you, Madam Minister. I also want to thank your officials for coming here this afternoon, on this particular Bill. And just to say that we will be watching and we will certainly be waiting and expecting, probably by the end of this month, rules and regulations, and certainly more information on how this Bill will impact on northern communities. Thank you once again.

(1600)

Clause 1 agreed to.

Clauses 2 to 44 inclusive agreed to.

The committee agreed to report the Bill.

Hon. Mrs. Teichrob: — Mr. Chairman, I would simply like to, before I excuse the officials from my department, thank them for their diligence here today, this morning and this afternoon, in assisting us with these Bills.

Mr. D'Autremont: — Thank you, Mr. Deputy Speaker. I would like to thank the minister and her officials for coming in today and answering our numerous questions. And I'm sure that everyone found the debate enlightening. I'd like again to thank them.

Mr. Belanger: — As well, thanks to the minister and her officials for spending the time here and going through this process.

Bill No. 20 — An Act respecting the Management of Forest Resources

The Chair: — It's pointless to invite the minister to introduce his officials at this particular moment. We'll do that as they gather. But I understand there's agreement to start the proceedings on clause 1.

Clause 1

Mr. Belanger: — Thank you, Mr. Speaker. I guess in reference to some of the situation with the forestry Bill, I just want to make an opening remark from a number of sources of information on the forestry Act.

First of all, I think the thing that's basically lacking in this particular Bill is the fact that consultation with the public in northern Saskatchewan was one area that the Bill certainly did not address. And I have several notes from several people that spoke about a meeting in Buffalo Narrows with different SERM (Saskatchewan Environment and Resource Management) officials in which Metis people as well as local government representatives were in attendance.

And this was an 11th hour meeting. It was not held until after the first reading of the Bill. And people certainly did not have the time nor the resources to analyse the Bill properly from the community perspective. They certainly recommended, many of the northern people did, that the government delay the passage of this Bill until the northern people had more time for the analysis. It also recommended that the government allocate resources so that northern communities could hire legal counsel to analyse the impacts of this Bill.

Other members spoke about consultation. They stressed that more consultation needed to be done and they also affirmed that the government should go no further with this Bill until they have consulted with Northerners.

An official from the department was at this meeting in May and a motion was passed at the meeting by northern mayors and Metis Nation representatives and local residents that this Bill should not go further until consultation with people of the North takes place.

The entire north-west part of the province feels this way, as they certainly want to make sure that their forest use is also respected, and any legislation that affects northern people.

Mr. Minister, we initiated a consultation with a number of people, and we spoke about the problems of consultation. You and I realize that we can consult until we're blue in the face, and many times we'll not get adequate overviews of what people want in general. So as a result legislation of this source where it completely disregards the need to consult with northern people when it comes to forestry and the resources associated with forestry and access to forestry, then how can I as their representatives support the Bill in general?

I think there has been some efforts to meet the economical and certainly the large industries perspectives when it comes to these particular aspects of this Bill. There is no question that they've had proper consultation. And I strongly believe that the jobs and the opportunity and the investment associated with the forest industry in northern Saskatchewan in general will certainly continue to be a high priority with your government and with yourself and with the rest of the Saskatchewan people.

However, Mr. Minister, I go back to the earlier statement . . . is

we need to have as much feedback from the northern communities. And the consultation they feel, and myself being their voice, was non-existent. We need to sit down with the mayors of some of these northern communities. We need to sit down with some of the small operators of some of these northern communities that operate in forestry. We need to sit down with some of the environmentalists that live in northern Saskatchewan. We need to sit down with various other people in northern Saskatchewan that have a vested interest in forestry. And this is the whole process . . . is we have to consult more.

Some of the feedback we got on the consultation process, and this was some effort on SERM's part to include town hall meetings. But again I go back to the earlier point; there's a significant difference between consultation and agreement. The findings are recorded which reflect the opinions and the views of many northern residents regarding the consultation process. This section is without prejudice or bias.

Point one, there exists a degree of suspension which is based on critiquing the selection process for the provincial legislation advisory committee. Obviously if we don't have representation and a good cross-section of representation from northern communities, then obviously we're excluding them from the consultation process. And we don't hand-pick the people who we want on these committees and basically tell them this is the direction we want to go, and we want to make sure that you go that direction when it comes to making a final choice.

The northern residents and elected representatives believe that the members selected for the advisory committee are in a position of conflict of interests. This is based on the individuals recorded as members and the fact that members on the advisory committee belong to executives of self-interest groups associated with the environment and forest products. Certainly we need to record and hear their aspects of the story because I'm always promoting and supporting development of northern Saskatchewan. But if they have an interest gain and they have influence gain, then obviously they cannot, from a completely neutral point of view, look at the best interests of the forest for future generations and for the rest of the Saskatchewan people.

The development of the forest industries on the advisory committee is seen as a conflict of compromises by many northern local authorities including aboriginal communities, and many times, some of the aboriginal businesses involved with forestry. There exists a de-facto attitude of SERM officials: three representatives on the advisory committee in the expertise in the field of enforcement coordination, forestry branch, and sustainable land management branch who are perceived as the engineers of the proposed Forest Resources Management Act.

The provincial legislation advisory committee is seen by the major stakeholders as a smoke screen in the actual drafting of the proposed legislation. And the delegated authority extended by SERM to the forest industry to develop environmental impact assessments and environmental impact statements for their respective forest resource management areas is interpreted as selling out to the industries, including the development of regulations to be developed at a later date.

The consultation process by SERM under the new proposed Act, is being fast-tracked with very little consultation implemented with the major stakeholders in northern Saskatchewan. When I speak about the major stakeholders, Mr. Minister, I'm speaking about the people directly affected in the community, the people that have for many years have gone into the forest and have accessed berries, have accessed mushrooms, have accessed medicinal herbs, you know, have accessed basically anything in the forest for their own use. These are the people I'm really concerned about, Mr. Minister.

Certainly as I've stated to you many times in this House, I continue to support the industry, and I continue to support sustainable development of forestry products. However, Mr. Minister, there is a number of areas that we need to talk about with this Bill. And the biggest point I want to make at this point in time is what have the communities got to fight back when they see an injustice being done, when they see certain legislation being passed without their consultation, without their blessing, without their input?

(1615)

And for time and time again, northern Saskatchewan people have been stressing, stressing to many governments, that we need to have more input on the land surrounding our communities, the land that we have inherently enjoyed, and the land that we basically grew up on.

And when governments introduce legislation of this nature regarding The Forest Resources Management Act, they consult with the large industry. And what happens in reference to that is you also have members of SERM involved. And then you have the government involved, and you have large industry involved in the consultations. And I can agree with them that there is a large amount of consultation and discussion that must happen to get the two sides to negotiate some kind of settlement in reference to this Act.

However the one group that we're forgetting about, Mr. Minister, is the people themselves: the people in these communities, the small operators, and the small loggers that create 8, 9, 10 jobs; the co-management committees that want to make sure that there's sustainable forestry development; and the elders and the people that are concerned about the environment. They should be the top priority in any negotiations when it comes to forests and the management of those forests.

Mr. Minister, I submit to you that your department has not done the proper consultation with the people of the north-west when it comes to this particular Act.

When it comes to this particular Bill, the people of the North are simply and for many years stating we need to have a stake in the forest and the industry that it offers. We need to be able to access the forest products that we've accessed for many years. We need to be able to find some revenues to help many of our local people to get involved in forestry. We need to have some way, shape, or form to gain a better level of benefit from all the activity happening around our northern forests.

So that's the primary function that I have this afternoon, Mr. Minister, is to talk about these things and to stress to you that there's a lot of frustration out there. And we need to re-examine our role as government if we cannot go back and consult with people affected and impacted by Bills of this nature, and yet we try and push them through. We need to re-emphasize the need to discuss any changes to anybody's life when it comes to Acts of any nature.

So with that, I'd like to hear what you have to say in regards to some of these comments.

Hon. Mr. Scott: — Mr. Chair, I thank the hon. member for his opening statement. At this time I would like to introduce my deputy minister, Stuart Kramer, and forester Rod Thompson who are with us here today.

First of all, I'd like to thank the hon. member for explaining or at least bringing forth the concerns and the interests of northern people in our forest resource. We're very pleased that they are very interested and concerned about the forest industry and also the other values in the forest. And we do look forward to continuing to work with these people.

However I have to disagree with the hon. member when it comes to a lack of consultation. The consultation for this Act began in 1992. At that time we held 29 community meetings throughout the province including Beauval, La Ronge, and Meadow Lake. Hundreds of people attended, and we also sent out thousands of householders as well.

Later on in 1994-95 we had a forest legislation advisory committee that held nine meetings, mostly in the North. And on this advisory committee were representatives from the Federation of Saskatchewan Indian Nations, the Meadow Lake Tribal Council, Prince Albert Grand Council, the Metis Nation of Saskatchewan had two representatives on this committee, Council of Saskatchewan Forest Industries, Saskatchewan independent forest industries which are the smaller operators which the hon. member referred to, so we had their involvement.

We also had the Farm Woodlot Association, tourism industry association, Saskatchewan environmental association, parks and recreation association, Saskatchewan Trappers Association, and Saskatchewan Association of Rural Municipalities.

So that brought us up to 1994. And again a mail-out to 700 people — bands and communities again in the North, asking for their response from the report prepared by the advisory committee.

That brings us up to 1995. A year ago we brought a Bill forward and issued it as a White Paper, and another year has elapsed. And during this time, 12 meetings were held in northern communities including Creighton, Cumberland House, Denare Beach, Pelican Narrows, Sturgeon Landing, Canoe Lake, Beauval, La Loche, Buffalo Narrows, Ile-a-la-Crosse, La Ronge, Pinehouse, and Meadow Lake. Again these were public meetings where people had the opportunity to participate.

There was also meetings with aboriginal groups — 11 of them in total — 11 opportunities here. Again the FSIN (Federation of Saskatchewan Indian Nations), Meadow Lake Tribal Council, P.A. Grand Council, Agency Chiefs Tribal Council, Cumberland House band, Waterhen band, and the Metis Nations was also met with several times.

Following that, meetings with the forestry industry included 15 meetings or so which included representatives of all sector of the timber operation, 17 businesses, and special product industries as well.

And over 1,000 copies of the White Paper were circulated since March 1995. We've also involved a number of government departments and agencies in the consultation. So this consultative process has been going on since 1992 — dozens and dozens of meetings, thousands and thousands of people involved. So we do believe that we have listened to the people. And this is evident in the fact that we have brought in 50 amendments to the White Paper at the request of many of the people in the North. So we do believe that we have responded to their concerns.

A prime example is the aboriginal people were concerned about their right to go out and pick berries because the legislation indicated that commercial operators had to have a licence, and this in fact was to prevent people, outsiders, from coming in to traditional grounds where berries and other herbs were collected by the native people, and so the native people can go out and pick berries and herbs for their own use. But commercial operators cannot go into a particular area without a licence, and this is to protect the local residents from outsiders coming in and utilizing the resource.

So, Mr. Chair, we do believe that we have consulted very thoroughly on this Bill and are quite excited about it because the old forestry Act dates back 30 years, so we look forward to this opportunity to move on to the next generation of forest management.

Mr. Belanger: — Well that certainly is a very impressive list of public consultation and meetings; however if you were to . . . And I would invite any officials to pick up the phone and call any five communities in the north-west and ask them, are you aware of the forest management Act that is being presented in the House? And basically they will probably say no.

I think the real problem here is many, many times in northern Saskatchewan when you have these northern municipal governments, the people that basically run these northern communities they have many, many concerns, Mr. Minister. They have housing concerns. They have social concerns. They even got to look after the infrastructure of the community. They got 50 million different concerns. And by no way, shape, or form are they able to really set up a good system in which they can feel that they've participated fairly in a consultation system. In fact you can probably consult with them for the next five, ten years and they still will not know what's going on.

The reason why is not because of their disregard for the government and not because they don't understand or don't

want to take the time to understand Acts of this nature. It's simply because they haven't got the adequate resources to really study the impacts of this Bill. And had we taken the opportunity and had we taken the time to even have done Dene radio messages, if we had done Cree radio messages, if we had met with these communities with each mayor and council on the individual basis over a period of one or two days . . . because this Act will have some profound effects on the future of forests.

And I support the efforts that you are personally making to try and ensure that these forests are maintained and managed properly. I think that's in everybody's best interests.

However the people of the North strongly feel that they have not been consulted, and they have not participated enough in this process. And this is the reason why they have some very serious questions about this Bill.

And I go back to my earlier statement, and I can certainly share that with you, if you'd like. But the message I got from two people we spoke to this afternoon, as late as this afternoon, just to test the waters to see if they've been consulted with this Bill . . . And I personally also hired a consultant to go around talking to people about this Bill. And much of this time was explaining what the Bill was all about because people weren't aware. And again many people . . . and these two individuals also asked that they allocate resources so that the northern communities could hire legal counsel to analyse the impacts of this Bill. That's right from the horse's mouth.

And this is our point . . . is that we haven't got, Mr. Minister, a chest full of lawyers, a chest full of consultants that we just simply ask to come out of the chest to start analysing and debating these Bills. We haven't got the revenues for it. We haven't got the time for it, and we certainly haven't got the skills for all this.

So what's happening in essence is the smaller communities and the people that live in these communities just feel overwhelmed by all that the government is doing when it comes to forestry. And then they get frustrated when they don't know what's going on, and yet consultation was offered to you guys.

So as a result, really the northern people don't have a clue how to respond to this thing because they haven't been consulted. They don't have an idea how their own little industry will be affected by some of these things.

And certainly if you could guarantee to me today that you would insist that no northern resident that have lived in northern Saskatchewan will be expected to buy permits to pick berries or to gather firewood. And even if there are local people that pick berries, say 5 or 10 pounds of berries a day for their own personal sale, to give to their families or to sell it to somebody, that helps them subsidize. These are some of the things that they're concerned about.

And I'm trying my very best as a member of this Assembly to try and work with your department and work with the officials of other industries to try and come up with a compromise to

make sure that the northern people's voice are being heard when it comes to legislation of this nature.

So can you basically advise me as to the logic behind having people get permits for gathering other than for personal use. If I was an older person in Ile-a-la-Crosse and I went out and I picked berries every day, 5 or 10 pounds, and I use that extra money to buy my grandchild a pair of shoes, or go to a bingo, or whatever, would these people have to buy permits for that?

Hon. Mr. Scott: — Thank you, Mr. Chair. Again I thank the hon. member for his informed comments.

I guess we all agree that the forest and all of the resources in northern Saskatchewan are very important, and the new forest Act looks at things more than trees. The old Act of 1965 was basically divvying up the timber for harvesting. And the new Act does consider things such as mushrooms and berries. And the specific answer to your last question is no, you do not need a permit to go and pick a pail of berries if you live in the area and sell it to a tourist for \$2.

However if a commercial operator from Calgary or Regina went into the North to a blueberry area and picked gallons and gallons, they would require a licence because they could severely impact on the traditional users of the land. So there's no intent to have the local people obtain licences to go out and pick a few berries for their elders or sell a few pails here and there. That is not the objective of the legislation at all.

(1630)

Again I'm pleased at the . . . and I'm certainly not surprised, but the northern people are concerned about the forest and the other resources in the North. And to the hon. member, we will be developing regulations during the course of the coming year so this Act will not take effect for another year yet, and we would welcome your particular comments and input on the regulations as we finalize and fine-tune the legislation. And any other group of individuals or community or whatever, we look for their input.

We have gone to the communities; we've held meetings and undoubtedly everybody doesn't show up, so there's still, I'm sure, people who feel they have not been consulted, but we've done this and been doing this for four years. We've gone to the communities and we've used mail-outs and so on and so forth, so we have made a genuine effort to consult with people.

But again the offer is there. We would appreciate everybody's input on the regulations, and I certainly will be communicating with the hon. member to get his input on this and anybody else's that we are able to obtain.

Mr. Belanger: — Well certainly I can see the value in over the next process of a year, talking about the rules and regulations that that's going to be part of this Act and won't be coming into effect for one more year. Is that a fair assessment to make? Okay.

So in saying that, then can you guarantee me that you would

make every effort, and if I were to give you names of different individuals at the different community levels, that you will absolutely guarantee to me today that you will consult with these people — sorry, I shouldn't use the word consult — but you will seek agreement with these people to try and not only educate them on what the Act's all about, to try and get their input and their issues on this Bill as well. I think that's a key thing in what I'm trying to say today.

Hon. Mr. Scott: — Yes, we would certainly welcome a list of contact people, whether it's individuals, communities, or groups. We would certainly appreciate that and we will certainly communicate with them in one form or another and try to certainly answer their questions that they raise. So we would welcome that opportunity. We are here to work with the people.

Mr. Belanger: — One of the biggest problems that they have in northern Saskatchewan is that many communities are really debating on the value of the forestry industry. Not because they're against it; really because they're trying to see how they can participate and benefit from it more. And certainly as government, you know, it is our responsibility to ensure that the management of the forestry industry is watched. We have to make sure that these things are done in a sustainable, well thought out plan. I don't think anybody can argue with you on that.

I think the key thing here as well is that what the northern people are trying to get at is how could we derive benefit from all the industry happening out here when your particular forestry Act does not address a way and means in which you can take a portion of those revenues, a slice of the pie if you will, to try and have a local economy developed, a local economy that could help small foresters, small loggers, small saw mill operators — people that can create 6 or 7 jobs, or 7 or 8, 9, 10, 15 jobs in each of the communities.

These are the people we need to also try and help. The forests are huge in northern Saskatchewan. There's a tremendous amount of forest. Now what they're saying is, how can this Bill help me or help the northern people setting up business opportunities, employment possibilities?

This is where one of the biggest problems comes in as well, and this is some of the consultation that we've done on our own and these are some of the weaknesses of this Bill.

Hon. Mr. Scott: — Thank you, Mr. Chair. Again we thoroughly believe that we are working with northern communities and people. We have a number of co-management agreements. Just this spring I had the pleasure of going to Green Lake to sign an agreement with the local community there as we obtained a wood supply for the Green Lake saw mill. We view that as an example of working with the local community, which in turn provides jobs and opportunities for the local residents.

The Meadow Lake Tribal Council is a good example of aboriginal people being involved in the forest industry. They're very involved in saw mill logging operations in the Meadow Lake area.

We view that the forest industry does create jobs for northern people. It also helps to upgrade roads, and there's probably always room for improvement to local communities, again tied to the forest industry. And there's going to be new opportunities. The province has got out of the production of seedlings for reforestation, and already we've heard interest expressed by northern communities and aboriginal people that they would like to get involved in perhaps seedling production. And this we will certainly help to facilitate in conjunction with the holders of the forest management areas and the timber companies.

So we see lots of opportunities, and certainly we are committed to working with the northern communities as we manage our forests on a sustainable basis.

Mr. Belanger: — Thank you. Some of the parts of the Act spoke about water. Now you can talk about not looking at the forest management Act in strictly, you know, for the trees. When you spoke about water, what are some of the concerns and some of the points of discussion that you had during your consultations that you spoke about earlier in reference to the water issue?

Hon. Mr. Scott: — Certainly water is a very important resource in the North, along with the forests. And although the Act, this is The Forest Resources Management Act, it doesn't specifically deal with water, but certainly the forest management agreements and other forest practices also help to protect our waterways. For example you cannot fill in a stream where there is fish spawning or fish living. You cannot cut trees right up to the water's edge. And there certainly is some question whether this margin of trees along some of the lakes and rivers should be extended. And that certainly will be a point up for discussion with future advisory committees.

So we certainly want to protect our valuable water resource and in turn our fisheries resource and keep our lakes and rivers in the North as clean as we possibly can. And we are working with northern communities and also industry of all kinds to achieve this goal.

Mr. Belanger: — The other part of the Act . . . and of course we will certainly share some of the findings that we had and certainly some of the final report that we have on this Act and will be sending you a copy of that for your own information. So there you can see firsthand what are some of the constituents' concerns when it comes to this forestry Act.

I guess the situation that we have when you talk about your negotiations and roles with the different forestry companies . . . and of course I'm going on record as supporting the development of the forest industry in northern Saskatchewan. I'm just simply saying that the northern communities and the people that live in the North that are impacted and affected by this forestry Bill should have been consulted at a greater extent and they should receive greater benefits from such activity in their area. And so far they haven't seen that.

And I guess the other fact of the matter is that we have co-management boards set up in many of these northern

communities. Industry and the communities got together and set up co-management boards, and you're probably aware of that.

And we, I think, have been taking the co-management boards too lightly. I think there's got to be more emphasis on either giving these guys greater authority or in some way, shape, or form, legitimizing their role in the whole industry. If the government hasn't got the means to ensure that these forests are properly maintained, the government doesn't have the intent to adequately support many of these northern communities in putting infrastructure in to make sure that they can watch what's happening in the resources industry of forestry, then perhaps they could start looking at the role of the local co-management committees. How can they play a larger role?

You have various members in your own caucus, the member from Meadow Lake, the members from Prince Albert, you also have the member from Cumberland House, that see the forest in different respects. And I think the majority of them also agree that forests should be maintained. But agreeing to maintain the forestry and really ensuring that the forests are properly maintained is another issue.

And I quote the member from Saskatoon Sutherland said in the *Leader-Post*, and this was his quote:

Having industry judge its own environmental performance is like walking on a knife.

Could you respond to that comment please?

Hon. Mr. Scott: — Well thank you very much for your comments again. Certainly co-management is something that we've engineered here in Saskatchewan. Other jurisdictions are following our footsteps. And in Saskatchewan we do believe in cooperation, and again northern communities and people have a lot to contribute to the management of our forest resources. And we are very pleased that industry has been so receptive to involvement from local communities and aboriginal people, and we want to pursue this.

So we are committed to managing our forests in the most sustainable way we can. We want to communicate as best we can and we certainly welcome public involvement at every opportunity. And I can see public involvement becoming more and more of a priority because people want to be involved, and we certainly welcome this.

Mr. Belanger: — Thank you. I guess the point you're trying to raise when you're talking about the role of the co-management board and the involvement of the people and the need to have more benefits flow to the northern communities, as I'm sure you're aware of, some of the economic and social conditions of northern Saskatchewan communities . . . and if you want to spend five hours tomorrow talking about that I can do that again.

But the thing is, what we need to do is we need to really begin to have the attitude is we all know what needs to be done, but leave the how to the imagination of the Saskatchewan people. That is where the crux of the problem is, Mr. Minister. You

have some very good people in these northern communities. They have business aspirations and they also have environmental concerns.

If the government cannot do it, or does not wish to do it as in the high standards as the forests should be watched, then perhaps you should let the people do it. These are people that have offered time and time again. And some of the comments and ideas I wish to bounce off you to see how you feel about them, the northern people do have a solution to the problems that have arisen out of the tabling of this forestry Bill.

In fact there are a number of solutions. One solution is use the proceeds of some of the rates that you talk about, and the potential savings and the potential earnings, to legislate and finance co-management boards. These co-management boards were set up by industry and communities, so naturally they should be recognized by the industry. Therefore industry would be able to cooperate with a local co-management boards that they have established to monitor activity in a specified region.

The member from Saskatoon Sutherland's point is very well taken. We cannot have the fox guarding the chicken coop.

The second and preferred solution is to again use these new profits to provide the excluded northern communities with even ownership of some of the forest industry happening in that region. Perhaps they should own part of the mill. And of course ownership of some of these mills will benefit the entire area. Would not a truly socialist government consider these two options?

Hon. Mr. Scott: — Again the member's comments are very well put and we are working in this direction in the way of . . . Again the Meadow Lake Tribal Council is very involved in the forest industry. We were very pleased to have the community of Green Lake have the operating saw mill again with a good supply of timber.

We wish to continue this. We see more co-management agreements. They will change as times change to better reflect the needs and requirements of the local people and the interest in sustaining our forests.

(1645)

With respect to the funding, funding is an issue in every area of the province and we certainly want to provide as much funding as possible. And as the member mentioned, some of the social conditions in the North leave a lot to be desired and that's certainly a concern of everybody in the province as well.

But I guess the bottom line is we're here to work with the northern people. We want their involvement, and that is our commitment as we all work towards a sustainable forestry resource.

Mr. Belanger: — Is there terms of what the cost increase might be for the stumpage fees? At one time we thought that the stumpage fees that the government would collect from northern communities would actually double from 3.5 million down to 7

million. Is there some different figures at this point in time?

Hon. Mr. Scott: — This is certainly an issue which is being discussed at this time. The province is meeting with forest industries, both collectively and individually, to discuss the funding which includes stumpage fees, reforestation, insect and disease control, fire control. And because these talks are sort of not finalized yet, both the industry and government has decided not to publicly discuss them. We wish to do our business at the boardroom table so to speak. And when we collectively come out with an agreement, the best agreement for everybody concerned, certainly we will be letting that information out. But because discussions are ongoing, we cannot comment on it at this time.

Mr. Belanger: — Could you offer to me today, Mr. Minister, that some of the discussions that you are proposing to have with the forestry industry, is that you would also leave the door open for an opportunity to have some northern mayors as well as some northern business people that are involved with the forestry industry involved in these type of discussions?

Hon. Mr. Scott: — The discussions with the forest industry at this time are simply cost-sharing on the subject of fire, insect and disease. And because it's business transaction between the province and the forest industry, we aren't expecting communities to pick up any costs.

We will deal directly with industry as we try to arrive at an acceptable fee scheduling of these . . . or cost-sharing of these subjects. But again the particulars about the management of the forests, harvesting, and so on and so forth, will be dealt with in the regulations. And again there's a year of time and opportunity, and as I indicated, we welcome input from yourself and anyone else who has an interest or concern.

Mr. Belanger: — Thank you. One of the other particular areas of the Act that I was a bit concerned about and certainly had questions on . . . and we'll turn the chair over to the member from Cannington for a few minutes. But certainly I want to go down and get as much information as I can for my constituents from yourself and to say, these are the questions that we ask; this is what the situation is; what do you guys feel should be done? And therefore, some of the questions that we're going to be asking you over the next period of the next few hours, we're certainly going to take back and we're going to use that as best we can.

But the one part again I'm having a lot of great difficulty in is the two issues of making sure that proper benefits flow to the northern communities from such an Act and from such an activity of forestry, but also to make sure that the northern people also have some input, that they have some way, shape and form . . . if they see an injustice being done in any area, with any regard, that they have an opportunity and they have a process in place in which they can deal with these conflicts. And certainly that's the other part of the equation here, is responsibility and true participation are things that they want to see happen.

And the key thing here is, when you look at the provisions in

this Act, it certainly empowers officials from your department of SERM to do . . . has more powers to search and to seize vehicles and to charge people. Now that's also another area of great concern to northern people. You talk about giving certain organizations greater power. In essence, you've taken that power from the communities. So there's got to be a balance.

And certainly I think the point I made earlier, we all know what needs to be done. But sometimes you've got to trust people and sometimes you've got to leave the how to them. And in this instance, it doesn't appear that we're doing that by giving the SERM officers more powers to control people. We need to make sure they understand that these things aren't there for their control, but really that they're there to challenge people. And this kind of has a negative effect on people.

Can you respond to some of these statements that I'm making, please?

Hon. Mr. Scott: — Well again I'd thank the hon. member for his comments. And we did brief the hon. member on the Bill here a couple of months ago, and we will certainly be glad to meet with him and go through the material again at any time. We look forward to the cooperation of the member and others in the northern communities.

Mr. D'Autremont: — Thank you, Mr. Deputy Chair. The member from Athabasca was discussing with you an issue that I wanted to bring forward and that is the use of the forest products by the people living in the area or by in fact by people visiting the area. Because under section 17 of the Act, clause 17, it talks about subsistence gathering but it goes on to say, "but does not include gathering of trees."

Well I know of a number of people, when they happen to be in the northern forest area or if they live in the northern forest area, pick up a Christmas tree. Now under this Act it would appear to me that that would be breaking the Act.

So I think, Mr. Minister, we need some clarification on that because I believe that the people of Saskatchewan, on Crown land, should be allowed to harvest a Christmas tree for their own use when they are visiting the North.

Now perhaps I'm not reading the Bill properly, but it certainly seems to say that, because it says it does not include the gathering of trees. Well a Christmas tree would fall into that area, Mr. Minister.

So I wonder if you could clarify for us please, whether or not an individual be it someone living in a northern community, someone visiting the North from the southern part of Saskatchewan, has the right, has the option, the opportunity, to harvest for themselves one Christmas tree?

Hon. Mr. Scott: — Yes you do. I guess as a landowner we would prefer that you drop in to the local SERM office and the staff there would certainly direct you to an area where there may be trees and perhaps steer you away from an area which may be more fragile, but you do not need a licence to cut a Christmas tree.

Mr. D'Autremont: — Well thank you, Mr. Minister, that's certainly good to know. How does that square though with what's written in the Act where it says it does include the gathering of trees. Is there an error here that needs to be clarified? Is there a change needed? Or does it some place else in the Act say that you can harvest that Christmas tree?

Hon. Mr. Scott: — The wording is there to provide the opportunity, if perhaps hundreds of people came up to a particular area, we would still have the authority to say no, you cannot cut a Christmas tree here, but by and large it hasn't been a problem.

However, if you wanted to cut 50 trees and take them back home and sell them, then you would require a licence. But for basically cutting one Christmas tree and taking it home, or maybe even two, one for your mother, there's no licence required.

Mr. D'Autremont: — Okay, thank you, Mr. Minister. If anyone calls me as having been charged, I'll quote *Hansard* on you, on this, in the courts.

Mr. Minister, the member from Athabasca also talked to you about co-management areas. I know that there was a great deal of controversy last year about the co-management proposals in the Montreal Lake area with the federal government. A certain number of the stakeholders felt that they had been left out of the discussions and the proposals for that co-management area.

Under this agreement, are all stakeholders going to be consulted? Now the people who live in the North absolutely must be a part of the process. But they are not the only ones who inhabit the area, who deal with the circumstances there. I believe that there are a number of people who have cottages or hunting cabins or fishing camps as the case may be. Will they a part of the process for the co-management consultations?

Hon. Mr. Scott: — Yes, co-management certainly does extend beyond a small area, and our practice is, on advisory boards, co-management boards, that we do involve as many stakeholders as we possibly can. On a broader scale, we bring in the provincial environmental groups. SARM is often involved and certainly local municipalities; cottage owners' associations are often consulted and involved in the processes. So we do want to bring in as many people as possible and make the correct decisions because in this day and age people want to be involved. And if they are left out, we soon hear about it.

Mr. D'Autremont: — Thank you, Mr. Minister. Are the co-management boards though officially a part of this process in the sense of being an advisory body on forestry management? Or are they a body that you would simply consult in dealing with this as the Act is being . . . establishment, but it's not an ongoing relationship where the federal government, the provincial government, and the local communities are part of the board to deal with issues that happen within the area?

Hon. Mr. Scott: — We do have a number of levels of consultative processes. We have and will continue to have a Provincial Forestry Advisory Committee from the broad

provincial scale. On the east side of the province, for an example, we have an advisory group to the east side FMA (Forest Management Agreement) which is being developed and that includes the more local input. And then the actual co-management areas are smaller, and again, involves the local people. So we do have a lot of local input, but there's always room for more.

Mr. D'Autremont: — Thank you, Mr. Minister. What kind of input would the co-management boards have in things like the amount of harvesting to take place within the areas that they would be administering? What kind of input do they have on things like the distances from a road that would not be harvested or the distances from a stream that would not be harvested or a body of water?

What kind of actual impact do the co-management boards have on the decision-making process within the forest management area? Is it simply an advisory role that they play or do they actually have some form of regulatory control that they can exercise?

Hon. Mr. Scott: — Certainly the details laid out by the member opposite are something that the local people are being involved with. Again east side FMA, which is being developed, the advisory board there will be making recommendations, and I guess the final say does rest with the minister.

I can tell you, from when I've met with these people, they're very concerned and very knowledgeable and very sincere about the jobs they're doing. And it certainly . . . I can see that we will be approving a lot of the things, if not all of the recommendations, by the advisory group and co-management boards in other areas. So again we do look for good input and meaningful input from these people.

Hon. Mr. Shillington: — I move we rise, report considerable progress, and ask for leave to sit again.

THIRD READINGS

Bill No. 71 — An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act

Hon. Mrs. Teichrob: — Mr. Speaker, by leave of the Assembly, I move that Bill No. 71 be now read the third time and passed under its title.

Leave granted.

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

Bill No. 72 — An Act to amend The Northern Municipalities Act and to make a consequential amendment to another Act

Hon. Mrs. Teichrob: — Mr. Speaker, I move that Bill No. 72 be now read the third time and passed under its title.

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

The committee reported progress on Bill No. 20.

COMMITTEE OF FINANCE

The Assembly recessed until 7 p.m.

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