

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to present a petition on behalf of residents of the community of Kamsack. The petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan, in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence, including the charge of attempted murder of a police officer; such task force to be comprised of representatives of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

As in duty bound, your petitioners ever pray.

I so present.

Mr. Osika: — Thank you, Mr. Speaker. I also rise on behalf of citizens from the great communities of Balcarres and Abernethy. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan, in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence, including the charge of attempted murder of a police officer; such task force to be comprised of representatives of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

And as in duty bound, your petitioners will ever pray.

Mr. McPherson: — Thank you, Mr. Speaker. I bring forward petitions once more on behalf of the Saskatchewan residents, people that have been affected by big game damage throughout the province. The prayer reads as follows:

Your petitioner humbly prays that your Hon. Assembly may be pleased to change the Saskatchewan big game damage compensation program so that it provides more fair and reasonable compensation to farmers and townfolk for commercial crops and stacked hay, silage bales, shrubs and trees, which are being destroyed by the overpopulation of deer and other big game, including elimination of the \$500 deductible; and to take control measures to prevent

the overpopulation of deer and other big game from causing this destruction.

And as in duty bound, your petitioner will ever pray.

Mr. Speaker, the people that have signed these petitions are all from the community of Carievale, and I so present and hope that . . .

Mr. Bjornerud: — Thank you, Mr. Speaker. I also would like to present a petition to do with the creation of regional telephone exchanges. The prayer reads, Mr. Speaker:

Wherefore your petition humbly prays that your Hon. Assembly may be pleased to cause the government to support the creation of regional telephone exchanges in order to enhance economic and social development in rural Saskatchewan.

And as is in duty bound, your petitioners will ever pray.

The communities involved in this petition, Mr. Speaker, are from Odessa and Kendal.

READING AND RECEIVING PETITIONS

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

Of citizens of the province petitioning the Assembly to establish a task force to aid in the fight against youth crime.

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Legislative Assembly, some 13 students and their teacher seated in the west gallery. These 13 students are from O'Neill High School and they're with the work experience education program.

Many members will of course recognize their teacher, a former member of this Assembly, Bill Allen.

It will be my pleasure to meet with this group from 2:30 until about 3 o'clock. I very much look forward to meeting with them at that time. I ask all of my colleagues to help me welcome this group from O'Neill.

Hon. Members: Hear, hear!

Mr. Aldridge: — Thank you, Mr. Speaker. To you and through you to everyone assembled here this afternoon, I'd like to introduce a group of 20 grade 8 students sitting in your gallery, on the west side of it. And they're with their teacher, Mr. Fred Mathieson.

I am looking forward to meeting with them later this afternoon. But I just have to let you know I'll be detained for a brief time

in the House this afternoon and my colleague, the member from Melfort-Tisdale, has graciously agreed to meet with you initially.

Just as a matter of interest to you, I'm sure, because the community of Pense is no stranger to problems associated with flooding, this afternoon the debate will be on that topic and I know since you had your share of experiences with that in this past year, it certainly will probably be of interest to you.

So I'd just like everyone to welcome them here this afternoon, and we'll talk to you later.

Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to all members of the legislature, a group of grade 5 and 6 students that are here from Pangman . . . grade 5 and 6 students that are here from Pangman, Saskatchewan. There's 19 students seated in your gallery, Mr. Speaker. They're accompanied today by their teacher, Judy Schwindt, who is a former colleague of mine in Prairie View School Division; another chaperon, Cynthia Reitler, and Debbie Kessler; and their bus driver Bob Bell.

I'm looking forward to meeting them for some, I'm sure, very good questions after they have observed here this afternoon, and also for some refreshments and a photo.

I ask all members to join me in welcoming them here today.

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I would like to introduce to you and to all members of the Legislative Assembly, four students from the Saskatoon district, along with a couple of other people. Before I introduce them, I'd just like to say that these students raised money here in Saskatchewan to attend a conference in Anaheim, California. And this conference was the Society of Professionals in Dispute Resolution conference for young people. And they attended with young people from all over North America discussing dispute resolution and mediation.

So now I'd like to introduce Dustin Beuckert and Jillian Pochipinski, who are both grade 7 students at Rosthern High — they're right in the back row at the top; also Jennifer Ekstrand from Dalmeny High and Hudson Kasko from Aden Bowman Collegiate in Saskatoon.

Accompanying them are Shelley Adams, who's a counsellor with the Saskatchewan Valley School Division — she also went with them to Anaheim, California; and Lorelie Muta, who's the cultural liaison coordinator in Rosthern Elementary and Rosthern High School; as well as Ken Acton, who is the director of mediation services. Let's give them a big welcome.

Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. I too would like to take the opportunity through you and to the members of this

House, to welcome the group that was just welcomed, especially Shelley Adams and her group. I've worked with Shelley in education and she has a real heart for students and is great to work with. So welcome here and it looks like you're having an exciting time.

Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I want to introduce to you in your gallery, a good friend and colleague of mine — and all members of the House — Mr. Doug Raynes, and a good friend of his today, Lynn Fryklund, who is also an employee, as Doug is, with the Department of Justice here in Saskatchewan. They're both in Regina today, meeting with the Justice department to further their skills as they go back to their communities and continue to work in the Justice system.

So on behalf of all of the members here, I want to welcome you to the Assembly, and enjoy the question period later on this day.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Students Against Drinking and Driving Awards Banquet

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, last Saturday, April 26, I was honoured to attend the Students Against Drinking and Driving Awards banquet held in Humboldt. The Humboldt Collegiate Institute chapter of SADD (Students Against Drinking and Driving) hosted that event.

Among those recognized at that banquet were two of my constituents; in fact my niece, Aimée Basset of Bruno, and another girl, Angel Kleiter, of Cudworth. Both were recipients of the Royal Bank Leadership Awards. A total of 22 young people were nominated for this award, and 9 were selected.

I would also like to make mention that the Bruno chapter of SADD was awarded the Nicole Nakonechny Memorial Award, given to the school with the most active SADD chapter. This was a proud moment, as it is the second time that Bruno has received this award. Last year the award was presented to the Humboldt chapter.

Students Against Drinking and Driving is one of the most active youth groups in Canada. The young people involved in the program are dedicated to the cause of saving lives through education and through example. Last year SADD was also instrumental in effecting some very significant change to the provincial laws here regarding drinking and driving. And, Mr. Speaker, I commend you on your part in chairing a committee to that effect.

This year Students Against Drinking and Driving, that organization, has also been incorporated as an independent organization, and I congratulate them all.

Some Hon. Members: Hear, hear!

Workforce 2000 Conference

Ms. Lorje: — Mr. Speaker, recently Canada's national newspaper had an interesting column, pointing out that when the federal government handed over training to Quebec, it was front page news. But when the same thing happened in Saskatchewan there was considerably less fanfare.

The difference between the two announcements is more than just a difference in the noise level. Quebec sees its control as a step toward sovereignty. Here it's just another example of the federal government abandoning its federal responsibilities.

Nevertheless, Saskatchewan is soldiering on alone as it has done so often, gearing our training to the needs of the new economy — preparing, Mr. Speaker, with the cooperation of business, labour, and relevant organizations, with or without the federal government along for the ride.

An example of that cooperation is happening today and tomorrow in Saskatoon. The Saskatchewan Labour Workforce Development Board, a non-profit organization co-chaired by business and labour, is hosting a conference titled, "Building Skills: Solutions for Workforce 2000." The conference consists of panels, workshops, and addresses by our ministers of Economic Development and Post-Secondary Education and Skills Training.

The variety of participants taking part in this highly cooperative conference is significant and I congratulate all of them and wish them many success in their deliberations.

Some Hon. Members: Hear, hear!

Pense Theatre Company

Mr. Aldridge: — Thank you, Mr. Speaker. I think it's particularly appropriate this afternoon, with my visitors from Pense here, that I advise the Assembly I recently had the opportunity to attend Pense Theatre Company's presentation of *Move Over Mrs. Markham*. This, in my new role as Thunder Creek dinner theatre critic, I do give this one two thumbs up.

Mr. Speaker, not only was it entertaining but it was a fine demonstration of the volunteer spirit of this province. The food was good and patrons were even treated to valet parking. More than 70 people donated their time and effort to entertain, serve food, sell tickets, and park cars. Rehearsals began last fall and carried into April.

Since 1994 the Pense fund-raising committee, which sponsors the dinner theatre, raised \$40,000 through such ventures. The money was used to support first responders, rink improvements, and many other worthwhile causes in the community of Pense.

In closing, Mr. Speaker, I congratulate the residents of Pense for their hard work, and encourage members to travel out to the community next year to take in this entertaining event. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

New RCMP North-west Region Headquarters to be in Regina

Mr. Kasperski: — Thank you, Mr. Speaker. For over 100 years Regina has been the home of the RCMP (Royal Canadian Mounted Police) training centre. The city, and indeed the entire province, have a long and proud association with the RCMP. Our association, along with the tradition, have been reaffirmed with the announcement that Regina will be the new RCMP regional headquarters for the north-west region, Mr. Speaker — thanks in no small part to the efforts of the Minister of Justice and his officials.

Some Hon. Members: Hear, hear!

Mr. Kasperski: — Mr. Speaker, in 1874 the first officers of the RCMP arrived in the West and made what would later become known as Regina, a choice for their outpost location. In fact, Mr. Speaker, the oldest building in the city today is the RCMP chapel on the grounds of the RCMP training academy. In 1928, Mr. Speaker, Saskatchewan became the first province to have the RCMP serve as their provincial police force.

We do have a long tradition with the RCMP, and I am very happy to see that this tradition is going to continue. The new headquarters will be housed at the training academy, and the new deputy commissioner is expected to arrive here at the end of this month.

Saskatchewan's roots are intertwined with the RCMP, and it is only fitting that the headquarters of the new north-west region be here in Regina, the home of the RCMP. Thank you.

Some Hon. Members: Hear, hear!

Beardy's First Nation Acquires a Hockey Team

Mr. Johnson: — Thank you, Mr. Speaker. Mr. Speaker, few things make me more proud to represent the Shellbrook-Spiritwood constituency than the achievements of its first nations. The Beardy's First Nation near Duck Lake recently took another bold step to ensure a better life for its people. The Saskatchewan Junior Hockey League announced last week that the Minot Top Guns, a team currently based in North Dakota, have been purchased by a group from Beardy's, headed by George Cameron. The Beardy's Rage will be part of the Saskatchewan Junior Hockey League in the 1997-98 season. Home games for the team will be played at the Willow Cree Memorial Sports Center west of Duck Lake. The team's coach will be Kal Parenteau, former head of the Saskatchewan Midget Hockey League.

Mr. Speaker, nearly every Canadian boy dreams of becoming a hockey player. Now thanks to the Beardy's Rage, Saskatchewan first nation people can aspire to another dream — owning their own hockey team.

Mr. Speaker, I ask all members of the Assembly to join me in congratulating Beardy's First Nation, their chief, Edgar

Thomas, and the ownership group headed by George Cameron. I know we wish them and the new team every success.

Some Hon. Members: Hear, hear!

Early Childhood Intervention Week

Ms. Stanger: — Mr. Speaker, being a mother, a grandmother, and a former school teacher, I realize that the first few years of a child's life are the most vital in determining their future. It's a time of exploration and growth for the child and for the family. These years are critical for all children, but more so for the children who are born with some type of mental challenge. Providing the best possible start for our children so that they are able to achieve their potential is a goal that we must all share.

This week, Mr. Speaker, is Early Childhood Intervention Week in Saskatchewan. Throughout Saskatchewan's action plan for children our government works in partnership with individuals, organizations, and community groups across the province to provide programs and support services that enhance the lives of our province's children and their families.

The early childhood intervention program, Mr. Speaker, provides in-home support to children who are disabled or developmentally delayed. It's a goal to help build the child's future.

And the additional 60,000 our government is providing to this program, which raises total funding to well over \$1.6 million, shows our commitment to Saskatchewan's youth.

This program and the many workers who devote their time and energy to helping infants and young children with disabilities should be acknowledged by all members of the Assembly for the positive impact it's having in many families and communities. Thank you.

Some Hon. Members: Hear, hear!

Respected Midwife Celebrates 100th Birthday

Ms. Murrell: — Thank you, Mr. Speaker. Today, Mr. Speaker, I would like to pay tribute to an outstanding woman in my constituency who has recently celebrated her 100th birthday.

Agnes Starchief is 100 years old. She has seen and experienced many changes during that century. One of her experiences has earned her the respect of her entire community. Agnes has been delivering babies since she was 40 years old. She became a registered midwife when she was 60. She can't remember how many healthy babies she has brought into this world — she lost count at 95 — but they have been many.

Agnes has dedicated her life to midwifery and medicine. Her knowledge is immense and the respect she is given in her community indicates the admiration and esteem others hold for her. Agnes is passing her wisdom on to her children and grandchildren in order to continue the tradition of caring she has forged.

I want to wish Agnes a very happy 100th birthday and congratulate her for the years of dedication she has shown for the health and the well-being of the people in her community. Thank you.

Some Hon. Members: Hear, hear!

Optimists Oratory Contest

Ms. Hamilton: — Thank you, Mr. Speaker. Based on what I heard last Thursday evening, some of us in this Assembly are going to have some pretty stiff competition in a few years. I was one of three judges at the seventh White City Optimist Oratorical Contest, a public speaking event sponsored by the Optimists for children under 16.

Irene Temple was responsible for a lot of the organization and Russ Taylor did a wonderful job of emceeing. Students from three schools in my constituency competed — White City, Pilot Butte and Balgonie. And I can tell you, Mr. Speaker, the judging was honest but it was tough.

These students show remarkable poise, exceptional vocabularies, and amazing oratorical pyrotechnics — they spoke well. Not only that, they demonstrated a thoughtfulness on their topic that was impressive for their ages.

Their topic was, "My Vision of Tomorrow's World," a topic that could have restricted them to the easy clichés but they pushed it to the areas truly challenging to their audience and to their judges. They talked about aboriginal involvement in the economy, about the challenge of simple values in a complex society, about social equality, and about the computer age, and many other topics were included.

The winners were both from White City, Brenna Jean LaPlante and Chase Cook. They go now to zone competitions in Regina with the possibility of an international contest later on. I congratulate the winners, all competing orators, and the White City Optimists for sponsoring this evening. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Health Care Funding

Mr. McLane: — Thank you, Mr. Speaker. Well Ottawa has come again to the rescue of the NDP (New Democratic Party) government in Saskatchewan. This time, Mr. Speaker, by providing millions of dollars in health and social transfers to this province.

We so often hear this government point its fingers at Ottawa to justify its failure to properly fund health districts, which forces them to reduce or eliminate services, and in some cases, Mr. Speaker, even close down health care facilities. The case in point: the Rabbit Lake Health Centre, which is scheduled to close at the end of June; or the Eatonia hospital, which was converted to a wellness centre and is now being downgraded to

a health clinic or maybe even closed altogether.

Given the fact that the federal government is now back-filling for this government, will the Minister of Health explain where is he going to spend these additional fundings?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, this is how the Liberal Party opposition defines back-filling: by the announcement of the Prime Minister made 24, 48 hours ago. The first penny that we will see — if I may say to see — will not take place until the calendar year 1998-1999 — \$20 million.

This is not new money. This is not new money. It just simply means that the level of cutting that they were going to cut is going to stop at 1998-99 — \$20 million less. They're waiting for a full year.

This in the light of the fact since 1995-1996 to the year currently under review, the province of Saskatchewan has lost from the Liberals in Ottawa, the province of Saskatchewan alone, has lost \$200 million — \$200 million.

I tell you, Mr. Speaker, every year what the hon. member is saying to us is, wait another year; don't get cut back \$20 million. And he says that's good news. Well as I said to the press the other day, I say here: it's better than getting another whack on the head, but it's \$200 million short and three years too late.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. The fact is that Ottawa has found millions of additional dollars which will help address some of the funding cuts that this government has inflicted on our health care system, in particular on the sick and the elderly.

The minister has stated on many occasions that there is no better health system than here in Saskatchewan. And, Mr. Speaker, we agree with that. However, with these guys in power much longer, Mr. Speaker, and with the same deterioration we've seen since 1991, it soon won't be, Mr. Speaker.

Of course, Mr. Speaker, these additional millions of dollars in transfers coming to the NDP government here are contingent upon the Liberal Party being re-elected. Will the Premier explain what he is doing to ensure that as many Liberal members are elected as possible so that Saskatchewan is guaranteed these additional monies in health care transfers?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, those kind of guarantees nobody would ever take to the bank. No Liberal guarantees of those nature would you ever take to the bank, including the health bank.

We had the Liberal promises about doing away with the GST

(goods and services tax). What happens? The GST is there.

We've had the Liberal promises about protecting the Canadian Wheat Board. What happens? Tepid support at the best.

We had Liberal promises about protecting the transportation system. What happened? The Crow rate is gone.

We had Liberal promises that the railways wouldn't be deregulated and freight rates wouldn't go. What's happened? Gone.

Now he says that we should wait for a year, re-elect the Liberals, and maybe we won't be cut back as deeply as they said we'd be cut back. How desperate is this Liberal Party in Saskatchewan, in Canada? It is incredible that after three and a half years of \$200 million cuts on the health care system in Saskatchewan alone, all of a sudden at election time the Prime Minister says, I've got the money. Maybe. If you get elected.

And I say that's a shameful display, a partisan display, and the hon. member ought not to raise that in this House.

Some Hon. Members: Hear, hear!

Endangered Spaces Protection

Mr. Belanger: — Thank you, Mr. Speaker. So much for this government's commitment to protecting the province's environment. They got a big fat F from the World Wildlife Fund when it comes to completing a network of protected areas.

This government made its first commitment to the endangered spaces campaign in 1990. However based on this failing grade, it appears this government is once again all talk, no action.

The World Wildlife Fund penalized this government for not protecting a single new area this year and for not adequately protecting the areas already designated. In fact two of the 11 ecoregions in this province have no protection at all, Mr. Speaker. And despite a firm commitment from this government, the report card shows that departments such as Energy and Mines, Intergovernmental Affairs, and Finance are hindering progress for the designation of protected areas.

Will the Environment minister explain to the people of this province how and why his government was given a failing grade?

Some Hon. Members: Hear, hear!

Hon. Mr. Scott: — Thank you very much, Mr. Speaker. And I thank the hon. member for the question.

First of all I would like to clarify that the report is totally erroneous. We have good cooperation with other government departments, with other organizations in this province. We are working together in a cooperative fashion to meet our objective in the year 2000, which is still three years away. And we are making good progress. Granted, the failing grade was based

simply on the fact we did not simply designate any particular areas. I can assure you we are making good progress in a number of areas in this province. Thank you.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. I hear the minister saying he's doing all that they can but they still got an F. I don't know if he's looking for a grade G. There is no grade G.

Mr. Speaker, the NDP signed on in support before they're elected, pledged their support after coming into power, yet continue to do nothing to earn a higher grade. And in many cases, such as closing that Big River Tree Nursery and falling even further behind in reforestation, it proves to the World Wildlife Fund that it has no real desire to earn a higher grade. The study indicates it needs to see substantially new protected areas in the future if this province hopes to meet its own goal of protecting natural areas by the year 2000.

Mr. Speaker, does this government even have an environmental conscience, or is the quest for the almighty dollar more important than our trees, land, and all our natural resources.

Mr. Speaker, will the Environment minister today commit to an action plan to make sure we have a legacy to leave to this province's future generations?

Some Hon. Members: Hear, hear!

Hon. Mr. Scott: — Thank you, Mr. Speaker. In response to the hon. member, an action plan will be released in June or early summer as to what areas we will be looking at in areas of the province which need protection.

Some examples of the good progress we have made in the past year include the Manitou Sand Hills area, where we have a land use plan in place in cooperation with oil and gas companies, landowners, and other people that use the area.

We're also working on the east side of the province in the Pasquia-Porcupine forest area and this is where we're setting out a forest management area. Unique and fragile and representative areas are going to be identified and basically excluded from the forest management area before the forest industry gets going in that area again. The Great Sand Hills, the Butala Ranch, and many other areas, we are making good progress on.

Some Hon. Members: Hear, hear!

Northern Highways

Mr. Belanger: — Thank you, Mr. Speaker. It appears that the pilots in the Cold Lake Air Force Base are mistaking our Highway 155 in northern Saskatchewan for the Primrose air weapons bombing range. That's because of the deep and numerous craters littering this stretch of highway. In essence, Mr. Speaker, it looks like a bombing range.

One of the callers to our pothole hot line, Pat Hackett, said the

horrendous shape of the highway is why her car has had three wheel alignments in the last year and a half. Even worse, the jarring on her back that she takes every time she travels is just enormous.

Hackett has complained to the government but hasn't seen any action. She says the government should start paying more attention to the roads in northern Saskatchewan because the people there, like their southern neighbours, deserve something better.

Will the interim Minister of Highways start his first day on the job right and agree to an action plan to have all the roads undergo massive reconstruction in the North within five years?

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Now it would be a little difficult to say I can't hear the hon. member, but if he were able to be heard I would not be able to. And I'll ask all hon. members to allow the hon. member, the Minister of Northern Affairs.

Hon. Mr. Goulet: — Mr. Speaker, I was waiting for the question from the critic from Battlefords — you know, the so-called critic from Northern Affairs — to raise this issue, but we haven't heard a thing from him yet.

Now, Mr. Speaker, in regards to the roads in northern Saskatchewan, I mean not only did we have a bridge for the first time to Cumberland House and the Grandmother's Bay road, Mr. Speaker; on \$30 million that we put in on a new budget in regards to highways, we have \$5 million going into northern Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Goulet: — Mr. Speaker, of that 5 million, approximately 4 million will be going into that member's constituency. So, Mr. Speaker, I think that the member from Athabasca should check his books, look at our budget over again and see the great stuff that we've done in highways, not only for the province over the next 10 years but also in northern Saskatchewan as well.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. I guess to respond to the question from the hon. member from Cumberland, in terms of why I'm asking the question, we weren't too sure who should be asking the question when it comes to fighter pilots mistaking our roads for bombing ranges, so they took it upon me to do that as a new defence critic.

However, Mr. Speaker, the member from Cumberland speaks about the millions of dollars put into the Athabasca constituency, and for years and years and years the people of Turnor Lake, the people of Dillon, the people of Patuanak, the people of Pinehouse, St. George's Hill, Michel Village — and the list goes on and on and on — they have spoken about the needs for roads to be fixed up in their area for 20, 25 years; yet no action by this government.

So in essence, as the Senator Louis Morin pointed before he passed on, Mr. Speaker, he said we have been told that we're on the list to be repaired. But after 5, 10, 15 years we realized that we can't travel on a list.

Mr. Speaker, will the interim minister explain to the residents of northern Saskatchewan why this government continues to ignore northern roads, other than the ones hauling out our natural resources.

Some Hon. Members: Hear, hear!

Hon. Mr. Goulet: — Mr. Speaker, this guy is jumping all over the place, from Environment to Northern Affairs, but I might say that in his earlier question on endangered species, he knows that the Liberals will be endangered species in northern Saskatchewan, you know, after this election.

Some Hon. Members: Hear, hear!

Hon. Mr. Goulet: — The reason why they'll be endangered is this, Mr. Speaker: we put \$8 million in housing — not a penny from the Liberal government in Ottawa.

In regards to doing the infrastructure program, we put in \$4.5 million into northern Saskatchewan in regards to sewer and water, plus 2 million on top of that, Mr. Speaker. That is exactly what we're doing in regards to the North.

On the roads, the Liberals used to put in . . . the federal government used to put in 60 per cent of the money — not a penny from the Liberals on roads. We put in 5 million on the roads — Liberals zero.

Some Hon. Members: Hear, hear!

Future of Moose Jaw Airbase

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Premier. Mr. Premier, when the Liberals announced the NATO (North Atlantic Treaty Organization) agreement in Moose Jaw last week, everyone assumed that it was a done deal.

Now one of the Liberals' own candidates, Tony Merchant, is saying it's not a done deal. In fact he seems to be blackmailing the voters, saying that they better vote for him or the deal may not happen. Isn't this just typical of the Liberals, Mr. Premier? The Liberals roll into town and put on a big dog and pony show, and then Tony Merchant shows up and eats the dog.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Mr. Premier, you've been involved in the negotiations, I understand, at least in some small capacity. What is the real story? Is the NATO flight training base coming to Moose Jaw or is the deal still up in the air as Tony Merchant is suggesting?

Hon. Mr. Romanow: — Mr. Speaker, the answer that I have to give you on behalf of the government is that we believe the

fight to keep CFB (Canadian Forces Base) 15 open is a fight which many people in Saskatchewan of all political ideologies participate in. The mayor of Moose Jaw was very much at the forefront of this, as were a number of citizens' groups and even down to the school children. And the provincial government, the opposition parties of the day, the former leader of the Liberal Party, was very instrumental in this.

I am interpreting this announcement the way that I believe the ministers wanted it be interpreted, certainly the way the folks in Moose Jaw interpret it. And that is that CFB 15 is guaranteed open and successful.

I am puzzled by the Liberal candidate's questions, but perhaps those questions should be directed to him, and perhaps the Liberal Party should clarify those answers.

But from my point of view, I'm taking the interpretation of the mayor of Moose Jaw and the ministers of the federal Crown who came to Moose Jaw to say that CFB 15 is guaranteed; and congratulate once again all Saskatchewan people for this accomplishment.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Premier, unfortunately Tony Merchant is interpreting it another way. Not only is Tony Merchant saying that he has to be elected in order for this deal to be completed, he appears to be threatening very dire consequences for Moose Jaw if he's not elected and the deal falls through.

He goes on to say in his letter to people in that constituency that they will be facing reduced population, lower house values, higher property taxes, reduced funding for hospitals and schools. Those are the consequences outlined in Tony Merchant's campaign literature.

Mr. Premier, have you spoken to the Prime Minister about the NATO deal and the future of the Moose Jaw airbase? What assurance can you give the people of Moose Jaw that this is a done deal and not just some election gimmick to try and get people to vote for Tony Merchant?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Well, Mr. Speaker, the answer to the hon. member is that I have addressed the concerns of the people of Saskatchewan because I think this is a province-wide concern, CFB 15, to the Prime Minister, certainly before the announcement that was taken place a few days ago in Moose Jaw.

I noted the letter that the hon. member refers to, that was put out by Mr. Merchant, and I don't know what is behind his concern here that he sets out. I think that . . . I'm hoping, I'm hoping that we can trust the federal Liberals at least to the extent that when they send out two ministers to make the announcement, that it is a done deal.

That's what the mayor of Moose Jaw says it is. That's the way

I'm interpreting it for the time being. And that is the way I would urge the people of Saskatchewan to interpret it, and to de-politicize the issue. I don't think it should be a political issue. This is an Armed Forces presence in Saskatchewan issue.

And I'm not saying you're politicizing it because it's in the campaign literature of the Liberal Party. All I can tell you is, my view is I'm taking the federal ministers at their word until further notice. Perhaps somebody else wants to put the questions to Mr. Merchant as to what information, if any, he has that would make him think otherwise.

Some Hon. Members: Hear, hear!

Government Investment in Crown Life

Mr. Heppner: — Thank you, Mr. Speaker. My question is for the minister of CIC (Crown Investments Corporation of Saskatchewan). In 1992 the then minister of CIC said the government is committed — committed — to getting the taxpayer out of the Crown Life deal as quickly as possible. In 1996 CIC annual report repeated that commitment, saying HARO and CIC remain committed to transferring CIC's investment in HARO to private ownership.

Now we learn that three different companies are interested in buying the company's share of Crown Life, but CIC refused even to talk about a price with them and said the market isn't right. How do you know the market isn't right if you don't get the offers that are out there?

Mr. Minister, in one breath you're saying you want to privatize your share in Crown Life; in the next breath you're saying you want to hold onto your share for several more years — why the conflicting messages?

Hon. Mr. Wiens: — Mr. Speaker, I'm surprised that the member opposite would raise this issue. The province of Saskatchewan has been in a recovery mode since they left office in 1991, with a Crown Investments Corporation finally able to put some of its assets on a sound basis; the General Revenue Fund side of government finally being able to be . . . to put its house in order so that we can afford the kind of tax relief we issued this year; and now this member is suggesting that he knows better how to manage these assets than we do.

Let me say to the members opposite that the assets that are the people of Saskatchewan's assets are assets we respect, and we will continue to discuss with others the investments in the context of our objectives. Our objectives are jobs for Saskatchewan and maximum return to Saskatchewan taxpayers. We will continue to do that, not in the mode demonstrated by the members opposite in their last life in the '80s, but in the manner demonstrated by this government for the last five years.

Some Hon. Members: Hear, hear!

SaskPower's Proposed Investment in Guyana

Mr. D'Autremont: — Thank you, Mr. Speaker. My question is for the minister responsible for SaskPower. The president of

Guyana has announced that he expects the deal with SaskPower to be completed by the end of the week.

There's something seriously wrong here, Mr. Minister. The president of Guyana gives his people regular updates on the progress of negotiations, while here in Saskatchewan the president and minister of SaskPower keep Saskatchewan taxpayers in the dark. So much for an enlightened power company.

Why is that, Mr. Minister? Why aren't you providing us with regular updates? Why are you close . . . are you close to concluding this agreement? And how much taxpayer money do you plan on spending to buy up the troubled Guyana power company?

Hon. Mr. Lautermilch: — Well, Mr. Speaker, I want to begin by indicating that I'm really quite surprised that the member is in such a hurry to see a deal culminated, given the comments that he's made with respect to the country of Guyana and the people of Guyana; so I am really quite surprised.

Let me say to the member what I've said to him before — my door is open. And if he has some questions, he's more than welcome to come to my office and discuss them with me. But I want to say this: the process with respect to decision making at the Power Corporation hasn't changed.

SaskPower Commercial is in negotiations with their counterparts in Guyana. They will make a recommendation to their board of directors, who will in turn make a recommendation to the board of directors of SaskPower, who will in turn make a recommendation to CIC. After all due diligence is done, a final decision will be made whether or not this deal is proceeding. It hasn't come to that point yet, but I want to inform the member opposite that he can be well assured that as soon as I know anything further, I will be in contact with him and bring him up to date.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. It seems like it's the president of Guyana that's in a hurry. And, Mr. Minister, your door may be open and the lights may be on but there's nobody home.

The minister seems to be a little testy about these questions, though. What's the matter, Mr. Minister, was there something in your porridge this morning?

Mr. Minister, your government just blew, your government just blew \$16 million on the NST fiasco and now your proposing to risk another \$31 million and possibly as much as 70 to \$80 million in Guyana. And that's a huge expenditure, one which requires neither debate nor approval of this legislature. So much for an honest, open, and accountable government.

Mr. Minister, immediately after question period our leader will be introducing the Crown accountability Act. This Bill will require the legislature to approve any out-of-province investments by a Crown corporation of over \$1 million. Will

you support this legislation, Mr. Minister?

Hon. Mr. Lautermilch: — Well, Mr. Speaker, let me say to the member, I've been listening with some interest. Awhile ago his figure was 50 million, and now he's got the value of that corporation up to something in the neighbourhood of 70 or 80 million.

Now I don't know where the member gets his figures from; I can tell you that if a deal is to proceed, it will be done with all measure of due diligence. We will get the best buy that we can for the people of Saskatchewan. And that is a process that we will take.

With respect to the legislation that he intends to introduce, Mr. Speaker, I would like to have a look at the legislation, and after I've had an opportunity to look at it, I can comment as to whether or not I would support it.

Some Hon. Members: Hear, hear!

Funding for Municipal Governments

Mr. Hillson: — Mr. Speaker, reassessment is of course finally occurring in this province but it's been made unnecessarily complicated, confusing, and onerous because the tax rules weren't in place until this year; the assessment wasn't in place — still isn't finalized. And of course, the reassessment is hitting our municipalities at precisely the same time as they've got cuts up to 50 per cent in every one of our municipalities, including Regina and Saskatoon.

The *Leader-Post* put this in perspective by saying this was the first budget in recent memory that did not even mention the phrase, "municipal government." You had a better chance of finding it on the side of a milk carton.

Madam Minister, you have made reassessment far more difficult for our municipalities because of the savage cuts to municipal grants. Now that you've got the extra 65 million from Ottawa, will you revisit that?

Will you revisit also the 10 per cent in VLT (video lottery terminal) revenue you promised to our municipalities and then took away?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, the members opposite have learned well from their Liberal cousins in Ottawa. They know all about savage cuts and they know what happens when funding from senior governments is reduced.

And with respect to reassessment, Mr. Speaker, as the member opposite knows as a former city councillor himself, that our reassessment system was outdated, ineffective, and subject to legal challenge. What would they do, Mr. Speaker? What would you do? Would you have continued to neglect the system?

I think a very interesting assignment for SAMA (Saskatchewan

Assessment Management Agency) would be, on this issue, to assess the fences the Liberals are sitting on.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Low Income Family Housing Project

Hon. Mrs. Teichrob: — Mr. Speaker, I'm very pleased to advise you that earlier today Mayor Henry Dayday of Saskatoon, Mr. Gary Wilson of Quint Development Corporation, and I announced a program to enable low income families to purchase their own homes.

Mr. Speaker, this project was proposed to respond to the growing demand for secure, affordable housing for low income families and increase neighbourhood stability. The core neighbourhoods of Saskatchewan's major urban centres currently face a number of challenges.

In Saskatoon the core neighbourhoods have seen their populations decline over the past decade. Another challenge facing the core neighbourhoods is the number of families moving in and out of the neighbourhood during a given year and the length of time these families stay. Without stability of long-term residents, it is difficult to deliver services, develop educational programs, or develop a sense of community.

Mr. Speaker, many renters pay 30 per cent or more of their income for inadequate shelter. If households are paying too much for shelter, they have another problem — they do not have enough money remaining to purchase other basic necessities. Adequate, safe housing is required to ensure the social, physical, and emotional health of people and communities.

In Saskatoon the Government of Saskatchewan supports the operation of more than 4,000 housing units. The Saskatchewan Housing . . . or the Saskatoon Housing Authority — pardon me — administers more than 2,000 of these units and provides a range of services for their clients, from a youth leadership development program to a program to bring socially isolated seniors together. Housing, Mr. Speaker, is and needs to be so much more than shelter.

The province of Saskatchewan is committed to providing safe, secure shelter for Saskatchewan people who would otherwise not be able to afford it. But it has been difficult to provide new housing units in the traditional manner given the withdrawal of federal funding.

However we will be trying new approaches to meet the need for housing, approaches such as this project. The needs of low income families and the challenges faced by core neighbourhoods, coupled with our commitment, has prompted the province to form a partnership with the city of Saskatoon and Quint Development Corporation to sponsor a small project to determine the feasibility of providing home ownership programs in the core neighbourhoods of Saskatoon.

Under this project, 10 families will be enabled to purchase their own homes. The province will provide loans for 25 per cent of the total cost to be used in part as a down payment. The city of Saskatoon will provide each family with an additional grant of 5 per cent towards the down payment.

Quint community development corporation will form a community cooperative to manage and deliver the project.

Mr. Speaker, as Saskatoon's first community economic development corporation, Quint has created a number of partnerships with the private and public sector in Saskatoon to provide building inspections, labour for required renovations, and appraisals.

Mr. Speaker, I ask my colleagues in the House to join me in thanking all the partners in this project for all of their hard work in seeing this project come to fruition.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Yes, Mr. Speaker, I would like to say on behalf of the Liberal opposition that we are extremely pleased with this new initiative and hope that it will alleviate the housing problems in Saskatoon, especially in the Riversdale area, as we are aware of some of the problems facing inner-city neighbourhoods.

We are sorry that this only applies to the city of Saskatoon, because we know that it is a problem in other communities. In my own community of North Battleford, the women's shelter recently told me that they have a problem with long-term stays simply because there is no decent, adequate housing in the community especially for larger family groupings. And so it's very difficult for women and their children to move out because there's nowhere for them to go.

But I guess we are aware that this government's concerns are basically for the two cities, and small town Saskatchewan does not figure in your plans.

I'd also like to congratulate the minister for rising to make this public announcement today. I note that a couple of weeks ago, there was a far larger program for disabled and senior housing that was 75 per cent federal funded. The minister did not find it necessary to give credit for that much bigger program, presumably because it was 75 per cent federal funded, which I think proves again, in the words of Machiavelli, that gratitude is the weakest of all human emotions, particularly for our friends opposite.

But we wonder why . . . I'm glad now that the minister has risen to make this public announcement of developments in her department. I trust she will continue doing so even when there are developments involving 75 cent/dollar programs from Ottawa; even when perhaps it's important that the people of Saskatchewan be told when she has lost \$16 million on some foreign investment she's gone into.

So I congratulate her on standing to tell us what's going on in her department and I hope that she will continue to do so. And

I'm pleased with this program.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Yes, also responding to this particular program — and maybe we can stay away from some of the federal-provincial drivel we've been listening to just recently — I think this kind of program has some hope, I think, to the sense that it creates a stability within communities.

There are schools in Saskatoon that do not have a single student that stays registered in that school from the start of the year to the end of the year. And that bodes nothing but bad news for all those students and for those families as far as their success in the educational field is concerned.

To the extent that this program creates some neighbourhood stability, it's an excellent program. To the extent that it will give the opportunity for some jobs, we underline that and support that as well.

Hopefully with the sense of stability that should come to that community, there will be a sense of community and a sense of neighbourhood that will be created as well. And hopefully in some of those areas, we can have some of what Saskatchewan's become famous for; those rural values of sharing and caring would be able to carry over to those communities as well.

The project is a fairly limited project, and I think that's good. It'll give us a chance to evaluate the basic philosophy of it to see if it actually works and to make sure that's an effective use of dollars. And I would hope that we evaluate that carefully, and if those aspects are carried out well, that we can continue it.

There are some concerns we do have with it, and I guess one of the concerns is why is it just in a city, or why a city in the first place. When we look at the requirements that people need to have to qualify for that, I'm sure you would find many farms and farmers, small town communities, that would apply just as well and maybe even more so. Because the incomes that are out there in rural Saskatchewan in many cases are very pathetic and they need some of that kind of housing help as well.

And we'll be looking, hopefully, that if this program is deemed a success, that it will be carried over to rural Saskatchewan and the small towns of Saskatchewan be given that opportunity. Because all you need to do is go to many of our small towns in Saskatchewan and you will see housing that's just as bad, and probably even more pathetic, than some of the housing that they're referring to here in the cities. And I think that needs to be addressed and cannot be left out as this program continues.

Thank you.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member from Saskatoon Greystone rises to make a statement and requires leave. Is leave granted?

Leave granted.

Ms. Haverstock: — Thank you very much, Mr. Speaker. I'd like to thank the hon. minister for sending me a copy of the statement, and commend her for this initial action on this most serious, serious challenge.

I've received letters and numerous phone calls from low income individuals who are very, very worried about their inability to raise their families in decent housing. I support the method being employed to evaluate this new approach, and I want to be on public record for, not only thanking the city of Saskatoon and Mayor Dayday, but Quint community development corporation; you, Madam Minister; the Government of Saskatchewan, for taking this first step in solving such a very serious problem.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 222 — The Crown Corporations Accountability Act

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, I move first reading of a Bill, An Act respecting The Accountability of Crown Corporations.

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

WRITTEN QUESTIONS

Mr. Kowalsky: — Mr. Speaker, in the interest of open, accountable, and responsible government, I hereby table a response to question 47. And with leave, I would also like to table the answers to questions 58 and 59.

Leave granted.

The Speaker: — And I just want to check through . . . the government whip referred to question 47; I think you meant 57, question 57?

Mr. Kowalsky: — Correct.

The Speaker: — The answers to items 1, 2, and 3 are tabled.

PRIVATE MEMBERS' MOTIONS

Motion No. 4 — Provincial Disaster Assistance Program

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, in the spring season, quite often in our province we end up with the experience of flooding in some areas of the province. I know a number of years ago in my own area, in the Carrot River Valley, the river was very high and affected in an adverse way, properties of many of the people in that area.

But, Mr. Speaker, I don't think anything in recent memory

compares to what's happening in Saskatchewan, and happening in the northern United States and southern Manitoba, as we currently deal with spring run-off and spring flooding.

You know, Mr. Speaker, each night we see on television images of what is happening to people in their lives. I talked to an individual who had to travel out east the other day and as he was flying over, the pilot on the aircraft said, look out and see the nature of the damage that is happening in southern Manitoba.

(1430)

And he said literally, it seemed like an ocean as far as he could see from an aircraft travelling at over 30,000 feet of altitude. The magnitude was absolutely incredible and devastating. And in this great, vast amount of water what you would see were little pockets of farms and small communities valiantly trying to work and to try to establish a beachhead whereby they could protect their properties, and save their equipment, their machinery, and their homes.

And, Mr. Speaker, in many instances we realize that that effort has been in vain. We saw not very long ago, I believe in Grand Forks where not only was the community flooded, but the downtown section then was razed by fire; and the whole devastation of a community like that is just simply incredible, Mr. Speaker.

Mr. Speaker, we watch with horror when we see what's happening in southern Manitoba. We see that the communities were valiantly trying to protect their properties. We see farms and individual people valiantly trying to do what they can to protect their homes and their investments. And yesterday it must have been a horrifying experience to see the wind whip up as it did and have huge waves battling against the weak and very tenuous kind of dykes that had to be built to cope with this unprecedented level of flooding.

Mr. Speaker, last night we heard where a community had less than two hours to evacuate the community because the dyke was breached and two metres of water, Mr. Speaker, are now consuming over that whole community. I find it very hard to imagine what these people are going through, Mr. Speaker, how that affects their attitude about their future, about rebuilding, and what's going to be needed as this water recedes and they end up with inches and feet of muck and dirt in their homes; how you dry out the insulation in the walls and how you cope with rebuilding that, Mr. Speaker.

And I think members on our side of the House, and certainly on the opposite side of the House, have their hearts go out for people that are in that situation. Mr. Speaker, it's easy to let our hearts go out and reach out and express condolences and support for people in the United States or in our neighbouring province.

But, Mr. Speaker, at the same time we're doing that, we have not done what is necessary to do for the people of our own province that experience severe flooding through the South and now through Lumsden and the Qu'Appelle chain. There is a

great number of problems that we're experiencing in our own back door, Mr. Speaker.

And hence the reason why we wanted to engage in this debate today is to address the issues that are facing not only our families and not only the families of people in other provinces, but our families here right at home, Mr. Speaker, and including not only the families but the families' representatives in municipal government that have very much of a challenge in front of them in order to rebuild the devastation, not only to the families' assets but also to the assets of the community, the municipalities.

Across this southern part of our province, municipalities are facing a great deal of problems in terms of their roads being eroded, in terms of bridges and culverts being washed out, in terms of ditches being silted in. They have a huge amount of challenges out there in the southern area, where all the flooding has occurred, in order to rebuild their infrastructure, Mr. Speaker.

And, Mr. Speaker, I think that the purpose of what we need to talk about seriously today is how are we going to, as a government of the province of Saskatchewan, how are we going to deal with those serious concerns and those serious problems that our people have, Mr. Speaker. Because they have to be addressed. The formula for disaster relief, Mr. Speaker, is not adequate, and particularly because of the fact of the new reassessment. All the numbers are no longer valid and they've changed substantially in terms of a formula, resulting in the absolute numbers raising dramatically.

But my colleagues, who are much more knowledgeable on how this program works and what suggestions we have in terms of fixing it . . . are going to work, will talk more about that, Mr. Speaker.

Mr. Speaker, in trying to set the tone for the debate this afternoon, I think that it's important that what we talk about and focus on is what this does to families. Many people work their whole life trying to build an asset. And for most people, their main asset is their home.

And a home is a fairly sacred place that we all treat specially. It's not just a raw asset; it's just not numbers. It's something that we make a part of ourselves. We have the memories that we have of raising our children in that home. We have the memories of when we fixed up the rumpus room in the basement. We have all of those memories that become very much a part of who we are and what we are as a family and as a community.

And so when we talk about this issue, while the numbers are an important consideration to have to make, Mr. Speaker, we can never lose sight of the fact that we're talking about people and their memories and their lives and their remembrance of happy and good and wonderful, productive times with their families and with their friends in their home.

And so to imagine what people face when you have 3 metres of water coursing through your home—it must be incredible, Mr.

Speaker. We saw on television where people were trying to move their possessions from the basement up onto the main floor. We see water at 3 metres on the main floor. There isn't enough places you can move things.

And when this is all over, Mr. Speaker, when the water recedes, as it eventually will do in every instance, what's left? I ask you, Mr. Speaker, how do you fix the gyproc in the walls? How do you get the water and the must out of the insulation in the walls? How do you fix the siding? What long-term damage is done to that home that will be very difficult to ever replace the way it was originally, with all its memories.

How do you go through and ask people to take time from their lives, their jobs, in order to even begin to face the challenges of replacing their home, of replacing their property, of replacing those assets that are so much more than just dollars and cents, Mr. Speaker.

And so, Mr. Speaker, in engaging this debate this afternoon, I want us to focus not only on the numbers, not only on the issues that are needed in terms of assisting the municipalities and municipal governments both rural and urban, we've got to talk about the fact that we can't just deal with rural municipalities. We also have to deal with the real issues facing small communities, the towns and villages that have been affected by flooding.

We have to talk about all of these issues, Mr. Speaker, but I don't want us to ever lose sight of the fact that we're talking about people and something that is very precious to them.

And so, Mr. Speaker, I would like to move a motion, seconded by my colleague from Thunder Creek:

That this Assembly urges the government to waive the deductible on uninsurable damage under the provincial disaster assistance program, and further urges the government to exempt local governments from cuts to municipal grants in jurisdictions eligible under the provincial disaster assistance program.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Aldridge:— Thank you, Mr. Speaker. It is a pleasure to rise today and speak to the motion presented by my colleague, the member from Melfort-Tisdale. Before I begin my remarks, Mr. Speaker, I too would like to offer some words of thanks to the many people who have volunteered to help with flood damage around the province in recent weeks.

Just last weekend when I was visiting the community of Mossbank, I spoke with a gentleman there who had spent many hours in attempts to sandbag in the Gravelbourg community, a nearby community, and thanks to his efforts and those of many others, at least one farmhouse in the Gravelbourg area had been saved from some severe flood damage. But there's numerous examples of individuals such as that who have volunteered much time and effort towards trying to reduce the amount of

damage caused by flooding in this spring's flood problems.

Other examples include many dedicated municipal employees who have helped to mitigate and prevent the flood damage in recent weeks. I'd also like to thank the personnel of 15 Wing Moose Jaw, who donated their time to help sandbag in the Moose Jaw River valley. The work of these people is a testament to the Saskatchewan spirit of generosity and caring.

Our good wishes also go out to the many military reservists who have left Saskatchewan last week to help fight the floods in southern Manitoba.

Mr. Speaker, recently in this House the Deputy Premier was up suggesting that Saskatchewan residents are lucky we did not experience the flood damage which struck the Peace River area; Trail, B.C. (British Columbia); and other centres such as Grand Forks, North Dakota; and southern Manitoba. And for this, Mr. Speaker, we indeed can be grateful.

But while we can be grateful that our major population centres escaped the severe damage which hit a community like Grand Forks, the same cannot be said of our rural areas. While we do send out our prayers to the people of southern Manitoba, we must always remember that just because a disaster strikes a sparsely populated rural area like that of Coderre and Courval, it doesn't make the damage any less important or any less real. Even though there are fewer souls in rural areas, we should remain aware that their suffering is real and it has to be addressed.

Mr. Speaker, the motion before us today asks the government to reconsider its decision to place a burdensome deductible on those hard hit by flood damage. It also asks the government to reconsider its revenue-sharing grant cuts to municipalities in such areas as this. Particularly victimized in all of this are local governments and the many ratepayers who support them.

Mr. Speaker, in recent weeks my office has received many enquiries regarding flood damage. I've been approached on a whole range of problems related to flood damage. A number of farmers in my constituency are concerned about the rising flood waters that are covering their land.

Other farmers were given permission to build dykes to protect their property. In some instances all those dykes have failed and now they worry about how many years it will take before the flood waters recede and pasture and forage land could be re-established.

Other residents in my constituency have called me telling me that their Quonsets were flooded, their bins damaged, and their grain and feed supplies destroyed or greatly reduced in quality. I know of instances as we speak, Mr. Speaker, where there are farmers out busily unstacking many stacks of hay bales in an attempt to try and at least lessen some losses, try to allow some air circulation to dry a certain amount of this feed. And anybody who has had to feed cattle this past winter, knowing coming off of a very long and difficult winter, if you had to purchase forage supplies at the tail end of the winter it was a rather costly proposition.

Many constituents of mine have mentioned in terms of over a hundred dollars per metric ton that they had to pay for some feed at the end of the winter. So it certainly . . . if their attempts to recover some of this feed are unsuccessful, it will amount to some substantial losses for some of these individuals.

Other people have phoned me and said that their roads are being washed away. Highways are nearly impassable and roadbeds are very soft. I spoke to an individual this morning who speaks about the grid road heading south from the community of Marquis as being, from their point of view, a major road that they take to access their farm. But given the current conditions of the roadbed and the heavy traffic on that particular stretch of road *en route* to grain terminals in Moose Jaw, the road is already showing evidence of the beating that can be taken, given the severe conditions this spring, and the amount of truck traffic that will have to go over these roads in the very near future.

(1445)

Others are concerned that water levels are so high around some other roads that if a good strong wind will come up, white caps will be washing over the roads and damaging them. And I know we've saw some very dramatic footage of this very thing occurring in southern Manitoba in recent weeks.

Well, Mr. Speaker, I can tell you that the grid road south of Morse is one that's much like that. And in fact I think that's a rather famous road in some ways, if we looked historically back to some debates that have occurred in this House, I'm sure, over the years. The grid road south of Morse that was affected by Reed Lake was a source of political controversy in years gone by. And certainly the fury of Reed Lake and the winds of this current government have again dramatically affected people in the community of Morse and district.

Mr. Speaker, some other residents of Thunder Creek and neighbouring constituencies have been, in fact, concerned about being stranded in this spring's flood. They've been concerned not only for their own health but also for that of, in some instances, of their livestock, of their cattle herds.

I've encountered situations where veterinarians were not even able to access cattle herds at the request of the owners, given the severe circumstances — the flooding and the isolation that occurred. And in some of these situations it did lead to some substantial losses in terms of the calving season that was progressing.

Other constituents — and a number of them, Mr. Speaker — have called and suggested their concern over their children having to ride buses over the dam on Highway 363, south-west of Moose Jaw. Although this dam was needed to save the salt mine near Chaplin and the many valued jobs that go with that, my constituents want to be assured that something will be done to bring this highway and much of the rural infrastructure back to normal.

With spring seeding rapidly approaching, many residents are concerned that it will be difficult to move machinery from field

to field, particularly in the Old Wives, Coderre, and Courval areas.

A few weeks ago, Mr. Speaker, my colleague, the member from Wood River, and myself wrote to the Minister of Municipal Government and we indicated to her that our constituents were deeply concerned that the deductible under disaster assistance was just too high. While I'm pleased that the minister replied to our correspondence, I was disappointed that the minister believes that this program is, I quote: "reasonable." The minister argues that the deductible is reasonable and goes on to say in her letter that for an RM like Gravelbourg, the 3 mill deductible is \$16,000.

Well that, Mr. Speaker, municipally speaking, is no small sum of money. I'm told that in some RMs (rural municipality) the initial deductible will be 7,800; in others as high as \$24,000.

And what concerns my constituents most, Mr. Speaker, are situations where the damage is so close to the amount of the deductible that the difficulty of applying for it will not make it possible, or even worthwhile to do. And that, Mr. Speaker, is regrettable.

Our rural areas in the south-west and south-central areas of the province have lost much of their physical and social infrastructure over recent years.

According to recent statistics, this area of the province has often suffered more than most in terms of . . . and it's often behind other areas when it comes to employment growth. And I know I've stood in this House on occasions in the past year and pointed out this very real regional disparity in terms of employment opportunities, where we have lost in the south-west many thousands of jobs in recent years.

Mr. Speaker, when a local area is losing infrastructure, but more importantly has few people to cover the cost of repairing and replacing damage, even damage that's covered under disaster assistance, is it wise for governments to insist upon having such a high deductible? There are few taxpayers in many of these areas, and in some of them the damage is very extensive.

Many of these people sit back and watch while they pay for deer damage in winter, even though the government has made it much harder to hunt. Now the minister wants them to bear an unduly large burden resulting from flood damage as well.

Mr. Speaker, while my constituents and others across the province will be grateful for whatever assistance they receive, they still will be bearing an unduly large burden if this government does not reconsider the heavy burden that's posed by the presence of this large deductible.

Mr. Speaker, even if municipalities have enough damage to cover the 3 mill equivalent deductible according to the current regulations, they'll have to cover half the cost of the next 3 mills of equivalent damage, and three-quarters of the following 3 mills; and then for the remaining damage they'd be forced to cover 10 per cent of that cost. Well in one RM in my

constituency, the total from this flood damage adds up to about \$60,000.

Well part of the problem here was worsened by the provincial decision to no longer cover 100 per cent of bridge replacement and repair. That decision alone may cost this municipality thousands more dollars, Mr. Speaker. And I do know in discussions with the officials of this particular municipality that the shame of it is that in 1992, I believe, this one particular bridge that has now been destroyed was in fact just constructed at a tremendous cost; and now left to start all over again.

Mr. Speaker, those costs for a community with 2 to 300 people are enormous costs indeed. The damage caused by flooding, Mr. Speaker, was made worse by cuts to municipal grants. Given the government's insistence on continuing with these cuts, the least they could do for some of these small, rural communities is to reconsider the high cost of the deductible. But, Mr. Speaker, I believe that they should do both.

The RM of Rodgers recently sent me a letter, Mr. Speaker, and in their correspondence they indicate just how upset they are with this government's decision to cut their grants by as much as 60 per cent. This government promised in its last budget that the cuts would be around 25 per cent for all municipalities. While they weren't happy with those cuts, they had prepared for them in good faith.

What they got instead was a shocking 60 per cent cut, and to top it off, an unexpected, disastrous flood. The total damage to municipal property is estimated at \$500,000 in this one municipality alone, Mr. Speaker, and also estimates to private property damage are something in that neighbourhood and still being assessed. The damage is severe, and for a community of less than a few hundred souls, this sort of damage is devastating and very demoralizing.

I know I've spoke, Mr. Speaker, in this House in terms of the amount of VLT revenues that are removed from the Thunder Creek constituency on an annual basis, in something in the order of . . . in excess of 1.3 million in the last year alone. I know the community of Coderre, having a VLT location there, that it's particularly saddening that more can't be done in this situation, given that I've heard stories that in one weekend alone there might be \$8,000 removed from the community of Coderre in VLT revenues.

Mr. Speaker, the motion before us today therefore, it's not one about scoring political points; it's about simply asking for more money; it's about showing some compassion to communities and individuals who were hit hard by flooding.

Mr. Speaker, recently all parties showed their compassion and concern for flood victims. They did this for other provinces and other jurisdictions. Today I'm asking everyone to show similar concerns for residents of their own province. While the pictures may not look as impressive as those coming from Grand Forks or southern Manitoba, the damage faced by the good people of the RM of Rodgers and many other communities like them is no less real and deserves no less compassion.

Mr. Speaker, we hear on occasion the members opposite expressing concern about the future of the transportation system and about backlogs in grain movement. If the members opposite are concerned about the transportation system like they say they are, then I would ask them to match those words with actions. If they want to say they are compassionate, then show some compassion. If the members want to say they're concerned about transportation issues, then take action and show just how concerned you really are.

I ask the members opposite and the government to do whatever it takes to fix this damaged infrastructure. They could start by reconsidering this high deductible, and reconsider revenue-sharing grants to such municipalities. If they want grain to move or if they want farmers to be able to move equipment to fields to grow it, then they can help by leaving money in local communities where it can be used to fix roads and rebuild our damaged local transportation network.

Mr. Speaker, before concluding my remarks, I'd like to raise one last issue. I know the members as usual will blame everything on the federal level and ask us to get our federal cousins to provide some more money. Well I can assure the members that my colleague, the member from Wood River, and I have already written to the federal minister responsible for emergency preparedness and we have asked for help.

And it is my hope that the members will support this motion and work cooperatively with us and other levels of government to see much of this damage repaired in a fair and equitable fashion. I thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. I would like to join my colleagues, Mr. Speaker, and express my concerns for the people of the south-west and south-central part of Saskatchewan, having experienced this two years ago, Mr. Speaker, when I was still reeve of the RM of Saltcoats.

We've had much flooding and many roads washed out in our constituency and I can feel for what these people are going through, not only in the destruction it causes but in the costs that it leaves behind when mother nature kind of shows her wrath out there. And I think, Mr. Speaker, you would have found it very amazing to see the damage that could be done within a matter of an hour when the water came that spring, and I'm sure it's been the very same in the south-west and south-central areas.

We had one piece of road — I can remember it well because I've never seen anything like that in my life — it was about 100 feet long and about a 20-foot grade that within . . . I think it was about 6 o'clock at night it was in perfect shape, and by 8 o'clock it was totally gone. It was amazing just to see the destruction that could be caused. There was 10-foot by about 2-foot thick pieces of clay just picked up by the water and gone, and when it got down as far as the culvert it was picked up and gone. And it was an amazing sight to see, but as a rural taxpayer it was frightening because you knew somewhere down the road that someone had to pick this up.

And the same I guess, is what we're talking about here today for the people in the south-west, and I don't think I can even say I can imagine what the people in Manitoba and North Dakota are going through because I don't think we've ever been in that serious a situation. And I'm sure we all extend our sympathies to them and would wish them the best.

Mr. Speaker, I don't understand really how the government members can do anything but support this motion. With all the pain they have artificially inflicted on local governments, both on rural municipalities and communities, the least the NDP government could do is recognize the error of its ways and lend as much support as possible during these times of natural disasters.

Two years ago the 3 mill deductible for municipal governments was quite expensive when the flooding ravaged the east-central regions of the province, as I have described. In this case the government did recognize that additional assistance was necessary and lowered the deductible to 1 mill for the rural road building program, etc.

But the story was not the same just down the road in Langenburg, Mr. Speaker. The town was forced to pay the full 3 mill cost even though most of the expensive flood damage was done within . . . inside of that community. Why was there such a double standard, I still don't know. Were the roads in Langenburg viewed as less valuable than the roads in the surrounding rural areas? Why didn't the government offer the same level of assistance to both? And I still wonder that, Mr. Speaker.

That issue aside though, the fact of the matter today is that circumstances have changed. The massive offloading of funding cuts onto local governments is making it nearly impossible for those municipalities who are suffering flood damage this year to even meet the deductible requirements. We need not look any farther than the hard and fast budget-slashing measures that the members opposite have inflicted on local governments of all kinds.

These governments . . . these cuts in municipal revenue-sharing grants total more than \$25 million, and that's only what we've seen so far. I honestly believe that they are far deeper than that. That's \$29 million that municipalities are forced to make up on the backs of the local taxpayers, or cancel important maintenance and construction projects altogether.

This is an extremely serious matter, Mr. Speaker. There is a sense of despair among some rural and town administrators, who are telling us that they might have enough funding to build 1 kilometre of road during this coming year, or maybe not even be able to repair the streets that are in dire need of it. I wonder if the government members can explain just how much can be accomplished by funding 1 kilometre of road. I'll answer the question for them — not much. In fact the only objective this devastating underfunding of local governments is accomplishing is that it is literally tearing up smaller communities and rural areas.

People who live on the outskirts of major urban areas only have

to drive a few miles down to the nearest road to measure exactly what kind of commitment that this government is making to these communities. When these same people are attending public meeting after public meeting in order to justify the operation of their local hospital or health care centre, they know exactly what kind of commitment this government is making of their communities.

(1500)

When town officials, school board trustees, and rural administrators are sitting down to argue who should suffer the most pain because of unfair reassessment allocation, and when they are deciding just how high they will have to set their new mill rates, they know exactly what this government commitment is to Saskatchewan communities. Over half of the RMs that I have contacted have informed me that they are being forced to hike their mill rate dramatically this year.

When Saskatchewan property owners sit down and write the cheques for their new reassessment values and realize that this NDP government is so seriously underfunding education, that they are now picking up 60 per cent of the tab of those costs, they know exactly that this government's commitment is not much to local communities. When thriving small towns are forced to fight to keep their schools open, even nearby thriving industry could mean more families would like to relocate to that community, but they know exactly what this NDP government's commitment is to local communities.

Now how can the NDP members opposite stand up and justify how they are once again turning their backs on Saskatchewan people who are already struggling because of this government's policies. What possible excuses can they find this time to ignore the welfare of Saskatchewan people who are doing all they can to overcome the disaster at the hands of mother nature.

I believe that waiving the deductible on uninsurable damage under the provincial disaster assistance program, and exempting some of the communities from cuts to revenue sharing, is the least that the government could do.

If we look across the border to Manitoba and the terrible destruction that is weaving through the Red River Valley, we see all levels of the government working together to help out Manitoba people as much as possible. The Prime Minister himself was out to survey the damage and what is being done to protect the homes, and to offer his assurances that the federal government would do what it can to help.

As I was driving into the city this week, I met with one Armed Forces vehicle after another heading east. Our Armed Forces are pitching in to help build temporary dykes and help with the evacuation operations. There are people in nearby communities who are giving all they have to help out their neighbours. They are working around the clock filling sandbags and whatever is needed.

People in towns that are safe from the flood waters are opening their doors, Mr. Speaker, to friends, families, and strangers who have nowhere else to go. There are people from all across

Canada who are offering their support, both financially and along the front line.

If there can be any good resulting from such widespread tragedy and destruction, it is that the community spirit that is the foundation of this great country shines through in time of crisis.

Likewise in Saskatchewan, the early pioneers founded this province on tough determination and gritty community spirit. When it was time to harvest the crops, everyone pitched in at one neighbouring farm after another to get the threshing completed. If someone's barn was on fire, everyone rushed to help put it out; if damage was too severe, then everyone pitched in to help raise a new barn.

These are the principles that Saskatchewan was built on. And even though the members opposite base their party philosophy on this cooperative theme, their own government has done more to tear at the social fabric of Saskatchewan during the past five years than at any other time in this province's history.

The savage revenue-sharing cuts, the chronic underfunding of Saskatchewan education, and the disastrous health reform process are pitting neighbours against each other. Why should they have to fight each other in order to preserve essential services? Is that what this government's grand scheme is, to divide and conquer? I think so. Because that is exactly what is happening out in rural and small town Saskatchewan, Mr. Speaker.

Now we have municipalities trying to plan their future without funding for the futures programs, which this government cancelled. Local governments are trying to complete and plan new road construction projects without the farm road . . . access road program, which this government axed this spring.

And, Mr. Speaker, those that don't have enough funding, complementary funding, to use their infrastructure money are being told to pass it along to the neighbouring RM, and even though many don't currently have agreements in place to transfer the funds. And I think, Mr. Speaker, knowing from experience, I would really be disappointed if I had to pass along federal money and provincial money to a neighbouring RM because my RM could not match those funds.

There is a seriously growing sentiment across the province that the NDP are abandoning small communities in rural areas. Mr. Speaker, I certainly cannot blame people for thinking this way. This government gives them proof of this theme every day.

A leaked government memo clearly stated that the Minister of Economic Development has no grand economic strategy for rural Saskatchewan. The disgusting shape of our highways and roads, and the constant fight to preserve health care and education services in these areas, is a testament of abandonment.

Mr. Speaker, the fact that these communities are surviving in spite of this NDP government . . . now some mayors, reeves, and local administrators who are trying to help people affected

by spring flooding, are asking for the government's help by way of waiving the deductible on insurable damage to the disaster assistance program.

It is a duty of members opposite to accurately represent the people who elected them. So in fact they are democratically bound to consider the measures put forth in this motion.

Some communities and municipalities need to overcome massive expenses incurred by recent flooding. They are facing washed-out bridges, roads, and some farm land. These people need help now, Mr. Speaker. Those farmers that can soon start their seeding operations will be increasing the traffic flow on already damaged roads. Safety of all Saskatchewan citizens should be this government's number one priority.

The Minister of Municipal Government has told the member from Thunder Creek that she believes the 3 mill deductible is reasonable. She maintains this statement even after dozens of communities and municipalities have written and phoned her to tell her otherwise. Is this just another case where the government believes it knows best and that the people of Saskatchewan do not know what is in their best interests?

This government must offer the assistance that these communities so badly need. If it chooses to ignore this motion and refuses to offer any more practical solutions, Saskatchewan residents hit by flooding become further victims to the arrogance of this NDP government. This is a sign of a government that is losing touch with the very people who they say elected them to represent them.

Mr. Speaker, Saskatchewan people will do their best to survive the destruction doled out by mother nature. They have done so in the past through floods, fires, and tornadoes, and I have faith they will do so again. But I have absolutely no doubt that when it comes time to mark the provincial ballots, the damage that the government has done to Saskatchewan will be reflected in how the people vote, and I am convinced the government will not survive.

Mr. Speaker, I urge all the members opposite to seriously consider what challenges and struggles the people in flood damaged areas of Saskatchewan are facing. If they have seriously given some thought, then they will undoubtedly support this motion, because it would offer much needed government aid in time of crisis.

Mr. Speaker, I would just like to touch on for a moment some of the cuts. And I think why I'm touching on this — because it bears touching on — because it shows where some of these municipalities have been downloaded on and why they cannot afford to pick up the whole tab themselves.

I'd just like to bring to the attention of the House, Mr. Speaker, for an example, the RM of Pleasantdale, whose conditional grant was \$64,000 and is now 15,000. Their unconditional grant was 57,000; it's now 37,000. Their maintenance grant was 7,000; it's now 6,200.

So that one RM, Mr. Speaker, is thousands and thousands of

dollars less than they were receiving even last year and already having been cut since '91. The RM of Kelvington, 54,000 conditional grant last year; \$21,000, Mr. Speaker, this year; \$61,000 unconditional grant last year; 38,000 this year.

So, Mr. Speaker, I guess what I'm saying, the trend goes on all across the province and only some of the RMs have responded to this time. But I think the message I'm trying to get out there is that these RMs are in the same boat, have had their funding cut to a degree where they just do not have funding for a natural disaster such as flooding.

Mr. Speaker, as I said before, my area was flooded two years ago; so I believe I have firsthand knowledge of what the destruction can be caused out there. Mr. Speaker, the downloading that has happened in some cases has been as much as 95 per cent for RMs. So it leaves absolutely no room for unexpected costs that come from flooding.

And I might add to this, Mr. Speaker, as we have seen, grain prices went up a couple of years ago and then last year started a turn downward. Incomes have gone down and we had kind of a . . . I don't know. It's kind of a myth out there that agriculture and farmers are in good shape.

And I would suggest that this myth is caused by such things as the Crow pay-out last year; other things like the Wheat Pool equity that was cashed in for some farmers to survive. But in doing that, it made the income of farmers look much greater than it actually is and I think it's put a lot of people . . . relaxed a lot of people, to think that the problem out there in agriculture has gone away.

Mr. Speaker, let me tell you from experience and from the experience of my neighbours and from the farmers I have talked to across this province — the problem has not gone away. In fact as one lawyer had mentioned to me a couple of weeks ago that deals only with farm debt and farm foreclosure, that a year ago he had as many as five farmers a day coming in with bankruptcy problems, farm foreclosure. And then he said it was surprising because that number fell to approximately one a day, which was a great turn for the better. But guess what, Mr. Speaker? We're back up to two and three a day.

So I think what that says to me, and it should say to everyone here, that the problem is increasing out there in agriculture and it's not going away. What he did tell me, that the difference in the problem this time, Mr. Speaker, is he's seeing much larger farmers going under, going through receivership, going into bankruptcy. And that tells me the problem is probably even worse than before because the amount of dollars we're talking about are far greater.

So, Mr. Speaker, I think we have been left with a false sense of security that agriculture is doing well when I think most of us from rural Saskatchewan, and by that I mean the members of the third party, the members of our party, and definitely the members of that party across, should know that there's a serious problem out there. Let's not close our eyes and think it's going to go away.

Now by not funding these municipalities and these towns out there that have a problem right now, I believe what we're doing is once again turning our backs on people in need.

And, Mr. Speaker, we know how these natural disasters draw people together out there. And I would suggest that just watching out there and watching these people work together should be an incentive for the government across to bite the bullet and stand behind these people and assist them at a time when they cannot assist themselves with money on account, if for no other reason than the funding cuts that we have seen.

Mr. Speaker, I believe that's all I have to say at this time. I would say, let's for once stand beside these people instead of standing away back behind them and watching what happens out there. Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

(1515)

Mr. Krawetz: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, the motion that is before the House today, I think is one of grave concern and it is one that must be dealt with appropriately by this government.

We have seen over the last three years that not only will floods occur in river basins, but they will occur in very, very unexpected areas. East-central Saskatchewan faced those problems a couple years ago and we saw massive damage, as my colleague from Saltcoats has indicated. And I think at a time that occurs, when that time occurs, we see people pull together. We see people express their support to people that are affected.

And we have tremendous damage. We have RMs today, Mr. Deputy Speaker, who are still struggling with that damage that occurred back then. Roads don't get built overnight or rebuilt overnight. We don't see the replacement of culverts, or pipe as they're referred to, occur very quickly. And as a result, you end up with the very poor road condition. We are still facing those conditions where massive grades were washed out and the attempt to rebuild them during the summer occurred, but as a result you still end up with soft spots and you still end up with, as my colleague has pointed out, a safety problem.

So we must not look at this question and this whole matter of supporting RMs, supporting individuals, very lightly, Mr. Deputy Speaker. I think it has such a very strong implication that when I look at the conditions that are put forward in the motion, I think it is a very, very important issue. And we shouldn't be blinded by partisan politics.

For this reason, Mr. Deputy Speaker, I urge the members opposite to take off the political blinders for the day and listen to the logical arguments put forward from this side of the House. These are not Liberal arguments, Mr. Deputy Speaker. They are the pleas from individuals and communities which have been hit hard by the recent floods.

Because, Mr. Deputy Speaker, the massive cuts made by this

government in the last budget, these communities do not have money available to put forward the deductible for the disaster assistance program. And that is an undeniable fact.

Today we are urging the government to waive the deductible on uninsurable damage under the provincial disaster assistance program.

I suspect that the government will make the argument that the current guidelines have been in place since 1993 and that they have served us well thus far. I suspect this will be the argument; that this has been the argument put to us by the Minister of Municipal Government when previously lobbied to waive the deductible. She has made that point, Mr. Deputy Speaker.

It should be noted that in 1993 when the government approved the current deductible, which is the equivalent of 3 mills of taxation, they increased the deductible by five times the previous amount. Well, Mr. Deputy Speaker, if indeed these guidelines serve the government well, I might suggest that they have not served the municipalities well at all.

Moreover, 1997 saw a record level of flooding in the province, which means a higher utilization of the fund than from 1993 to 1996. Or at least you would expect this to be true, but maybe not. I say this, Mr. Deputy Speaker, because 1997 was not only a bad year for municipalities because of mother nature that hit them hard, but because the members opposite slashed the budgets of some municipalities by as much as 95 per cent.

These cuts have left many municipalities which need the support of the provincial disaster assistance program in a position where they cannot afford the deductible up front. Mr. Deputy Speaker, what will these communities which cannot afford the deductible do? Simply not repair the damages?

Everyone in this House who comes from a rural community knows full well that's not a decision that the RM people can make. As my colleague has pointed out, we are moving into the seeding season and the traffic on roads will be increasing steadily.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — And as a result, Mr. Deputy Speaker, as a result, Mr. Deputy Speaker, the conditions must be repaired. And they must be repaired now.

The government has suggested that it will wait until all of the water subsidies to assess the damage before it makes any commitment to further fund the municipalities.

Mr. Deputy Speaker, municipalities are faced with very limited budgets this year because of government cut-backs. And as the members opposite should well appreciate, if they are going to get on with the function of governance, they must have some clear indication of the money which will be left after they have dealt with the floods. It's not something magical, Mr. Deputy Speaker.

Today we have put forward a reasonable suggestion that this

government can adopt immediately to the flood-stricken areas of Saskatchewan. Mr. Deputy Speaker, the government must agree to waive the deductible for the provincial disaster assistance fund. Communities need an answer and they need that answer today.

Mr. Deputy Speaker, all too often what we are seeing by this government is a lack of leadership, and in fact a lack of compassion for these individuals and communities of individuals which need them the most. First our seniors, then our children — now the provincial government is failing to help the victims of recent floods. It is bad enough that the government slashed municipal government budgets this year, but for this government to not reach out and help them in time of their need is simply not forgivable.

Mr. Deputy Speaker, I am going to say to the members opposite one more time, please, we urge you not to make a political issue out of this. The province needs to stick together in times like this. We have put forward a good suggestion today in the Assembly, one which this government should have no good reason to oppose except, Mr. Deputy Speaker, this solution was put forward by the opposition.

And, Mr. Deputy Speaker, the people of this province have stuck together through this disaster. If there is anything good which comes out of a disaster, if anything can, Mr. Deputy Speaker, it is that communities band together to battle a common enemy. And we have seen this happen across the province, as indeed it is presently happening in southern Manitoba and North Dakota.

Not long ago, Mr. Deputy Speaker, the member opposite from Swift Current rose in the Assembly to tell us that the people from his constituency worked through the weekend to prevent disaster to their city. The Red Cross set up an emergency station and the RCMP worked round the clock. Community members also worked through Saturday and Sunday to build a 500 metre long sandbag wall using 30,000 sandbags.

Mr. Deputy Speaker, there is no doubt that the people of this province, be it Swift Current or in Moose Jaw, which lost many bridges, or in Ponteix, which lost three roads, individuals from these communities worked diligently to minimize damage.

I would like to take a moment, Mr. Deputy Speaker, and applaud the many people who worked very hard to save not only their land and homes but their neighbours' homes as well.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you. I think we can all agree that the people of this province are truly remarkable people. To everyone who helped minimize the damage, we applaud you.

Moreover, Mr. Deputy Speaker, today and in the days to come, our thoughts and prayers go out to our neighbours to the east in Manitoba, and to the south in North Dakota. The extent of the flooding and disaster in those areas are I think, beyond comprehension. And I'm sure members will agree that we've watched — over the last number of weeks — we've watched

the media relay to us through television, the massive damage that is occurring. And for adults, I guess we look at possessions and we see the homes, we see the yards, and we see the tremendous destruction that can occur so quickly. And of course this is years of investment, huge dollars that have been invested.

But, Mr. Deputy Speaker, the interpretation by someone younger than me, a teenager — my daughter — this weekend brought to light just how she sees this. And I believe it was on Friday night they showed a clip of a farmer who had transported his livestock — as many as he could — to areas of higher ground, he had transported his produce, and they were leaving in a boat, Mr. Deputy Speaker, that was powered with an engine. And as they were leaving the farmyard, and it had this nice gate-type entrance, it showed the cat that was at the top of the fence. And my daughter was very, very upset that this farmer left the yard, and indeed that cat has nowhere to go. There's miles and miles and miles of water, and she was very upset with that, Mr. Deputy Speaker.

The people of Saskatchewan have committed their time and effort to minimize the damage. They have done their part, Mr. Deputy Speaker, but the work is not done. Now that most of the flooding is done, the clean-up and repairs will be very lengthy and a very expensive process. The communities have done their part, Mr. Deputy Speaker. Now it is time for the members opposite to do theirs.

The first step in doing this, Mr. Deputy Speaker, is for the members opposite to do their math. The minister for Municipal Government continually abdicates her responsibility for the cuts made to the municipalities. She excuses the cuts made to the municipalities by stating that municipalities received forewarning of one year that there would be cuts of 25 per cent. That in and of itself certainly is not an excuse.

As we are . . . as we hear the member opposite complain every day about federal cuts which constitute a whopping 1.5 per cent of the total provincial budget. Members opposite received adequate forewarning of federal cuts to the Health and Social Transfer. And what did they find out yesterday, Mr. Deputy Speaker? They found out that these cuts would not be happening.

Well, Mr. Deputy Speaker, the municipalities were not as fortunate as the provincial government. They may have received a full year warning that the government would be slashing 25 per cent of their budgets, and some municipalities did get somewhat prepared for these cuts, but instead of receiving good news like the provincial government received yesterday from the federal government, the municipalities realized on budget day that the cuts would be far worse than they had expected.

Mr. Deputy Speaker, it is time that the Minister of Municipal Government, along with the Minister of Finance, go back to their budget and admit what everyone else already knows. The cuts to many municipal governments far exceeded 25 per cent of their budget. As my colleague from Saltcoats has mentioned — many, many times the cuts to some RMs produced levels as

high as 95 per cent.

Mr. Deputy Speaker, allow me to repeat to the members opposite: some of the municipalities which were hit very hard by this government's offloading — I do this in hopes that the members opposite are listening. Mr. Deputy Speaker, especially the minister responsible for these RMs, and that they will go back to the books, do the math, admit that the cuts are too much and the fact that they are in excess of 25 per cent — the list is this, Mr. Deputy Speaker: RM of Shellbrook received a reduction of 61 per cent; the RM of Rosthern received a reduction in conditional grants of 65 per cent. The RM of Langenburg received cuts of 74 per cent; RM of Meota, 66 per cent; RM of Meadow Lake, 91 per cent; RM of Golden West, 95 per cent; and there are many that I could add to this list, Mr. Deputy Speaker.

The minister has been suggesting indirectly by her statements that the people in these RMs are imagining these cuts. Well let me say to the minister that on this side of the House we have more faith than that in the people of this province. I find it highly unlikely that the people from the RM of Golden West have miscalculated the cuts they received by 70 per cent. So, Mr. Deputy Speaker, unless the minister is going to state that the municipalities are daydreaming these cuts, she had better face the reality that her government has cut municipalities to the bone, to the point where the deductible for the disaster assistance program has become simply too high.

(1530)

In closing, Mr. Deputy Speaker, I would like to put forward the pleas we are hearing from flood-stricken municipalities one more time. Many communities in rural Saskatchewan are experiencing a great deal of loss because of the recent flooding. This damage simply magnifies the continual loss being dealt to rural Saskatchewan. In this state of disaster, Mr. Deputy Speaker, we ask the provincial government to relent from their tirade on rural Saskatchewan and provide them with much needed disaster relief.

The first step in doing this is to admit that many communities cannot afford the 3 mill deductible. I urge the members, Mr. Deputy Speaker, opposite to avoid making a political issue out of the loss of Saskatchewan residents and join with us and support this motion.

Some Hon. Members: Hear, hear!

Mr. Whitmore: — Thank you, Mr. Speaker. We see the natural disaster that's occurring — as being referred to by other members today — not just in this province, but the severe natural disaster in Manitoba and the flooding, basically the creating of the south-western Manitoba into a lake, the flooding in North Dakota and Minnesota, and the damage that it's occurred there.

I had the opportunity, Mr. Speaker, 18 months ago to cross . . . I was reading *The Globe and Mail* last week and saw the bridge in Grand Forks that was crossing the river and you could just see the top of such a bridge. And I crossed that bridge 18

months ago when I travelled through the town of Grand Forks, and then tried to understand the damage that had taken place in that very beautiful community. And trying to understand the damage that had taken place in homes and in communities, as the member from Melfort-Tisdale talked about — that kind of damage. The damage to the farming community — at that time, we were seeing them harvest sugar beets and potatoes — and the damage to that land.

No, this isn't a political issue. Natural disaster is not a political issue.

What I saw yesterday when there was comment about sandbagging in Winnipeg and when someone said there . . . he talked about the community spirit and he talked about the community spirit of the Prairies and how people come together in natural disaster.

We're not immune just to flooding, Mr. Speaker. We saw what the devastation of tornadoes can do in this province in the community of Pilot Butte.

We have seen when mother nature can do other cruel things, in terms of forest fires in northern Saskatchewan that threaten communities, that damage those communities when we have forest fires, and where people come together in terms of natural disasters.

I refer to the '80s, Mr. Speaker, and to the members in the south-west when we talk about the question of flooding, which it's good to see the water compared to where we were in the '80s when we saw a natural disaster that lasted a decade in terms of the drought of the '80s; where water was in short supply and a great deal of damage took place, Mr. Speaker.

But my comments of congratulations go out to those people, to those individuals in communities that work to protect their communities. My thoughts and thank you go out to those people of this province, in terms of the municipalities that work and plan in terms of disaster relief.

My congratulation also goes out — who the members opposite forget to mention — to those people who work for Sask Water, who work very hard in terms of working with flood protection, who work very closely in telling the communities when the floods were coming as best they could, in terms of telling people there is danger and when it was going to occur — as they're doing in Manitoba right now. These are the people we need to thank, Mr. Speaker.

But the interesting thing today is that when we heard a discussion and a debate in terms of solutions to the problem and we try to work with these municipalities and the federal government to work with things, the Liberal opposition said it's not being a political problem. Then we got into the discussion of reassessment and how that all worked.

I don't have the time today, Mr. Speaker, to go in and discuss the questions of the merits of reassessment or why it occurred. That itself would take a great deal of time.

But it is important, Mr. Speaker, that we deal with the question of those people who have succeeded in providing those services to those communities in terms of providing those protections of flood relief.

We also need to commend the municipalities and SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) and the work that they did with the provincial government, recognizing with reassessment the 3 mill deduction had changed under reassessment. And we dealt with trying to find a solution to that. And I commend those people too, Mr. Speaker.

My time is short today, Mr. Speaker. So with that, I would like to propose an amendment to this resolution that I think sends a much better message to the people of Saskatchewan. And I have an amendment, moved by myself, seconded by the member from P.A. (Prince Albert) Carlton. And I will now read the amendment:

That all the words after “this Assembly” be deleted and the following substituted therefor:

Commend the Department of Municipal Government for working with SUMA, SARM, and municipalities to adjust the provincial disaster assistance program deductible formula which was affected by the 1997 reassessment, to ensure that the program remains reasonable, cost-effective, and fiscally responsible to all residents.

We also commend municipalities across the province for cooperating with the provincial and federal governments in preserving the benefits of the current federal-provincial-municipal approach, and accountability by all levels of government.

We also commend all levels of government, agencies, and volunteers who are working together through emergency measures protocols, to minimize the damage caused by this spring's floods in Saskatchewan.

I so move, Mr. Deputy Speaker.

Mr. Kowalsky: — Thank you, Mr. Speaker. Mr. Speaker, we've heard considerable debate on this motion but we also would like to proceed to a motion this afternoon which deals with a proposal by the federal government that we harmonize our tax with them. And so that we can go to the debate on that motion, I move that debate on this current motion now be adjourned.

Debate adjourned.

Motion No. 5 — Opposition to Tax Harmonization

Mr. Van Mulligen: — Thank you very much, Mr. Speaker. Mr. Speaker, I was very interested to hear in a previous debate this afternoon, the member for Thunder Creek, in material explanation of his remarks, used a phrase or said something to the effect that we in the NDP — that is we in the government side — we in the provincial government were inclined to blame

everything on the federal government.

Not true, Mr. Speaker. Not true. I think there are many instances, many instances where we have shown that we want to work with the federal government whether it's on national unity issues; whether it's a national infrastructure program; whether it's issues related to child poverty; whether it's issues related to the Canadian Wheat Board; whether it's the Moose Jaw air force base, I think that we have shown that we want to work with the federal government for the betterment of this country and for this province, Mr. Speaker. We have demonstrated that time and time again.

No, Mr. Speaker, where the confusion comes in for us is that the federal government seems to be wholly incapable, on many issues, of taking a consistent and coherent stand, Mr. Speaker. That is what concerns us, Mr. Speaker.

We have in Canada an old saying that the Liberals in opposition tend to act like the NDP. That is to say, they put the interests of the people foremost. But in government they govern like the Tories; and that is to say they put the interests of big business foremost, Mr. Speaker. And that is what we're seeing from the Liberal government in Ottawa and that is what concerns us about the Liberals.

And I think the member from Thunder Creek is mistaken, Mr. Speaker, when he says that we blame everything on the federal government. We are wholly concerned about the direction that they have taken. Is it any mistake, Mr. Speaker, that before the last federal election the Liberals of the day said that we are opposed to the Free Trade Agreement, but their first act as a government was, if I remember correctly, to expand the Free Trade Agreement.

Also, Mr. Speaker, before the — let's take another topical issue — before the last federal government the Liberals said, we are committed to maintaining the Canadian Broadcasting Corporation. We are opposed to the cuts that have been initiated by the Mulroney PC (Progressive Conservative) government. But one of their acts as a federal government has been in my mind to gut the CBC (Canadian Broadcasting Corporation), Mr. Speaker.

So is it any wonder that we are concerned about their direction? Blame, Mr. Speaker? No, not blame, just confusion as to what to expect on many issues from the federal Liberal government, and for Canadians, Mr. Speaker, who are confused about who it is that they elect. They elect a white knight who turns out to be Attila the Hun, Mr. Speaker, that is their concern.

And that is why the motion before us, Mr. Speaker, is a timely one because it speaks to an issue that is of great concern to many Canadians. And that concern is about the goods and services tax, the GST as it's known, and what is to become of this tax and what will the Liberal government, if re-elected, do with this tax in Saskatchewan if given an opportunity, Mr. Speaker.

So this motion is a timely one. And, Mr. Speaker, at the conclusion of my remarks I will be moving a motion that this

Assembly affirm its continuing opposition to the harmonization of the provincial education and health tax with the federal goods and services tax, as first proposed by the federal Conservatives and later implemented by the federal Liberal government in some parts of Canada, Mr. Speaker.

That is the motion that I will be putting forward. That is the motion that I think is very timely for all members of the Assembly — all members of the Assembly — for the government side, for the Liberal opposition, and for the PC opposition to make their remarks and to let us know exactly, clearly, without any equivocation, where it is that we stand on that important issue, Mr. Speaker.

And I say this because I don't know if it will become an issue again. Will it impact Saskatchewan people? Will the federal Liberal government if re-elected take their harmonization of the goods and services tax with the sales tax in the Maritime provinces. Will they take re-election as a signal to continue the work that they had done? Will they use financial levers to try to force the provinces to, if you like, join up with their harmonized sales tax, Mr. Speaker?

I think we need to make it crystal clear even while this federal election rages around us — to make it crystal clear where it is that we, representing Saskatchewan people, stand and where we stand clearly on this most important issue, Mr. Speaker.

Some Hon. Members: Hear, hear!

(1545)

Mr. Van Mulligen: — Mr. Speaker, I want to take just a few moments to look at some terminology because we'll be using many, not acronyms but initials in this debate, and we'll be using certain terms. And I want to take a few moments to explain them.

First of all the PST (provincial sales tax). This is also . . . or more correctly is known as the education and health tax. This is a sales tax imposed on Saskatchewan people at a rate of 7 per cent on a limited range of goods that are transacted in the province. Okay. It has limited application. That it is to say it does not apply to all items in Saskatchewan. It applies to many items in Saskatchewan, but not all.

There are many notable exemptions in Saskatchewan. These exemptions include food, including restaurant meals and snack foods, and of course foods that we buy in a grocery store; drugs and medicines; children's clothing; reading materials; residential electricity and natural gas. And in addition the E&H (education and health) tax does not apply to most services including personal, professional, and repair services, Mr. Speaker. So that's the provincial sales tax.

Now one of the features of the provincial sales tax is that businesses who purchase certain items that they need for their businesses do not pay the E&H tax or the provincial sales tax on those items. They have to pay the tax on those items.

The businesses also have to pay any taxes that they collect to

the provincial government on items that they sell. As to say they sell a good to a member of the public and that good is subject to the tax. They collect the tax. That is the tax they then remit to the provincial government.

Now the GST, or the goods and services tax, is a federal tax. It also has a rate of 7 per cent, but it has a much wider application than the goods and services tax. Where earlier I mentioned that the provincial sales tax or the E&H tax does not apply to a wide range of services, including professional services and so on, the goods and services tax is imposed on services.

That is to say that if you for example go to see a lawyer, whereas the lawyer would not charge if he . . . if he provided a hundred dollars worth of services, the lawyer would charge you an additional \$7 because that would be the 7 per cent GST. The lawyer would not charge an additional \$7 for the provincial sales tax because the provincial sales tax does not apply to those services.

Similarly, I find that's the concept with construction services and many other services — the GST. The car mechanic is an example. The GST would be applied, but the provincial sales tax is not applied. So the goods and services tax has a much wider application than does the narrowly based provincial sales tax, Mr. Speaker, even though the rate is similar at 7 per cent, at least since budget day of this year. Prior to that, the provincial sales tax was 9 per cent.

Now the other interesting feature of the goods and services tax and that distinguishes it from the provincial sales tax, the goods and services tax features something called input tax credit. And it works this way. If a business, if a business purchases something that it needs, goods that it proposes to . . . let's say if it buys goods from a wholesaler, it will have to pay the goods and services tax on those goods that it buys from the wholesaler. When it then sells those goods at retail price, it collects the goods and services tax, but as opposed to simply remitting all of the goods and services tax that it collects to the federal government, it can deduct from that the goods and services tax it pays on the goods that it first paid for.

So businesses have an input tax credit. So that as opposed to the provincial sales tax, businesses are given a very distinct advantage when it comes to the goods and services tax. They don't have to pay the GST on items that they purchase, whether it be goods or whether it be services that they pay for. They can deduct these things, if you like, Mr. Speaker.

So that is the major difference between the GST and the provincial sales tax — GST, much wider range. Nearly everything, as Canadians and people in Saskatchewan will know, is covered by the GST, whereas the provincial sales tax does not have such a wide application. It in fact has a narrow application, Mr. Speaker.

For example if anybody is watching this and they're planning to go out for dinner tonight, when they go for their dinner and they pay their bill, they'll notice there'll be a 7 per cent increase or a tax for the GST, but there won't be any tax for the . . . or no provincial sales tax on the meal.

Now harmonization is a concept that we will also talk about. Now that includes combining two taxes so that you have one tax. You combine the two taxes. Now there are some advantages to this. If you have one tax as opposed to two taxes you make it somewhat easier for consumers I suppose to understand what the tax might be. At the end of the day it's also easier to anticipate because it's not a question of thinking of, does this item have a tax or doesn't it have a provincial sales tax? There's no confusion; the same tax is on all items, Mr. Speaker.

It's also easier for businesses of course, because they only have to deal with one tax administration. And there are some advantages in terms of public administration because you only have to administer one tax as opposed to two different jurisdictions administering two taxes, Mr. Speaker.

But there are some very real disadvantages, Mr. Speaker, and that is why most Canadians on balance, and this government in particular, has remained avidly opposed to any harmonization, any harmonization whatsoever. The disadvantages are, one, more importantly, is increased cost to the people of Saskatchewan, increased cost to the consumers, Mr. Speaker.

Where there was no tax, there is now a tax. Where there might not have been a provincial sales tax on say a restaurant meal that I spoke of earlier, with harmonization there would now be a provincial sales tax. And that is why consumers don't like harmonization, because it means more money out of their pockets, Mr. Speaker.

Now again I could go through all the items that are exempted here. Many of them that are included under the goods and services tax such as children's clothing, restaurant meals, reading materials I think is a noticeable one; residential electricity and natural gas. Again, most services — personal, professional, and repair services, Mr. Speaker, all those items would be covered by a harmonized tax where the GST and the provincial sales tax are combined into one tax, Mr. Speaker.

There's also a shift that takes place in taxes from business to consumers. What happens with the GST as I explained earlier, is that businesses can deduct the GST that they pay, or that they are required to submit to the federal government, they can deduct any GST that they have actually paid on any goods and services that they have paid for. So there is a real advantage to business, but this tax is then extended to consumers, Mr. Speaker.

Now there's also, of course, an impact on provincial government revenues. When you eliminate the tax on business input, it means then there's less revenue that flows through to the provincial government. So that even though the base is expanded, at the end of the day, there's less money that is realized for the provincial government and so it will have a bearing in terms of how the province, how the province deals with its fiscal agenda, Mr. Speaker.

Mr. Speaker, these are not inconsequential items as the Liberal opposition might believe. Harmonization has had, in the Maritime provinces where it's been implemented, has had a

major impact. The concept has been especially controversial here in Saskatchewan. And that's why I think it's important to indicate where it is that we stand because it is an important matter of fiscal policy.

Mr. Speaker, where we stand as I indicated earlier, also may have some influence on where the federal Liberals stand if this continues to be a matter of, how shall I say, electoral interest. If it continues to be an election issue, the federal Liberals may back off attempts subsequent to the federal election to, as I say, pressure those provinces that are not now harmonized to in fact sign up under harmonization.

I take it's important that whatever pressure we can bring to bear, we should do that. The Liberals have shown that they are susceptible to pressure. They certainly responded to the pressure of Canadians who didn't like the GST as initiated by Brian Mulroney and the GST. They made it clear in their red book in the last . . . which was their campaign policy and platform in the last federal election. They made it clear that they were going to get rid of the GST.

There were also many campaign commitments in addition to what was articulated in the red book, made by the Prime Minister, made noticeably also by the current Deputy Prime Minister, Sheila Copps that the Liberals, if elected, would get rid of the GST. There's no doubt in any Canadian's mind that's what the Liberals were elected to do. So they showed they were susceptible to pressure by Canadians on that point.

Of course after the election, we know it was something else. They buckled under, as they always do, to pressure from major business corporations who were satisfied with the GST administration, the way it worked. So the Liberals buckled under, and essentially no change at all to the GST.

Paul Martin, if I believe, did indicate that he was sorry that Canadians had been misled; that the Liberals had been elected on a promise to get rid of the GST and that he now realized that it couldn't be done. The Prime Minister — where he stands is anyone's guess; although it seems to be that his comments as a Prime Minister were at great variance, if you like, with those as an opposition leader in the House of Commons.

And of course Sheila Copps, the person whose mouth is exceeded only by her ego, of course we know the story of Sheila Copps. She made it very clear, prior to the last election, that she was going to resign if the GST didn't go, and of course she did resign and was re-elected after a by-election, which was the honourable thing to do. And I guess, as most Canadians, we rest assured knowing that Sheila Copps is the Deputy Prime Minister, and is only a heartbeat away from the Prime Minister himself, Mr. Speaker.

Mr. Speaker, we are concerned in Saskatchewan that the federal government, if re-elected and in the absence of this becoming an issue, may want to exert pressure on some provinces to extend the harmonization that has taken place in Maritime provinces with their individual sales taxes with the goods and services tax, to provide for one what is now called in those provinces an HST, or harmonized sales tax. And to prevent any

further confusion, I say that we should make it clear where it is that we stand.

And let me just say very briefly, Mr. Speaker, that when it comes to the NDP there is absolutely no question where it is that the NDP in Saskatchewan stands when it comes to the concept of harmonization. My colleague — when it was first introduced by the Devine government — my colleague, the member for Regina Northeast, made it very clear. He used words in . . . his first words in response to the Bill put before this legislature, put before this legislature to harmonize, to harmonize the provincial sales tax with the GST, his first words were shock, disbelief, and then anger — real anger.

I think that summarized the NDP position fairly well. It's not a matter of just simply opposition. I would say that our position was more one of unrestrained hostility, Mr. Speaker — unrestrained hostility when it comes to harmonization.

And I might point out that our very first act as a government, our very first act as a government was to get rid of harmonization to the extent that it had taken place in Saskatchewan; to do away, where it had been implemented, where — I believe it was the case of restaurant meals — where we said, it's gone and it was gone.

I don't think that this is something that many people remember, but the first act of an NDP government in 1991 was to stop harmonization, to get rid of it, and to provide for a very large tax cut in Saskatchewan, Mr. Speaker.

(1600)

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Now let me just summarize our position. We didn't like it when we were in opposition and we don't like it now, Mr. Speaker.

Now, Mr. Speaker, I call upon the provincial Liberals to indicate where they stand. Apparently their leader is on record as saying that he favours, personally, the harmonization of the provincial sales tax with the goods and services tax. Would they now please get up and explain where it is that they stand. Why it is that they feel that they need to impose such a large charge on consumers?

And make no mistake about this — this is a very large charge on consumers, Mr. Speaker. As an example, I received here my renewal notice for *Canadian Geographic* magazine. They said one year — one year — \$24.95, GST included. And then it says, residents of Nova Scotia, New Brunswick, Newfoundland, pay 26.82, Mr. Speaker.

So make no mistake — make no mistake — harmonization means increased costs for Saskatchewan people, major increased costs for the Saskatchewan people. And the people who get the benefit are big business — make no mistake about it.

I think your time has come — your time has come — to make it

crystal clear for Saskatchewan people where it is that you stand, Mr. Speaker. And I invite them to do that at the next opportunity we debate this matter.

And at this point I would move that we adjourn debate from this issue, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — I'm afraid I'm going to have to rule the member's motion out of order. He's not moved the motion and we can't adjourn debate when we don't have one.

Mr. Trew: — Mr. Speaker, I am delighted . . .

The Speaker: — No, the hon. member for Regina Victoria is correct. Having spoken to it, only he is eligible to move it. And he may want to move it before he adjourns it.

Mr. Van Mulligen: — My apologies, Mr. Speaker. I get the distinct pressure of time here. I don't know where it's coming from but I would move, seconded by my colleague, the member for Regina Coronation Park:

That this Assembly affirm its continuing opposition to harmonization of the provincial education and health tax with the federal goods and service tax, as first proposed by the federal Conservatives and later implemented by the federal Liberal government in some parts of Canada.

I so move, Mr. Speaker.

Mr. Kowalsky: — Once again, Mr. Speaker, there is much more to be said on this topic than there is time in which to say it. But what our intention of the House is, is after consultation with the members of the third party and the opposition party, is to at this time move to Bill No. 220. And at 4:30 we will, as our intention to, move to Bill No. 225. And just before 5 o'clock I will also be asking leave of the Assembly to move to government business.

Therefore to expedite that, Mr. Speaker, I move that debate on this motion now be adjourned.

Debate adjourned.

Mr. Kowalsky: — Mr. Speaker, and I will request leave of the Assembly to move directly to item 14, Bill No. 220, The Shortline Railway Successor Rights Suspension Act.

Leave granted.

PRIVATE MEMBERS' PUBLIC BILLS AND ORDERS

SECOND READINGS

Bill No. 220 — The Shortline Railway Successor Rights Suspension Act

Mr. McPherson: — Thank you, Mr. Speaker, and thank you to the government members for allowing the Bill to go forward

into second reading; but one has to wonder why they've allowed this to go forward. And I think it's becoming evident to themselves that with the amount of public pressure — the public pressure that is being put on that government and by the pressure put on by the official opposition — that they know full well that they have got to deal with some of these transportation issues. It is no good to sit on your hands any longer and say some of the problems out there don't exist. They do exist and it's time to deal with it.

Mr. Speaker, when this Bill was brought forward, like other Bills, I mean they . . . there's usually a very good reason for doing so. The reasons for this Bill, dealing with the suspension of successor rights on collective bargaining agreements, is really I guess . . . well there's a number of reasons. And the first is that the existing agreements, collective bargaining agreements, that would follow from CNCP (Canadian National and Canadian Pacific) to the new short-line operators are just too restrictive.

Some of the . . . I guess the problem that would arise for the new operators is just the environment that they're going to be faced with, the environment out there to remain competitive in the province, competitive against trucking. And as we know, the trucking rates are low but they'll be low only for a certain amount of time.

So there has to be some flexibility given, some flexibility given to create this competitive environment for new short-line operators. And some of the examples that I've used before in the House, Mr. Speaker, are flexibility to allow for engineers to do work or repair work on perhaps some of the cars. You know, flexibility to allow perhaps the flagman to do track repairs. That's the environment that you're faced with in Saskatchewan today. The fact of the matter is they're not going to be able to afford to have a short-line operation if the restrictions on the short-line operator aren't going to allow and give this kind of latitude.

And what we're trying to achieve with this Bill — Bill No. 220 — is to, I guess, put a common-sense approach to it all, to have a win-win-win-win situation come about.

Now the first win of course, would be for, I guess the employees. And that would be very evident. Because if we don't make some changes, and if we don't move and give some latitude in this area of transportation, we're not going to have short-lines in the future. And you've all received, I guess as MLAs, a package not so many days ago — proposed branch-line abandonment. And that's going to be ongoing from here on in. And we might as well accept that and deal with it, deal with it up front, and ensure that whatever we come out of this with is to retain railroad, rail bed.

And so the employees that now work on these lines also accept that if in fact we allow this to go the way it's going without becoming involved as a government, there won't be jobs for anyone on any rail because there just won't be rail lines. There won't be rail bed. It will be ripped up like so many of the rail lines have been across the border in Montana. And I ask anybody that isn't sure what it's going to look like in 10, 15

years, to take a trip down to perhaps Great Falls and see the abandoned lines and where lines used to be, and they're just completely gone.

So of course the employees are going to be winners in this, because in all honesty whoever is going to be operating a short-line rail is going to need qualified, experienced people to operate this rolling stock on the new short-lines. And they're going to . . . I guess to retain them its going to take something more than to be paying them minimum wage and absolutely no benefits, no employee benefits and no pensions. I mean that wouldn't be an acceptable environment for themselves.

So I heard some of the heckling from across the way that this Bill is really union busting, and that's not the case. And obviously he hasn't read that at all. What we're dealing with is not trying to tear down the unions; what we're trying to do is put some common sense to the collective agreements with which they now operate under. And it just brings them back to the table, Mr. Speaker. It brings them back to the table to work with the new short-line operators to come up with what has got to be a common sense approach.

We're not saying . . . you know, we're not taking the Progressive Conservative approach that they always do, as just, you know, rip out the contracts and forget about the employees. Because those employees often are our friends and neighbours. Let's be serious about that. But the environment that they have, that they work in today, cannot be brought forward and put forward to a new short-line operator. It just would not be a viable operation.

Another, of course, winner in bringing forward such a Bill is the short-line owner/operator, whoever has got to come in and be competitive and make a go of it. And there's a few things that have to happen to make this all come about. And the first thing is for governments to apply their influence or pressure to the CNCP to not have abandonment plans which are in a piecemeal fashion. And I'll probably get into that later if I have enough time.

But to go and start tearing down lines in 30-, 40-, 50-mile chunks at this time is not going to work. Because those lines that are being abandoned today are not profitable. But if you took a little bit bigger picture, a little bit bigger area, especially if — and I'll use south-west Saskatchewan as an example, where they have abandoned . . . or propose to abandon from Val Marie to Consul — well that line is not going to be viable for a short-line operator, but if you included back all the way up to Assiniboia, then it would be a viable operation for a short-line operator. But it's got to be in that full, regional chunk, and that's the only way we're going to be able to have a shot at getting some of these operators to come in and take a look at it.

So I think the short-line owner/operator is going to be in a much better position to remain viable and be able to respond to whatever change . . . And who knows what's going to come about in the next 10 years, or even perhaps three or four years.

And another winner, the third winner, a very important one, is

the farmer, the producer. And they're going to be winners because they're going to be able to continue to have access to branch lines, the branch lines that they now have access to, and, you know, that's going to carry their product.

And it shows itself, I think, very clearly at this point, this year, this spring, with all the flooding that's going on. And we know full well, with road bans and the bridges washed out and the roads washed out, that it's . . . well they're unable to move the grain. And one thing about the rail beds is that given their present condition, they need little to no repair, and they'll last some 50 to 60 years in this state. And we know full well that the highways won't last two to three weeks if you were to start to put the amount of truck traffic onto these highways that these abandonment plans would do.

So of course the farmers, the producers, are winners and also the public are winners. Because let's take a look at where we're at today with our highway and road situation. We've got rural municipal governments that are being cut back. I think that it was another \$12 million of cut-back this year alone. But the state of our highways — and we've raised this many, many times in this legislature — the state of our highways are in a deplorable condition.

There is no way, there is no way that our highways could be brought up to the condition needed for that bed to be in a condition to handle the kind of truck traffic — heavy hauling traffic — that would be required. It can't keep up with the branch line abandonment plans. So something has got to come about. There is no way in the next 10 or 15 years that they would be able to bring it up to speed.

So of course the public, they're the ones that would be footing that bill, redoing the highways or grid roads or wherever this is going to go. And I think probably the government has a good idea that they're hoping it will go back to gravel, many of the highways go back to gravel.

And it's showing itself in some of these highways such as Highway 18 where they just refuse to fix it and have the people themselves in those areas finally throw their hands up and say, you know really, I guess it's better to have gravel than to have a highway that you just can't travel on.

So there we really have four winners in all of this, Mr. Speaker. And really, where are the losers? I mean the government knows full well that at some point they are going to have to deal with it. You might as well allow this to go beyond second reading. Bring it back again; let's deal with it. You should get out there and find out if you can find people that are opposed to it.

Now I know the member that was heckling awhile ago is probably thinking that some of the unions are going to be opposed to it. But have you asked them? Have you sat with them and asked if in fact they're going to view this in a common sense fashion the same way that the farmers want to? Really they all want to be out there working, using a system, and doing it in a common sense way. We're all taxpayers of this province. And hopefully that's where it'll end up, Mr. Speaker.

(1615)

If we don't do it that way, if we don't do it that way, I guess the question is can the Government of Saskatchewan afford the alternative? Absolutely not. They just can't . . . they can't go down that road. They're not keeping up with the highways today. They say the highways today . . . they're not repairing them fast enough even with light loads with cars and half-tons. So there's no way that you can start to put heavier traffic on any of these roads.

If we take a look at an area of the province that is really affected with this latest round of cuts, that being south-west Saskatchewan, and take a look, as I had said earlier — and I've brought a map, Mr. Speaker, just to highlight this fact — if we take a look at what's going to happen in this entire south-west part of the province where there is no transportation alternative really — or competition — in railroading and we also take a look at the state of the highways in that part of the province, we can't just say we're not going to do anything. It can't be one large, extremely large grasslands park because people aren't going to tolerate it. And I hear that is perhaps where this government would like to go with it.

So with that, Mr. Speaker, I will only ask and encourage the government members to please consider having this go one step further. I know by you allowing it to go this far today is an admission that you know it's got to be dealt with and that it's an admission that you have sat on your hands and done nothing. So let's see if we can't take it to that next step.

I move second reading, Mr. Speaker, of an Act respecting the Suspension of Successor Rights in relation to the Acquisition of Shortline Railroads and to amend The Trade Union Act in consequence thereof, Bill No. 220.

Mr. Hillson: — Thank you, Mr. Speaker. I am pleased to rise in support of this Bill. I think it is an important one that touches on the future of this province. We all know the challenges that will face us as a result of changes to our rail line transportation.

We know that branch lines in this province are facing new challenges, and we are concerned that as the major rail companies no longer operate the branch lines that many of our communities and our farmers will be left with no service at all unless short-line rail companies, either cooperative or private, can be encouraged to operate these short-lines and to keep open the grain delivery points in these communities.

This is an issue, Mr. Speaker, which primarily affects our farmers of course, but it really affects everyone. In the case of our small towns, we have villages in this province which 60 per cent of their property tax base is provided by the railroads and the grain delivery points. If those are taken out, I fear that many, many of our villages will become non-viable in terms of their tax base.

So it's certainly of grave concern to our small villages and, I think, to all of us that quite frankly those of us who are non-farmers the last thing in the world we want are large semis on our highways and roads delivering the wheat. We would

prefer that as much traffic as possible remain on the rails and off of our roads.

So in that sense, Mr. Speaker, I think this is an issue which affects each and every one of us whether we are farmers or not, whether we are rural or not. It is to our advantage to keep as many of the branch lines open as possible, and it is likewise to the advantage of all of us to keep as much traffic on the rail beds as possible and off of our crumbling road system.

I would like to just briefly though talk about successor rights, Mr. Speaker. And like the member for Wood River, I would like to emphasize that the Liberal opposition in general supports successor rights. Indeed I would go so far as to say that were successor rights to be abolished, it would lead to chaos in industrial relations.

We cannot have a system in which any party to a collective agreement can simply set up another corporation, transfer the assets to that corporation, and the collective agreement isn't there. That would be absolute chaos in the collective agreement process if that happened.

So all we are saying is that in the case of short line railways we are very, very afraid that if the existing railway collective agreements concerning, say, transfer of responsibilities are in place, it would in effect make short-line railroads impossible to operate. So we wish it to be known that our comments on successor rights are restricted to the issue of our short-line railroads.

And I say our fear is that short-line railroads will simply not be viable, not be able to operate if the existing collective agreements with CN (Canadian National) and CP (Canadian Pacific) have to be enforced forbidding an employee in one area from performing a task in another area and all of the other related parts of existing collective agreements. We know that the short-line railroads will have staff who tend to be, pardon the phrase, jacks of all trade as opposed to the highly specialized workforces that the large railway companies have.

So we think that successor rights are a major issue in terms of whether or not short-line railways will be viable for the small branch lines in rural Saskatchewan, and therefore we are raising this issue — it's an issue for short line-railroads. We are certainly not attacking the principle of successor rights generally, and I wish to have that placed on the record.

Now in my own constituency, we have the Turtleford branch line and it goes through the community of Meota, and at present, that is a protected line to the year 2000. But I know there is great concern as to what the long-term future of that line will be as we see major grain terminals now being developed in the North Battleford area.

We're grateful that the major grain companies are establishing at North Battleford and we are pleased with the commitment of the Saskatchewan Wheat Pool and other groups. But we are, all of us, concerned about the possible loss of service to rural Saskatchewan. We want as much as possible to preserve the infrastructure which will hold together our small towns, which

will keep traffic on the railroads and off of our roads. And it need hardly to be said, Mr. Speaker, that our roads are in bad enough shape as it is without pushing more traffic on to them.

I congratulate the member for Wood River. I think that his suggestion is a sensible one. It is a limited one simply intended to facilitate the development of short-line rail companies to operate any branch lines that may be abandoned to try and preserve something. And I would say to any union member who may be concerned about this, who may be concerned about this and our stand, that maybe successor rights will not apply to the short-line rail companies. I would say to them that it will preserve jobs for railway workers; jobs that may otherwise simply disappear completely.

And so far from being an attack on working people, this is an attempt also to save jobs for working people in rural Saskatchewan rather than to simply throw up our hands and watch the railway disappear, the jobs disappear, the traffic go on to our roads, and ultimately many of our little villages also disappear.

So this is a way of strengthening rural Saskatchewan. It is a way of strengthening the economy. It is a way of preserving our roads.

I would encourage all members of this House, both on this side and friends opposite, to join in this positive move to try and preserve the infrastructure of rural Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Johnson: — Thank you, Mr. Speaker. First of all, I would like to point out to the House that this particular problem that we are facing with short-line abandonment is a change of federal policy. And the odd thing that I find about it is that the solution that is being presented is a solution that is similar to the solution that was presented in regards to the voting time in the province of Saskatchewan.

Caused by a problem with the federal government not recognizing where the province of Saskatchewan is, and thereafter, the suggestion that comes out is that you change some policy in the province. In the case of time, change to a fast time rather than what's been working for some 20 years in this province or more. Change that. Change that and solve the problem that the federal government generated because they don't understand what they're doing.

Now, Mr. Speaker, the members opposite are doing the same thing in regards to rail line abandonment. This is simply a policy of the federal Liberal government's offloading, onto the province and the people of Saskatchewan, the responsibility that the federal government has maintained for a number of years — in fact for almost a hundred years, I would think — which is the rail transportation. And they've offloaded that onto the backs of the provinces and therefore, onto the backs of the farm community.

So, Mr. Speaker, I'm not going to take very much time because I think I've covered the items that I want to. But I'm going to

recommend to the members of this Assembly that they defeat this Bill and not accept the concept of picking up behind the federal Liberal government every time they make an error. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Motion negatived on division.

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

Mr. Kowalsky: — I'm going to ask leave, Mr. Speaker, that we now proceed directly to item 19, Bill 225, The Municipalities VLT Commitment Act, which falls under second . . . which is also a second reading under private members' public Bills.

Leave granted.

Bill No. 225 — The Municipalities VLT Commitment Act

Mr. Heppner: — Thank you, Mr. Speaker. It's indeed a pleasure to stand up and give a second reading speech on my private members' Bill. This doesn't happen in this House very often, Mr. Speaker, so I appreciate that particular opportunity.

The Bill, for those people that have looked at it, will realize it's not a very lengthy Bill. It doesn't need a lawyer to interpret it and that's because the problem is simple, and the solution is simple as well.

It's a simple, succinct Bill that will do wonders for each and every municipality in Saskatchewan. And I don't think there's a single municipality in Saskatchewan that wouldn't support this, with the probable exception of a municipality that might have an MP (Member of Parliament) or an MLA sitting in the House here today, and that would be on the government side. Everyone else would support this particular Bill.

All it does is simply hold the government across the way to their promise. And they made the promise and everybody in Saskatchewan knows exactly what it was and what it said. It wasn't very long ago that the *Leader-Post*, January 28, 1995 read: "Towns to get some VLT cash." The first line of the article states, and I quote: "The NDP government is going to give 10 per cent of VLT revenues to the municipalities."

(1630)

I notice it's important to say they'll give it to the municipalities, not sprinkle it through their other funds, as they're trying to do. This was back when the present SaskPower minister was the minister responsible for Gaming, and that in itself was a gamble.

Former Municipal Government minister, Carol Carson, said much the same. She was excited to announce, as the January 27 *Star-Phoenix* of '95 states:

The final step . . . (there's something awesome about that)
The final step of a three-part plan to compensate lotteries, charities and communities for revenue lost to

government-run video lottery terminals.

Of course the final step of the three-part plan, Mr. Speaker, as all of us knows, was the government's commitment to give 10 per cent of VLT revenues to the municipalities. Unfortunately, Mr. Speaker, the members opposite somehow forgot that promise. It actually sounds like they're ignoring it. I'm sure when they go back home to their constituencies there's a few reeves and people who are on RM councils, town councils, and mayors who nudge their memories a little bit. So I doubt it's forgotten. I think it's being ignored.

Instead of giving municipalities a 10 per cent revenue, which this year would mean 16.5 million — that's \$16.5 million — the NDP are saying, well we'll put some money into municipalities through expanding the 911 service. Well they should be doing that without stealing it from the municipalities and other programs. They dribble it in there and think that's the answer to a promise.

What are they saying? That they didn't make the promise in the first place? That when the Premier spoke to the delegates at the SUMA convention, that they misunderstood his promise, and all the rest of the people in Saskatchewan misunderstood it? I doubt it. That other promise that would provide 10 per cent of VLT revenues to municipalities — don't fund other programs.

Well, Mr. Speaker, whether the NDP chose to acknowledge their promise or claim to have never made it, each and every one of the people across the way know the exact truth on this issue.

SUMA and SARM were led to believe that a small portion of VLT revenues that are sucked out of the cities, towns, and villages across the province would be handed back to local governments. Everyone in SUMA knows that, everyone in SARM knows that, and everyone across the House knows it but they're not doing anything about it. They're ignoring it. They haven't forgotten it. It's awful quiet over there for people who've forgotten this promise, or so they say.

Mr. Speaker, we're talking about a lot of money to municipalities who've had their funding cut by 20 million this fiscal year, in addition to the over 17 million taken out of revenue-sharing grants through the changing of health and social services levy. Yes, the NDP did away with the levy, but they did so by reducing revenue sharing. That's not what the municipalities were asking for, and everyone knows it. They never saw the levy. They just had that removed from them in the end, both ways.

Mr. Speaker, I'm going to give you a few examples of just how much money is being taken from local communities and placed in the pockets of the government where it seems to be gone for ever.

We did a little comparison of the amount of money taken out of communities on an average, per capita basis compared to the amount of money these communities received through revenue sharing.

We'll take my home town of Rosthern for an example — \$249,600 taken out through VLTs, just about exactly a quarter of a million; \$106,433 is the amount Rosthern receives in revenue sharing. Where's the difference? Gone. The difference is gone. Estevan — Estevan, almost three-quarter of a million dollars, \$731,520, taken out versus \$277,753 in revenue sharing. And where's the difference, Mr. Speaker? It's gone. It's gone. Estevan lost the money. Surely someone here is to support Estevan as they lost that money. Almost half a million dollars — Estevan, you lost it. Where is it? Ask someone.

Prince Albert, \$29.77 million taken out. And what did they get back? Did they get back 29 million? They got back 11 million. And where's the difference again? Gone. And the keyword here is "gone." It never comes back. We're talking about a lot of money, Mr. Speaker, to small towns and villages that have had to maintain their services in spite of the cuts that kept coming, one after another — offloading.

Mr. Speaker, we're talking about a promise that the government side of this House made — a promise they're ignoring. Because they're not forgetting it. They're thinking about it right now.

Mr. Speaker, we all know about the federal Liberals and their cut-backs to Saskatchewan and that's been hard, to back-fill the millions and millions of dollars. But, Mr. Speaker, we also know the NDP government gave their word that they would be providing 10 per cent of VLT monies back to the municipalities. And remember it's gone and it's not coming through.

There is no secret formula, Mr. Speaker. This is not a difficult promise to keep. All the NDP across the way have to do is follow Manitoba's example. Manitoba government is providing 10 per cent of all VLT monies to municipalities on a per capita basis. That's simple, that's easy; there's no problems. It's a pretty easy system to put in place. All it takes is that the government keeps its word. Don't ignore it; don't try to forget it; just do it.

It should be noted that the Manitoba government funds many other rural promises and programs on top of the 10 per cent they give back. They support their local communities and still provide the extra 10 per cent VLT revenues on top of that.

Mr. Speaker, this is absolutely no different than Mr. Chrétien promising to do away with the GST if he were elected prime minister. And everybody in Canada knows what happened to that promise — ignored or forgotten, we're not sure — but it didn't happen. We're paying the GST.

It's no different than the member from Riversdale promising in the leader's debate, when he was leader of the opposition, that he was going to do away with the PST. And it's alive and well and we know it. We know it every time we go in there, 7 per cent. He said at midnight — midnight — the night of the election the PST would be gone. The only thing that's gone is the money taken out of our communities through the VLTs. That's the only thing that's gone.

The GST and the PST are still with us and they are alive and

well. Mr. Speaker, these promises were clear to everyone listening. The only difference is our Premier hasn't had the nerve to have one of those town hall meetings and have some of the public tell him what they think of his PST being around and what they think of the VLT money being taken out and it just ends up being gone.

These promises were clear to the general public in Saskatchewan, to the media, to everyone except the people who made them. This is no different. Mr. Speaker, I'm proud to be giving the second reading speech to legislation that would force this government to honour its promises, that would force this government to do the right thing. Thank you.

The Speaker: — I think the hon. member may want to move the second reading.

Mr. Heppner: — Mr. Speaker, I'd like to move second reading of Bill No. 225, An Act to provide for Video Lottery Terminal revenue-sharing with Saskatchewan Municipal Governments.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to take a moment to just raise a few further questions regarding this motion . . . or this Bill that's before the Assembly. And I trust that all members, at the end of the day, will see that this is certainly an important Bill and is worth voting in favour of.

I think, Mr. Speaker, as my colleague, the member from Rosthern, has indicated, this Bill just addresses an announcement that was made by the Premier and by the NDP when they went into the last election.

And I think, Mr. Speaker, that when they made that announcement they were feeling somewhat guilty because they knew how much money they had taken out of revenue sharing with rural governments or with municipal governments over the term 1991 to 1995, and to offset the concern that municipal governments had, the Premier and his party and his government decided that they had to bring something forward that would certainly cause municipal governments or give them a reason to believe that the government was listening to the concerns that were being raised.

And at that time it was taking the VLT revenues which they perceived and could see as being a major influx of income to the government and sharing that with local governments. And the reason they saw that, Mr. Speaker, was because they felt . . . I think there was a little bit of guilt was building up. They were seeing that there was a lot of money being siphoned out of small communities through the VLTs, and this money as it left the communities certainly wasn't available to those communities to provide the services that they would like to provide.

And therefore it seemed to be appropriate that they would at least give 10 per cent of those VLT revenues back to local communities. Now my colleague was talking about the fact — and we've pointed out a number of communities — where the VLT revenues have gone and what they have in revenue sharing and the difference. And you have to ask yourself where that money is, and the term we've used is that money just

disappeared, just disappeared in smoke up the chimney; it was gone.

And then I believe it was the member from Saskatoon Eastview-Haultain suggested that money is going into health and education. Well, Mr. Speaker, I would like to suggest to you that while the member from Saskatoon Eastview-Haultain suggests it's going into health and education, come out to my riding and tell the people in my riding that that money from the VLT revenues is going into health and education when they're closing hospitals, when they're closing schools, Mr. Speaker.

Mr. Speaker, when you look at the municipal governments, even today I believe the Premier stood up and was blaming the federal government for the offload and the reduction in revenue sharing so that would put the province at a disadvantage in its revenues.

Mr. Speaker, over the past number of years this province and this government has put local governments at a disadvantage in revenues because of their reduction in revenue sharing. And so even as the auditor pointed out in Public Accounts this morning, when you take just . . . rather than as the auditor suggested you put the gross revenue fund right beside the SFS, what was that . . .

An Hon. Member: — Summary financial statement.

Mr. Toth: — The summary financial statement. I thank the member from Regina South. The summary financial statement. If you put them in the same book, Mr. Speaker, then people get a better idea of how government is spending its monies. But when it isn't there, when you have to go to one document, then to the other, it's very difficult to determine how monies are being expended. And the end result is, Mr. Speaker, we as taxpayers continue to pay more and more and are being asked to dig into our pockets deeper to provide for the offload that senior levels of government are passing onto us.

So while VLTs may be of a concern to a lot of people it would seem to me, Mr. Speaker, when we look at the revenues that have been generated in this province through the VLT machines that are right throughout the province and in small communities, it would only be appropriate that local governments at least have some benefit . . . be able to provide some of the services that are being offloaded, and that they have to go back to the tax base. Why not pull it out of some of those VLT revenues rather than having to go to the property owner all the time.

(1645)

Mr. Speaker, I think this is a very important Bill. And what this Bill does, this Bill indeed addresses a promise made by the government for three . . . two and a half years or two years ago where they said they would share that revenue. This government . . . this Bill certainly does put back into the hands of local government some revenues that they are losing that they have no control over.

And I think, Mr. Speaker, as the member from Melville has just

suggested, it is desperately needed by many small communities, many communities who are at this very moment actually struggling to exist.

So I want to join with my colleague, the member from Rosthern, and offer my support to this Bill. And I invite all members of the Assembly to support the member from Rosthern in the introduction of this Bill in reaching out and showing support for municipal governments across the province of Saskatchewan.

Mr. Thomson: — Thank you, Mr. Speaker. It's a pleasure to be able to speak on this Bill this afternoon introduced by the member for Rosthern. I took a great deal of pleasure listening to his speech and talking about where the revenues had gone. And all I would note is that in the last election the things that were gone were the Tory MLA from Estevan was gone, replaced by a New Democrat. The Tory MLA from the Battlefords was gone, replaced by a New Democrat.

I would say to the member for Rosthern, Mr. Speaker, he should be worried or he might be gone after this next election.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Mr. Speaker, on the substantive pieces of this Bill, I want to make a couple of very brief comments. There's a couple of technical pieces that are of some concern to me within this Bill.

First of all, as the Tory members opposite may or may not know, the Gaming Corporation actually doesn't run the VLT system in the province. It's actually the Liquor and Gaming Authority, but not to let the facts interfere with a good argument.

Secondly, I'm sure that the members would have pointed out, if they had had more of a chance to read their Bill, that section 2 actually provides no mechanism for the payment to be made to anybody. So it simply sets aside the money, but there's no mechanism to pay it out to anybody. But those are . . . I can only imagine where the money would go, and I won't ask.

The Speaker: — Order, order, order. Order. I'm sure all hon. members will want to allow . . . Order. I'm sure all hon. members will want to allow the hon. member for Regina South to be heard, and all hon. members will be given the appropriate opportunity to become involved in the debate.

Mr. Thomson: — Thank you, Mr. Speaker. I know the member from Moosomin will appreciate this comment. I think on this particular issue, even the Provincial Auditor and I would agree that there is a real problem if you're paying out \$16 million and it's not going to anything in particular. So I just say that this is a difficult Act simply in the way it's worded.

But even, even though I think it's beyond repair in terms of amendments, there's a couple of other reasons I think members should not be supporting this Act.

First of all, it is a bit of a leap of logic to say that the money

that comes from video lottery terminals or from other sources of gaming doesn't get returned to the communities. One of the reasons the government is involved in it is to ensure both that there's strict regulation, but also to ensure that the money goes to public works. The money doesn't simply sit in an account. The money doesn't certainly accrue to the benefit of any of the members in this Assembly.

That money goes back into the communities in the form of payments to the health care centres, in terms of payments to the schools, to social services, to any number of different things.

And I would also argue from strictly a rural municipality standpoint also into the benefit of road grants. It is I think a fallacy for the members opposite to be saying that these funds do not benefit municipalities, do not benefit our communities, because it does exactly that. Not simply a proportion of it, but a hundred per cent of this money goes back to supporting the communities and the good works of this province.

Mr. Speaker, the other thing that these funds do is that they help to provide some stability to the government's finances. And I think that this is a fairly important piece to recognize.

I don't want to belabour this point this afternoon. Obviously this Bill is not enactable if only because clause 2 is incoherent at best; but even beyond that, I would simply encourage members to vote it down on principle.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member for Rosthern wishes to exercise his right to close debate, and it's my obligation to advise all hon. members that if you wish to enter into the debate, you must do so now or you will not have opportunity to do so.

Mr. Heppner: — Thank you, Mr. Speaker. I think there's a few more things that we need to address, and it seems to me that the members opposite haven't dealt at all with one particular issue, and that is the very difficult time that communities, especially small town communities in rural Saskatchewan are finding themselves in.

They have rinks to run, swimming pools to keep open, and roads to pave. They have antiquated water systems, sewer systems, these sorts of things. All of that infrastructure is falling apart in rural Saskatchewan. They need all the money they can possibly get. And here we have a government that's taking the money right out of their pockets and then is dribbling it back in strange ways, but keeping most of it, as I said earlier, it's keeping it gone.

I need to make one last comment. One last comment to the fact that item no. 2 apparently was somewhat hard for people to read. I know the sentence is a little long. It may have references to something like O. Henry but maybe they never read O. Henry. I could believe that.

But if we take the first four words and start off "There shall be paid" and then take about the last six, seven words, it says the

"municipal governments of Saskatchewan." Blatantly simple for anyone to understand. And I'm . . . unfortunate that the members opposite can't follow that. That may be an indication of why they have such a difficult time with taking this money and giving it back to the people who actually earned it, and whose money it actually is, and that is rural people of rural Saskatchewan and the communities and the cities from where this money came.

And I would ask that all people on both sides of the House support this legislation, and especially the individuals that have a history of being councillors and mayors and reeves, because they know this is important.

Some Hon. Members: Hear, hear!

Motion negatived on division.

Mr. Kowalsky: — Mr. Speaker, I request leave of the Assembly to now proceed to government orders, Committee of Finance.

Leave granted.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

General Revenue Fund Women's Secretariat Vote 41

The Chair: — It now being near 5 o'clock, this committee stands recessed until 7 p.m. later this same day.

The Assembly recessed until 7 p.m.

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