

The Assembly met at 1:30 p.m.

Prayers.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to rise today to present petitions on behalf of citizens in my constituency, the constituency of Humboldt, who are opposed to forced municipal amalgamation. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to halt any plans it has to proceed with enforced amalgamation of municipalities in Saskatchewan.

And the signators on this petition, Mr. Speaker, are all from the town of St. Brieux.

I so present.

Ms. Draude: — Mr. Speaker, I also have a petition today to retain Lanigan and Watrous hospitals. And the prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

Mr. Speaker, the people who have signed this petition are from Lanigan and Lockwood.

Mr. Gantefoer: — Thank you, Mr. Speaker. I too rise on behalf of Saskatchewan citizens concerned about the future of their hospitals. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

Signatures on this petition, Mr. Speaker, are from the communities of Elstow and Allan.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I also have a petition in regards to the closure of hospitals and the people concerned with health care. And the petition prayer reads this way:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

Mr. Speaker, the petition is signed by people from the community of Young.

I so present.

Ms. Eagles: — Mr. Speaker, I too stand on behalf of Saskatchewan citizens with grave concerns regarding health care. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

And this is signed by citizens of Young.

I so present. Thank you.

Mr. Addley: — Thank you, Mr. Speaker. I too have a petition to present, collected on behalf of the youth of Saskatchewan. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to legislate a total ban of smoking in all public places and workplaces in the province of Saskatchewan.

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

These names are from Prince Albert, Regina, and Saskatoon.

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens who are opposed to nursing home fee increases. And the prayer reads:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to rescind the recent large increases in nursing home fees.

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

And it's signed on behalf of citizens of Midale, Weyburn, and Creelman. Thank you.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also have a petition to do with people from the province worried about the state of health care in Saskatchewan. The prayer reads:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

The signatures, Mr. Speaker, are from the community of Young.

I so present.

Mr. Wartman: — Thank you, Mr. Speaker. I have a petition gathered on behalf of youth of Saskatchewan. And it reads:

Wherefore your petitioners humbly pray that your Hon.

Assembly may be pleased to cause the government to legislate a total ban of smoking in all public places and workplaces in the province of Saskatchewan.

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

This comes from the citizens of Prince Albert, Spruce Home, Meath Park, Melfort, and Saskatoon.

Mr. D'Autremont: — Thank you, Mr. Speaker. I also have petitions to present today on behalf of the people who are unhappy with their highways. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately take steps to begin reconstruction of Highway 47 from the Handsworth turnoff to Junction No. 1 Highway.

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

These petitions come from the Stoughton, Creelman, Manitou, Manitoba — some unfortunate soul — Kisbey, Saskatchewan; Arcola; Yorkton; and Windthorst, Mr. Speaker.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I too have petitions to present on behalf of Saskatchewan citizens who are grumbling about crumbling highways. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately take steps to begin reconstruction of Highway 47 from the Handsworth turnoff to Junction No. 1 Highway.

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

This is signed by the good people in the Windthorst, Glenavon, Montmartre, Corning, and that's about it. Thank you.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also like to rise to present a petition from citizens concerned about hospital closures. The prayer reads:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

From the citizens of Young. Thank you.

Ms. Harpauer: — Mr. Speaker, I too have a petition from citizens who are concerned about hospital closures. The prayer reads:

Wherefore your petitioners will ever pray that your Hon.

Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals will remain open.

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

The petitioners, Mr. Speaker, are from the communities of Drake and Watrous.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. Mr. Speaker, this afternoon I have a petition by concerned citizens of this province who are worried about the continued decline of highways in this province. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide the necessary resources to restore the Paddockwood access road to an acceptable state.

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

Mr. Speaker, this petition is signed by the good people from Paddockwood, Christopher Lake, and Northside.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of the citizens of Drake who are concerned about the closure of the Lanigan and Watrous hospitals. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure that the Lanigan and Watrous hospitals remain open.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition to retain the Lanigan and Watrous hospitals. And the prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

And the signatures on this petition, Mr. Speaker, are from Lanigan and Watrous.

I so present.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with plans to return highways to gravel. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to set aside any plans to revert Saskatchewan highways back to gravel, commit that the government will not download

responsibility for current numbered highways onto local governments, and to consult with local residents and to co-operate in finding and implementing other alternatives.

And this petition is signed by individuals from the communities of Regina, Spring Valley, and Briercrest.

I so present.

Mr. Kwiatkowski: — Thank you, Mr. Speaker. It is with great responsibility that I rise to present a petition to retain Lanigan and Watrous hospitals. This particular one is captioned, Save our Hospitals. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure that the Lanigan and Watrous hospitals remain open.

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

This petition is signed by the good citizens of Young, Mr. Speaker.

I so present.

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.

These are petitions of citizens of the province on the following matters:

The amalgamation of municipalities;

Ensuring the Lanigan and Watrous hospitals and the Cupar Health Centre remain open;

A ban of smoking in public places and workplaces;

The restoration of the Paddockwood access road;

The provision of cellular service to Lake Alma;

The passage of comprehensive tobacco control legislation.

INTRODUCTION OF GUESTS

Mr. Addley: — Thank you, Mr. Speaker. I'm very pleased to introduce to and through you to all members of the House some special people from my former neck of the woods in northwestern Saskatchewan: Barry Moore from Twin Rivers, board member; Clem Novlan from the Paradise Hill advisory committee; Doug Eaton, the reeve of Frenchman Butte; and Marion Hougham from Paradise Hill. As well their pilot, a long-time family friend, Stephen Polsich. And they're positively working at providing better health care in northwestern Saskatchewan.

And just a little story about Paradise Hill. My younger sister, when she was about five, would say her prayers and should

have said, we'll go to live in paradise with thee. But she would always say she would go and live in Paradise Hill with thee. It's a nice place, but not quite that good though. Would all members please welcome them to the House today.

Hon. Members: Hear, hear!

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to my colleagues in the Assembly, two friends of mine that are seated up in the west gallery — they're Father Joe Nabywaniec and Valdy Barcicki.

And, Mr. Speaker, I just want to point out that last Thursday evening at St. Anthony's Parish here in Regina, Father Joe had a special mass to celebrate his 25th anniversary as a priest.

And I'd just, Mr. Speaker, on behalf of everyone here, I'd like to welcome them here this afternoon.

Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. I'll just be very brief. I want to join with my colleague from Saskatoon Sutherland in welcoming our guests from Paradise Hill. They're from my constituency, and I'll be meeting with them later today and welcome them here today, and again ask everyone to join with me in welcoming them to the Assembly.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

2002 Saskatchewan Winter Games

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, it is with a great deal of pleasure and pride that I stand today to bring to the people of Saskatchewan a good news announcement from the Humboldt constituency.

Mr. Speaker, Humboldt has been chosen as the site of the 2002 Saskatchewan Winter Games. The games will be held in Humboldt in February, from the 17 to the 23, in the year 2002. As many as 2,100 athletes, coaches, managers, and officials are expected to be in Humboldt during that period of time.

The games provide a valued opportunity for the growth and development of amateur sport by athletes, coaches, officials, administrators, and volunteers. As well, Mr. Speaker, on a personal level athletes benefit greatly from the sharing of their mutual experiences and are often inspired to attain excellence at these events.

Mr. Speaker, Humboldt is an excellent choice for the location of the 2002 Winter Games. Humboldt has hosted numerous provincial, national, and international events such as curling, baseball, recreation sports, and culture conferences.

Humboldt has excellent facilities, but their strongest feature by far is the high level of energy exhibited by their people. Approximately 1,700 volunteers are required to run a successful event, and I have no doubt that the people of Humboldt and area will provide that.

Mr. Speaker, the town of Humboldt is being supported by other local businesses and communities such as Muenster and Bruno. I congratulate . . .

The Speaker: — Order, order. The member's time has expired.

Some Hon. Members: Hear, hear!

Mr. Addley: — Thank you, Mr. Speaker. It's my pleasure to rise in the House today to congratulate the town of Humboldt on being awarded the 2002 Saskatchewan Winter Games.

Mr. Speaker, this is the first time that Humboldt will host the Winter Games which will take place February 17 to the 26. Many people and organizations came together to put forward the successful bid.

I'd like to congratulate the Co-Chairs of the bidding committee, Valerie McNally and Michael Suchan, Councillor Pete Pavolich, the rest of the town council, and especially Mayor Doug Still. I would also like to congratulate the other 12 members of the committee who worked tirelessly in order to bring the games to Humboldt.

The town of Humboldt should be congratulated for its excellent proposal, strong support from the town council, the business community, and the people in and around Humboldt. I should also mention that the communities of Muenster and Bruno were significantly involved in making this bid successful. Bruno and Muenster will contribute facilities and volunteers, among other things, to the games.

Sports contribute much to our society and the lessons learned while playing them are just as valuable off the court or arena. And the many athletes, coaches, organizers, and volunteers — these games will help to teach these lessons of partnership and camaraderie.

Once again, congratulations to Humboldt and area on being awarded the 2002 Winter Games.

Some Hon. Members: Hear, hear!

Wood River By-election

Mr. Heppner: — Thank you, Mr. Speaker. Mr. Speaker, on Friday the Liberal candidate at Wood River filed a complaint with the CRTC (Canadian Radio-television and Telecommunications Commission) and the Chief Electoral Officer.

The Liberal candidate is upset because the Saskatchewan Party radio ads say the Liberals joined the NDP.

I would like to take a moment, Mr. Speaker, to clarify our position on this matter. The reason that we're saying that the Liberals joined the NDP (New Democratic Party) is because the Liberals joined the NDP.

Some Hon. Members: Hear, hear!

Mr. Heppner: — So if the Liberal candidate wants to file a complaint, he should file it with the Liberal leader over there

for joining the NDP. After all, it was the Liberal leader who signed the coalition agreement — the coalition agreement that states the Liberals must support the NDP government on all matters of the legislature.

That means if the NDP want to raise the PST. (provincial sales tax) the Liberals must support them. If the NDP want to gravel highways, the Liberals must support them. If the NDP want to close more hospitals, the Liberals must support them, Mr. Speaker.

It wasn't long ago when the Liberal leader was going to chain himself to the Plains hospital; instead he chained himself to the NDP. The Liberals support the NDP, they sit with the NDP, they vote with the NDP. As far as we're concerned, the Liberals joined the NDP.

Mr. Speaker, we have a difference of opinion, but I guess we'll find out tonight what the people of Wood River think.

Some Hon. Members: Hear, hear!

Finalists for the Skills Canada-Saskatchewan Competitions

Ms. Higgins: — Thank you, Mr. Speaker. Saskatchewan Apprenticeship and Trade Certification training is a significant part of our post-secondary education and skills training in the province. And, the apprenticeships . . . the apprentices that come out of our industry-led system are second to none. This was demonstrated recently at a Skills Canada-Saskatchewan Competition which took place this past April in Prince Albert.

I am honoured to inform the members of the Legislative Assembly that the four apprentices who won gold medals in the provincial competitions were: Steven Rommen from Nipawin, who won the gold in automotive services technician trade; Wesley Mix from Blaine Lake, who won gold in the electrical motor control trade; Jason Melhoff from Swift Current, who won gold in residential wiring; and Cory Mohr from Moose Jaw, who won gold in carpentry.

Mr. Speaker, these and other Saskatchewan post-secondary competitors went on to the national competitions in Quebec at the beginning of this month. Cory Mohr, a very talented young man from Moose Jaw, came home with the gold in carpentry and will represent Canada at the world competition in the year 2001 in Seoul, Korea. Brad Barber came home with the silver medal for architectural computer-aided drawing. And Kyla Bast, who is enrolled at Richards Beauty College in Regina, brought home the bronze medal.

Congratulations to all of the competitors, the winners, the commission, and Skills Canada-Saskatchewan.

Some Hon. Members: Hear, hear!

Claybank Brick Plant Historical Society Celebration

Mr. Stewart: — Thank you, Mr. Speaker. Yesterday I attended the annual open house at the historic Claybank brick plant. This event is held on the last Sunday in June every year and always attracts a large crowd. Yesterday was no exception in spite of

cold, wind, and even a little rain.

This plant is a unique example of 19th-century industrial technology that managed to remain viable until near the end of the 20th century, with the plant closing in 1989. The Claybank Brick Plant Historical Society, of which I am proud to be a member, has done a remarkable job of restoring the buildings and maintaining the equipment on site.

Visits to the plant are up dramatically again this year. However, one of the main access roads to this attraction is Highway No. 339 of which a section is slated to be returned to gravel this summer. This is causing a great deal of concern about attracting tourists to the plant in the future.

Congratulations to the Claybank Brick Plant Historical Society and thanks to the many sponsors who make this attraction possible.

Some Hon. Members: Hear, hear!

HMCS Queen Open House

Hon. Mr. Nilson: — Thank you, Mr. Speaker. I'd like to concur with the member opposite. I was at Claybank yesterday and it was a very fine event for all of the people of this part of Saskatchewan.

But, Mr. Speaker, I was privileged to participate on Saturday in an open house at the HMCS Queen, the Naval Reserve division in Regina. The festivities included performances by the Naval Gun Run and the National Band of the Naval Reserve.

The Naval Gun Run recreates an incident from the Boer War when naval guns were hoisted ashore to support British troops. The gun is disassembled and hand-carried across a nine-metre chasm representing the gap between ship and shore, reassembled, loaded and fired — then disassembled, taken back, reassembled, and fired again. The entire process takes less than three minutes.

I was privileged to be part of the festivities, Mr. Speaker. They even gave me the honour of firing the canon during their walk-through explanation.

The members of the Naval Reserve Band have been in Regina for about a month, Mr. Speaker, for their initial training and workups. The band operates from May to August each year taking the music and the image of the navy from coast to coast to coast.

Today, Mr. Speaker, the band and the Gun Run are off to Saskatoon as their next stop on their international tour.

The naval reserve has been part of Regina since 1923; naval reservists are part-time members of Canadian Forces serving in a variety of operational, logistical, administrative roles.

I would think all members would want to join me in wishing this band and the Naval Gun Run well.

Some Hon. Members: Hear, hear!

Allan Blakeney on Health Care

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, this weekend Allan Blakeney was back in Saskatchewan talking about health care.

You note, Mr. Speaker, you note, Mr. Speaker, I say, back in Saskatchewan, because he hasn't lived here for many, many years. He was here to talk about Saskatchewan-type health care. But he doesn't really know about it, Mr. Speaker, because as I said, he really doesn't live here any more.

You have to remember, Mr. Speaker, while he was the leader of the NDP . . .

The Speaker: — Order, please.

Mr. D'Autremont: — Thank you, Mr. Speaker. You have to remember that it was under his leadership that the NDP claimed the Devine government was going to close five hospitals in the Wood River constituency. It didn't happen. But when the members opposite came to power in 1991, they closed four out of the five hospitals.

So I guess his theory on government and medicare hasn't changed. The bigger the falsehood, the better they like it. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — I would remind hon. members to kindly choose their words carefully and not use demeaning comments or words.

ORAL QUESTIONS

Severance Pay for Ministerial Assistant

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Mr. Minister, last September when you joined the NDP government, one of the first things that you did was hire defeated Liberal candidate David Huliappa to work in your office. Mr. Huliappa was with your office exactly five and a half months before you fired him.

Mr. Speaker, I would like to ask the minister: why did you fire him?

Some Hon. Members: Hear, hear!

Hon. Mr. Hillson: — Mr. Speaker, Mr. Huliappa had always indicated to me that he was not interested in a career in government and was here for a short time. He had always indicated to me that he was more interested in pursuing a career in business.

After him serving five and a half months with me, we agreed that this was not a good match and that he would indeed be better off in the business world. Thank you.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Minister, David Huliappa worked in your office for just five and a half months when you fired him. He received over \$9,000 in severance. That's over two months salary, and after just five and a half months of work.

Mr. Minister, why did Mr. Huliappa get over two months severance — over \$9,000 — after just five and a half months of work?

Hon. Mr. Hillson: — Yes, Mr. Speaker, I would advise the hon. member that I was not involved in those negotiations. I advised . . . I'm advised that he would be leaving my office. And I was told that there is a policy in place for those who are leaving the employ in minister's staff, and that that was the procedure that was followed and that he would qualify for the normal severance of ministerial staff. And I was not involved in that part of the negotiations.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Minister, David Huliappa received over two months severance, over \$9,000 after less than six months of work. That is completely out of line with what other public sector employees could get.

Mr. Minister, why do you think that this is an appropriate level of severance?

Hon. Mr. Hillson: — I would advise the hon. member, Mr. Speaker, that as we all know, in the private sector severance is normally paid. And that this would be in line with private sector rights, that upon a termination there is a policy in place.

I did not lobby in this regard nor was I involved in it. I was told that the normal course was taken and the normal policy was followed which is in line with what one might expect in the private sector.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier.

Mr. Premier, a few years ago you brought in a salary scale and policy for ministerial assistants. We don't recall ever, ever seeing a ministerial assistant receive such a generous severance package especially after such a short period of work.

Mr. Premier, what is the policy for providing severance for ministerial assistants? And why was an exception made to give Mr. Huliappa such a generous severance package?

Some Hon. Members: Hear, hear!

Hon. Mr. Hillson: — Mr. Speaker, you will recall that when Mr. Huliappa was hired, as I've said, he told me he was not interested in staying in my office for a long time. The hon. member for Kelvington-Wadena said that it was outrageous that a candidate from the recent provincial election should be hired on staff, and that it should have been done through the Public Service Commission. She then turned around and hired another candidate from the same constituency for the Saskatchewan

Party, and again without the Public Service Commission's involvement.

This is gross hypocrisy, Mr. Speaker. Everything that was done was done in the normal course. They complain . . . they complain about a candidate having been hired. They turned right around and did the same thing. And I'm wanting to know: they said that they would reduce the salary. How much of the salary have they returned to the Public Service?

Some Hon. Members: Hear, hear!

Living Sky Health District

Ms. Harpauer: — Mr. Speaker, my question is for the Minister of Health. Madam Minister, the preliminary budget of the Living Sky Health District proposed closing the Lanigan Hospital and converting the Watrous and Wynyard hospitals to health centres.

Mr. Speaker, the Minister of Health told the media last week that the concerns of the public has decreased since the Premier announced no hospitals will be closed during the review of the health system.

But that certainly is not the case. The mayor of Lanigan is very concerned that the Lanigan Hospital may not be closed but instead will be downgraded into a health centre, as the minister suggested to him in a conversation earlier this month.

Madam Minister, will there be hospitals downgraded to health centres when these budgets are finally approved?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. As members will know, the Living Sky Health District provided its health plan to the government sometime before other health districts did, given that they have a very serious deficit and debt problem in their health district. As a result of trying to balance . . . get to a balanced budget in the district, they have put forward a number of possibilities to deal with their financial situation. We have indicated that while the Fyke commission is going on, that there will not be any hospital closures in the province of Saskatchewan, and that there will not be major disruption to the health system.

What I can say to the member is that there won't be any major facility closures while the Fyke commission is going on.

Ms. Harpauer: — Mr. Speaker, there's no difference between closing a hospital and converting it to a health centre. Either way the community will lose services and they will lose 24-hour emergency services.

Mayor Vigoren says that the services are vital to Lanigan. This large community built on agriculture and mining serves a large area, and a full-service hospital is required. In fact, he believes this hospital is so important that the town will consider legal action against the health district if these emergency services are removed.

Is that what a community has to do to get your attention? The

people of Lanigan just want a straight answer. Madam Minister, will the Lanigan hospital be downgraded into a health centre?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. What I can tell the member is that there are health centres in the province of Saskatchewan that provide acute care services, provide palliative care services, provide rehab services, and provide convalescent services, as well as lab and X-ray services, 24-hour emergency care, and so on, Mr. Speaker.

Mr. Speaker, this member would have us believe that health centres aren't providing these kinds of services, and I want to assure the member that those services are being provided in health centres across Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, the Premier's words that no hospitals will close while the health review is on are ringing hollow in the Saskatchewan people's ears. They think that we're simply playing games with words.

Both the Premier and the Associate Minister of Health refused to answer this question on Friday. They would not say whether hospitals will be downgraded to health centres. They would not say if there'd be long-term care homes closed as proposed in the health district budgets.

It's a simple yes or no answer. You have the health district budgets. You have the final approval on them. Madam Minister, you have the say that no hospitals will close or be converted. But will there be health centres and long-term care homes closed in this budget?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Well, Mr. Speaker, I have a news clip from February 3, 2000, and it's called: "Closing rural hospitals has become an issue." And you know what? The opposition . . . in fact the Health critic has said: "I would guarantee there'd be no hospital closed until this study is done so that we know what's going on."

Well I can tell the member that the Premier of the province of Saskatchewan has guaranteed that there will be no hospital closures while this commission is going on.

And, Mr. Speaker, I can also guarantee that at the end of the day, at the end of the day, an NDP-Liberal coalition government believes in a publicly funded and publicly administered health care system.

And I had the opportunity to witness some of the Canadian Alliance goings on on the weekend, and I know that all the people over there are supporting Stockwell Day and his version of health care. Well, we're not interested in private surgical clinics in this province. We're not interested in private health care in this province.

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. My question is for the Minister of Health.

Madam Minister, at the end of the day is Lanigan or Watrous hospitals going to be converted to health centres?

Hon. Ms. Atkinson: — We have indicated that while this health review is going on there won't be a hospital closed. And what's interesting, Mr. Speaker, is that there was only one district in the province of Saskatchewan that was recommending a closure of a hospital and that was the Living Sky Health District. And we have said that the Lanigan Hospital will not be closed while the Fyke commission is doing its work.

What I can also say is I have an extremely interesting article out of the *Herbert* . . . which is the *Herbert*, Saskatchewan newspaper dated May 24, 2000. And you know what this small, rural newspaper editorial has to say about people who continuously talk about Alberta envy. He has to say:

It's time that we appreciated the many, many good things in the province of Saskatchewan and appreciate that we, in 10 out of 16 surgeries in this province, rate number one or number two in the country.

But you'd never know it from listening to those people over there.

Some Hon. Members: Hear, hear!

Municipal Amalgamation

Mr. Peters: — Thank you, Mr. Speaker. My question is for the Minister of Municipal Affairs.

Mr. Speaker, the round table committee meeting to discuss municipal amalgamation in the province has been at work for almost two months. We are hearing of some options coming forward that would allow municipal governments in Saskatchewan to amalgamate on a voluntary basis.

When the round table process began there was an approximate deadline of mid to the end of June for a plan of action. Mr. Minister, where is the round table process at in its discussion on municipal amalgamation?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to say to the member opposite, it's a good question he asks. The round table has met on five occasions and the conclusion of the round table was to take the discussion then to the communities across the province.

And so SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) are just completing the regional meetings across the province today, of which I'm attending 11 of those 13 meetings. And on July the 11th, we're coming back to talk about the kinds of things that we've seen and witnessed from our discussions across the province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Peters: — The extended time frame of the round table discussion is quite a switch from the minister's strong words earlier this year, when he said if SARM and SUMA did not come up with a game plan of their own he was going to do it for them. And we know the Premier had to reign the minister in or he would have brought the whole province down with his plan to force amalgamation on municipalities.

Mr. Minister, in the light of this new co-operative approach you have adopted, how long are you giving municipalities to meet your agenda for less local government?

Hon. Mr. Serby: — Well, Mr. Speaker, to the member opposite there never was an agenda for working on municipal reconstruction in this province.

The discussion, Mr. Speaker, was that we would at one day come back to the round table and we would have a discussion about the kinds of direction in which the province wanted to go. And so we said to the municipalities here are some reports that are available for you, of which the municipalities participated, in Garcea report, and today that report has been tabled, Mr. Speaker.

And we have come forward around the round table and said to the municipal leaders, you provide for us the kind of direction that you wish to go in, if you wish to go down a particular direction, and we'll provide the legislative reform for you to proceed in whichever area you wish to go. And that's what we're doing, Mr. Speaker, today, which is exactly we intended to do in the first place; and we're simply following that process today, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Peters: — Thank you, Mr. Speaker. It's very interesting the minister would be encouraging municipal governments to combine services, move toward smaller governments, when he is expanding his own department.

Mr. Speaker, the Department of Municipal Affairs has a job posting for communication consultants. They say they have several positions open. They don't specify whether it's two positions or 10 positions — just several.

If these communication consultants are needed to promote your own agenda for forced amalgamation, Mr. Minister, how many communication consultants are you hiring, what are they needed for, and why are you expanding the number of your hacks in the department when you are forcing municipality governments to find more efficiencies?

Hon. Mr. Serby: — Mr. Speaker, I'd be happy to respond to the member opposite when we get into the estimates and provide more fully for the member opposite the kinds of structure that we have in municipal government today within the department, and the kinds of changes that have been made which nowhere near suggests what the member opposite is talking about.

I'd be happy to provide that information to him in estimates

when we're there, Mr. Speaker, in the next little bit.

Saskatchewan Indian Gaming Authority Investigation

Mr. Kwiatkowski: — Thank you, Mr. Speaker. My question is for the Premier. Mr. Premier, it's Monday, and that can only mean one thing. The NDP member for Saskatoon Southeast is being asked to explain and defend another inappropriate comment.

Two weeks ago she suggested the NDP should put more priority on the back alley behind her house than on the dangerous, crumbling highways in southwest Saskatchewan. Then last week the same NDP member called attempts by the Saskatchewan Party to ask legitimate questions about the misuse of taxpayers' money at SIGA (Saskatchewan Indian Gaming Authority) a witch hunt.

Now she says our attempt to question the Provincial Auditor about the SIGA affair were motivated by racism.

Mr. Premier, is that the position of your government — that a legitimate attempt by the official opposition about questions of an important public policy matter was motivated by racism?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, the real issue here, the real issue here, was why is it that at Public Accounts last week the official opposition attempted to prevent the Provincial Auditor from having an opportunity to investigate the situation at SIGA, prepare a report, and make recommendations, as the Public Accounts Committee is mandated to do.

That member and that party, Mr. Speaker, attempted to interfere with that process which is set out in the order of reference for the Public Accounts Committee, and now that member is trying to confuse the issue by suggesting that someone else was trying to cover up the issue, Mr. Speaker.

The only attempt at a cover-up in this whole affair, where the minister of Liquor and Gaming took very swift action, has been by the members opposite for their own political reasons, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Another question for the Premier.

Mr. Premier, on Friday the Provincial Auditor released his annual operations report. Here is what the Provincial Auditor says on page 3. I quote:

Members (of the legislature) can ask our Office questions on what we plan to do and (on) what we actually did. Such questions can be asked at any time and at public meetings of the . . . Standing Committee on Public Accounts.

Mr. Premier, last Thursday in the Public Accounts Committee, the Saskatchewan Party simply tried to ask the Provincial Auditor about a letter he had written to the Gaming minister. The letter advised that the former CEO (chief executive officer)

of SIGA had improperly retained \$360,000 in taxpayers' money, and that the SIGA board had given him a retroactive pay raise.

Mr. Premier, would you explain why the NDP thinks that asking legitimate questions about this important matter amounts to a racially motivated witch hunt?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The question here, Mr. Speaker, is why the official opposition wants to politicize an ongoing investigation — that's the question here.

What the member says is not accurate, Mr. Speaker. The mandate of the Public Accounts Committee, as determined by this House, is to examine reports of the Provincial Auditor once they are prepared. It is not the mandate of the member opposite to sit the Provincial Auditor down and ask him questions while he's still investigating and prior to the preparation of his report and the making of recommendations.

What the member opposite is doing, Mr. Speaker, is simply grandstanding for political purposes. That's what the member opposite is doing, Mr. Speaker. We're not going to play politics with the role of the Provincial Auditor, Mr. Speaker. We're going to follow the rules of this House and of the Public Accounts Committee.

And, Mr. Speaker, if these people cannot follow the rules of this House, they cannot be trusted to govern the province.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Another question for the Premier. Mr. Premier, the Provincial Auditor has expressed serious concerns about the misuse of \$360,000 in taxpayers' money at SIGA. Why didn't the member from Saskatoon Southeast accuse the auditor of being on a racially motivated witch hunt?

The Gaming minister ordered the former SIGA CEO to be fired, and then ordered a full investigation. Why didn't the member from Saskatoon Southeast accuse the Gaming minister of being on a racially motivated witch hunt?

Mr. Premier, the Saskatchewan Party was asking legitimate questions about a serious misuse of taxpayers' money. And we were attempting to ask those questions at the most appropriate time, in the most appropriate forum — the Public Accounts Committee.

Mr. Premier, will you instruct the NDP member from Saskatoon Southeast to stand up and apologize for her irresponsible and completely unfounded accusations of racism?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, the difficulty here is that the member opposite and these people opposite have learned nothing from the 1980s. Because in the 1980s, Mr. Speaker, we had a situation where not only were the rules of the Public Accounts Committee not followed, we had a situation where the

Public Accounts Committee didn't meet.

We had a situation when we took office, Mr. Speaker, where a budget had never been prepared for the Legislative Assembly, and the House was shut down and the government ran on special warrants.

The difficulty here, Mr. Speaker, is that the member opposite and his party are trying to circumvent the rules of the Public Accounts Committee and prevent the Provincial Auditor from doing an investigation, preparing a report, and making recommendations.

And on this side of the House, Mr. Speaker, we're going to follow the rules because we did learn a lesson from the 1980s, which is that if you operate in the fashion being suggested by those members opposite, you end up \$15 billion in debt, and we're not going to let that happen.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, another question for the Premier.

Mr. Premier, in December I stood in this legislature and spoke out loudly against racism. I was responding to a radio call-in show in which both the Premier and the Leader of the Liberal Party had been targets of racial slurs.

Mr. Premier, racism is a despicable, dehumanizing, disgusting element of our society. We should be working together to eliminate it. Racism should not be used loosely and without basis by anybody.

And yet that is exactly what the NDP member from Saskatoon Southeast did on the radio on Friday. Instead of responding to questions with good and factual arguments, she chose to play the race card.

Mr. Premier, if the member from Saskatoon Southeast won't apologize for her unacceptable actions, will you stand in the legislature today and apologize yourself?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, of course the member was grandstanding in the Public Accounts Committee, and he's grandstanding here as well.

What the member is saying, Mr. Speaker, is not of course in accordance with what actually occurred. The member is not presenting it in a factual way. As Minister of Finance, I'll just say this, Mr. Speaker; the only people that should be apologizing in this House are really the members opposite. And what they should be apologizing for, Mr. Speaker, is the fact that when they were in office, they ran up a \$15 billion debt, Mr. Speaker. And we're still paying \$2 million a day interest on that debt.

Mr. Speaker, we're going to follow the rules of the legislature. We're going to follow the rules of the Public Accounts Committee. We're going to keep presenting budgets in a timely fashion. We're going to keep the budget balanced. We're going

to keep cutting taxes, Mr. Speaker. And we're going to make sure that the mistakes that were made in the . . .

The Speaker: — Order, order.

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Premier do you have no regard for the kind of damage that this kind of behaviour can cause?

And is your government so politically bankrupt that throwing around accusations of racism is the best you can do?

Will you apologize for the member from Saskatoon Southeast?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, the member is drawing a very long bow in order to take attention away from what the member attempted to do in the Public Accounts Committee last week which was to prevent the Provincial Auditor from: (a) investigating and completing his audit; (b) preparing a report; and, (c) making recommendations.

And, Mr. Speaker, the member last week in this House was attempting to draw attention away from his effort to circumvent the Provincial Auditor. That's what the member's trying to do today with this very long bow that he's drawing, Mr. Speaker.

And we're not going to let him get away with it, Mr. Speaker, because the reality was he's trying to prevent the Provincial Auditor from doing his job; we're not going to allow him to do that, Mr. Speaker.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Cycling Across Saskatchewan

Hon. Mr. Hillson: — Thank you, Mr. Speaker. We're now in the latter part of June, and our thoughts are turning to summer activities. For many that means leisure activities of hiking, swimming, gardening, and biking.

Every member of this House has worked hard over the past several months, and I think we have earned some R and R (rest and recreation). At the same time, however, we can also focus our efforts beyond our own personal gain to raise awareness of the province.

I rise to advise all members of this House that I will be cycling across Saskatchewan in July.

I do this for two reasons. First, as Provincial Secretary, I am responsible for the anniversaries secretariat. The secretariat did excellent work in preparing our province for the new millennium celebrations. Now the secretariat is working hard to raise awareness of Saskatchewan's centennial in 2005.

I am dedicating my bicycle trip across the province to our millennium and centennial celebrations.

My second objective, Mr. Speaker, in committing myself to this

trip is to offer an opportunity to all members of this House to join me as I cycle across Saskatchewan. It might be an important bonding experience for us.

Mr. Speaker, planning this trip has sparked my imagination. I will be cycling my way through villages and towns, past waving grain fields and farmsteads, alongside many of our young people on their bikes, while enjoying Saskatchewan scenery.

Be it sunshine or cloud, breezes or calm, Mr. Speaker, I will set out from east of Langenburg on the Manitoba border, bright and early on Sunday, July 9, to follow the Yellowhead west.

This journey will take me through the great Saskatchewan communities of Yorkton, Foam Lake, Wynyard, Lanigan, Saskatoon, Radisson, Maymont, Maidstone, all the way to the Alberta border at Lloydminster. And yes, Mr. Speaker, best of all, through the Battlefords.

Mr. Speaker, I offer an open invitation to you and every member of this House to join me for the whole odyssey or for portions along the way. I know I will find this experience exhilarating, refreshing, and I offer the same opportunity to all members of this Assembly.

The entire trip is approximately 550 kilometres and I welcome company along the entire route. I already have some members of my department who have indicated they will accompany me for what will surely prove to be the experience of a lifetime.

During the past session, the city of Regina has been the host to us as legislative members. Gabrielle Roy has said of the prairies:

The one curious thing on the prairie — one can feel infinitely small and at the same time infinitely uplifted.

I implore my colleagues in the House to leave the cities for a few days and experience Saskatchewan naturally. Thank you.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. What we just heard, Mr. Speaker, was not a ministerial statement but rather a personal statement, a sort of what I'm going to do on my summer holidays report before it's even been done.

Although the statement, Mr. Speaker, was made by a minister, it does not deal with government policy or a change in government policy. Rather it's the minister's holiday report.

I can certainly understand why the minister would like to get out on the road where no one can find him. I doubly understand why he wants to bike rather than drive the highways. He, as a Liberal cabinet minister, is responsible.

I have some advice for him: take your hiking boots, you're going to need them. The minister, rather than biking, perhaps should volunteer to patch potholes. Lots of sunshine and exercise, and it would certainly be a lot more productive.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I'm extremely happy today to stand up and respond on behalf of the government to question 198, and by leave 199, 200, and 201, Mr. Speaker.

Leave granted.

The Speaker: — Those answers are tabled.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 64

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 64 — The Fiscal Stabilization Fund Act** be now read a second time.

Mr. Wakefield: — Thank you, Mr. Speaker. I want to add one or two comments on this particular Bill, the Fiscal Stabilization Fund.

There's a lot of discussion that's already taken place on this particular Bill. There's a lot of questions that we would like to bring up and we're going to have an opportunity, I'm sure. But for the record, Mr. Speaker, there's a couple of things that I think should be included on this particular . . . on the second reading debate pertaining to Bill 64.

This is — fiscal stabilization — as you know, Mr. Speaker, is something new. It has been introduced and therefore we're going to require a lot of clarification on some of the things that we've been asking about and some of the things that our constituents have been asking about too, because as you know this new fund kind of appeared out of the blue.

One of the things that is very troublesome is the fact that this fund, now at roughly \$400 million, will be put into a fund called Fiscal Stabilization. Well this particular fund . . .

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

Mr. Harper: — To ask leave for the introduction of a guest.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Harper: — Thank you, Mr. Speaker. To you, Mr. Speaker, and to all the members of the Assembly, I'd like to introduce a former constituent and a long-time friend, Mr. Art Halushka from White Beach. I know Art is in town today for some medical appointments, and he's taken time out to enjoy question period and take in the proceedings of the House. So I ask all the members to offer him a very warm welcome.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 64 — The Fiscal Stabilization Fund Act
(continued)

Mr. Wakefield: — Thank you, Mr. Speaker. I wanted to continue with one or two of the concerns I had with this particular Bill before it moves forward.

One of the things that it would seem to me, is that setting aside a Fiscal Stabilization Fund would seem to be the correct thing to do in terms of making sure that some of the unexpected emergencies or unexpected eventualities of government spending are looked after.

However, Mr. Speaker, there is a concern that this amount of money, which is really coming out of the liquor and gaming fund, has been allocated in such a way that there really is a question whether it's going to be more accountable or not.

The minister has promised that this fund would become more accountable, and those questions we'll bringing up certainly in Committee of the Whole. And I understand that estimates will have to be questioned in this particular issue as well.

But, Mr. Speaker, the stabilization fund . . . and I think the largest concern I have about the Fiscal Stabilization Fund is the fact that, while this money is being set aside as a reserve, first of all there is no money in this reserve. It's an accounting entry that will allow the government, at their discretion, to withdraw and use in any particular area that they feel that is needed in this particular year.

Another question is we don't understand whether this is a continuing fund, whether there's going to be money going to be allocated to it each year. And because of this fund being set there, there's a lot of budgets that are running pretty short. There's a lot of downloading onto other parts of our system. Municipal government is struggling to maintain the services they can; of course our health districts and our school districts.

Those are the items, Mr. Speaker, that we are going to be addressing as we get later on into this. That's the only comments I have that I want to put on record, Mr. Speaker.

Some Hon. Members: Hear, hear!

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

(1430)

COMMITTEE OF THE WHOLE

Bill No. 52 — The Wildlife Amendment Act, 2000/
Loi de 2000 modifiant la Loi sur la faune

The Deputy Chair: — Order, order. I'd like to ask members to come to order while we address Bill No. 52, please. And I would like to invite the Minister of the Environment to introduce his officials.

Hon. Mr. Belanger: — Thank you, Mr. Chair. I just want to introduce, to my immediate left we have Stuart Kramer who's my deputy minister; and to my right we have Dennis Sherratt who's the director of the fish and wildlife branch within SERM (Saskatchewan Environment and Resource Management).

Clause 1

Mr. Kwiatkowski: — Thank you, Mr. Chair, and good afternoon, Mr. Minister. And welcome to your officials.

Just a couple of questions, hopefully fairly brief, with respect to Bill No. 52, The Wildlife Amendment Act, 2000.

Firstly, Mr. Minister, with regards to the big game damage compensation fund. Now I understand that this fund was discontinued approximately two years ago. Could you please confirm that there are no more claimants who are waiting to receive compensation for this fund?

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just to report to the member that the program is all wound up for payments, and there are no outstanding claims against the big game damage fund.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Mr. Minister, I understand that there is a compensation fund that replaced the big game damage compensation fund. I understand as well that this one is funded jointly by the provincial and federal governments. Is that correct?

Hon. Mr. Belanger: — Yes, it is.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Mr. Minister, could you provide me with the breakdown of the various levels of government shares in this funding? What contribution does the provincial government make? What contribution does the federal government make? And has the fund been in shortfall in any form or fashion since its creation?

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just to report, in terms of the compensation, the costs are shared on a 50/50 basis between the federal government and the provincial government.

In terms of the actual prevention of some of the damage, 100 per cent of that is being paid for by the province and by some of the actions that the province is doing. We're having a fencing program. We're looking at feeding programs to stop the deer from coming into farm fields, and so on and so forth.

And quite frankly, the last couple of winters have been mild, so there is no funding shortage and the program has been operating well.

Mr. Kwiatkowski: — Thank you, Mr. Minister. Mr. Chair, the new section 44 makes reference to the fact that wildlife officers, conservation officers can now lay a charge for possession of wildlife for the purpose of trafficking.

Would you please indicate to me if there has been any expansion of peace officer authority, if their duties have been expanded, or if they have in any way had more power vested in them in order to be able to do these investigations and in order

to follow up specifically with the trafficking in wildlife.

Hon. Mr. Belanger: — Thank you, Mr. Chair. I guess the best way to explain that is no, it does not give the conservation officers a lot of wide-ranging powers.

It's much like a drug charge. When you actually see somebody trafficking in drugs, that's one charge. And then you have another individual being charged with possession for the intent of trafficking; that's a separate charge as well.

And that's basically what we're trying to do here. Many times we catch people that are trafficking in wildlife, and that's certainly not permitted, it's not allowed, so you have a charge for that. But on many occasions you find people that have the animals or whatever that they are trafficking, they have it in their possession, so now you're not only able to charge them for the actual trafficking violation, you can now charge them with the possession with the intent of trafficking in wildlife parts, etc., etc.

Mr. Kwiatkowski: — Okay, thank you, Mr. Chair. Just a quick question, Mr. Minister, with respect to the two plans referenced in the Act — the management plan and the recovery plan. Now I notice that the management plan indicates that part of the purpose here is:

to prevent a vulnerable native wild species designated and listed in the regulations pursuant to section 49 from being at increased risk.

And then we look over at:

‘**recovery plan**’ means a document that outlines specific steps to be taken for the recovery and conservation of designated species.

Can you explain briefly, Mr. Minister, what the difference is between a management plan, a recovery plan, and how the two of them would work together.

Hon. Mr. Belanger: — Thank you, Mr. Chair. I guess the best way to explain that, if I can draw a very clear picture. And it is certainly a challenge for me to do that because there's so many different interpretations here. The best way to do it is to explain to you on a scale of one to five, with one being the least threatened and five being the extinct. And that's the best way to colour the whole presentation and to draw a clear picture.

I guess in terms of managing all the species — and that includes wildlife and animals, and the wildlife especially — the situation that we have is that the least threatened, the animals that we know that there's a problem with but is not as severe would be classified under vulnerable. The second area we have to really watch is the threatened area. Then you have the endangered area.

And the fourth level of concern would be the extirpated species, species that may have lived in Saskatchewan at one time and don't live here any longer. And of course the fifth and the most extreme problem would be the extinct species.

So how we do that is we classify them from one to five, with

one being the least endangered, with five being extinct. And that's how I like to begin to compare what we're trying to do.

So in terms of the vulnerable, which we know are some problem, they're in the least category of challenges when we talk about some of the species at risk throughout the province. So we do have a management plan for them. The vulnerable species are of concern. I want to watch their numbers; I want to make sure nothing significant happens to them. So they're managed in that sense.

A recovery plan really deals with the threatened and the endangered species — the ones we know definitely are threatened, they're endangered, there are some serious problems there. And that's how we make the classification between endangered and certainly between vulnerable. And that's why we have two different approaches between managed approach and certainly the plan to recover some of the numbers.

(1445)

Mr. Kwiatkowski: — Thank you, Mr. Minister, and Mr. Chair. Okay. Now generally how much time would elapse from when an at-risk species is identified and it would be included in the management plan? And then what is the process for moving it from the management plan through to the recovery plan?

Hon. Mr. Belanger: — Thank you, Mr. Chairman. I guess the best way to answer the question to start with is that SERM is going to do all that they can to ensure that the managed species at risk stay in the category of being managed. Because of course you know once they become into the second component of the recovery plan, and then of course that's something that we don't want to see.

To answer the question how long is the transition to go from the damage plan to the next level, is roughly about two years. And the recovery plan is not where you want to be because that's where you go into the more significant challenges facing wildlife and plants, and so on and so forth.

And how do we manage to try and resist all the problems we have in terms of having many of these species stay in the management plan? We have such things as higher fines. There's no capture. And, quite frankly, we also monitor how well the species is doing. So it is a significant task and SERM has taken that task very seriously.

So in relation to your question, we want to keep as many of the species at risk in the management plan as opposed to the recovery plan because that's not the direction . . . it does not indicate success at all. And again, we're doing all we can to alleviate that particular problem by going through the no capture, higher fine scenario.

But what I will also point out is that it is quite important that all people across Saskatchewan realize that they have a role as well. SERM does a great amount of work but there's a lot of friends and allies out there that help us with some of the work. And we sincerely appreciate that as well.

Mr. Kwiatkowski: — Thank you, Mr. Minister. Mr. Chair, through you to the minister, the National Accord for the

Protection of Species at Risk in Canada was signed with the federal government back in 1996. And I note that the principles for the vulnerable and at-risk categories are based on that accord.

Can you explain, Mr. Minister, why it took us four years to get to the point that we're finally at today?

Hon. Mr. Belanger: — Saskatchewan certainly is not holding their effort back on this at all. The accord, as you know, was signed in 1996, and a Saskatchewan Act was passed in 1997.

And to answer the question on behalf of the federal government is not in my purview to do so, but I will put a small plug in, in the fact that we took an extra year to consult between 1996 to 1997. We feel consultation is very, very important and we met with a bunch of stakeholders and all the people involved in this process.

And in small defence of the federal government in reference to this particular Act, is that they had across Canada, consultation process going, and that certainly takes a heck of a lot more time than across Saskatchewan. But needless to say, I think Saskatchewan by far has been very active and there has been a lot of work done in reference to this particular problem.

Mr. Kwiatkowski: — Thank you, Mr. Minister, and Mr. Chair, through you to the minister. Mr. Minister, can you give me an indication of how many species in Saskatchewan are designated in the following categories: designated, endangered, extirpated, threatened, and vulnerable?

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just to point out that there are now 15 species that are listed in the wild species at a risk, and there's another 33 that have been assessed and being looked at.

And we don't have the breakdown as to which species are . . . certainly in terms of the managed species and the at-a-risk species in terms of being threatened or endangered. So we'll get that information to you.

But in a nutshell, there's 15 that we have identified, and we're looking at another 33.

Mr. Kwiatkowski: — Thank you, Mr. Minister, and I would appreciate the breakdown of those species as per those categories. And I have no more questions, Mr. Deputy Chair.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 53 — The Wildlife Act Consequential Amendment Act, 2000

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Bill No. 5 — The Parks Amendment Act, 1999**Clause 1**

Mr. Kwiatkowski: — Thank you, Mr. Deputy Chair. I just wanted to indicate that I have no questions on Bill No. 5.

And I would take this opportunity to thank the minister and thank his officials for their assistance here today, and also for all of the assistance that they've provided us over the course of this session, not only with the various Bills but with estimates as well. So thank you very much.

Hon. Mr. Belanger: — Thank you, Mr. Chair. I move that we:

Amend Clause 1 of the printed Bill by striking out "*The Parks Amendment Act, 1999*" and substituting "*The Parks Amendment Act, 2000*".

Amendment agreed to.

Clause 1 as amended agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill as amended.

(1500)

Bill No. 60 — The Forest Resources Management Amendment Act, 2000**Clause 1**

Mr. Allchurch: — Thank you, Deputy Chair, Mr. Minister, and officials. I have a few questions regarding the Bill — Bill No. 60. With regards to forest remanagement agreement licences, generally how much time elapses from when the transaction occurs to when you are notified about it?

Okay, my question, Mr. Minister, is with regard to forestry management agreement licences. Generally how much time elapses from when the transaction occurs to when you are notified about it?

Hon. Mr. Belanger: — Thank you very much, Mr. Chair. Again I apologize for not hearing your first question, and I thank you for giving us a second opportunity.

Just to point out that we would be aware, right from the start . . . It's important that the minister of SERM be made aware of these transactions. So in reference to your question, how much time would elapse in reference to a transfer of the FMA (forestry management agreement) — we would be aware right from the start.

Mr. Allchurch: — Thank you, Mr. Minister. Mr. Deputy Chair, I noted that any FMA transactions are not to be undertaken without the minister's consent. Is this correct? Might there be an instance where you would not give your consent, and if so, could you please give you me more details on your explanations?

Hon. Mr. Belanger: — Thank you, Mr. Chair. I guess the purpose of this whole Act is to ensure that the minister has an opportunity to look at the new owners and what their new plan is.

And in terms of the question as, would you reject it and why would you say no to it, I think the most important thing is that our role in SERM is to ensure that the environmental laws and rules and regulations and policies that we have established as a province are followed. And I think the companies have done a tremendous job in doing that. So in relation to that particular aspect, we would look at that as well. And we don't see, or foresee anyway, a lot of companies not following some of the environmental rules and regulations when they assume a FMA.

Secondly in terms of the facilities, if there's wide-scale facilities being closed, if there's a change of plans, drastic change of plans, these are some of the reasons, I think, that we would try and look at saying, no, we don't approve of that particular transfer because the cost is too great to the province of Saskatchewan. And I would say at this stage of the game that that would be in extreme cases.

Again, I don't foresee industry taking over a huge investment, not being aware of the some of the rules and regulations around sustainable forestry practices. I don't see them taking over a big investment trying to look at closing facilities and creating this huge economic problem for the province of Saskatchewan.

So I think the clause merely gives us the avenue to say look, listen, if you're going to transfer ownership, we'd like to have a look at this, see how things are going, and go from there. The whole intent here is to just be made aware through the Act that these things are happening.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. In those instances where a transfer of ownership, a similar transaction occurs, isn't it the legal obligation of that company to transfer the FMA licence as well?

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just for your information that when a company is sold, is the FMA automatically transferred? And that's the whole purpose of this exercise of this Act is to make sure that the minister has that information, to make sure that the minister is aware of what's going on.

In any event if an FMA is being transferred from one company to another company, there is no cost to the province of Saskatchewan. We want to make sure that as a minister we have the opportunity to protect Saskatchewan's interests on the environmental aspect as well as the economic means, so it's our purview to this Act to try and do that.

So your question is: is the FMA automatically transferred? The obvious answer is, if there's no problem with the minister, then that option is available to them.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. Naturally the communities that will be impacted by the FMA licences have some concerns about their own livelihood. It also is my understanding that in those areas there exists a number of small businesses that also depend on the forests for industry.

In those instances where it has been decided that due to a merger or takeover a company's FMA will not be transferred, would that FMA then be offered to a small business in that area?

Hon. Mr. Belanger: — Thank you very much for the question; it is a very good question.

I think the situation that we want to look at is that when the province announced last April, or a year ago last April, of the expansion to forestry — and certainly there's a number of companies that came to Saskatchewan or were here already and looking at expansion, and when they announced that three-quarters of a billion dollar investment in the forestry industry and they announced a number of partners and a number of projects — I just want to point out that from our purview of SERM, the primary focus that we have in the whole aspect of forestry is to ensure that the forests are managed well.

And I would even go so far as say that industry also shares some of that load and some of the responsibility. But it's more so the province's responsibility to ensure that some of these policies we set up are followed to a T.

And so in relation to your question, is in the event that a takeover is imminent, would people in the area have an opportunity to take the FMA and use it for their own purposes, the whole point that I want to make is that it hasn't happened. The chances of that happening are very slim. It's a hypothetical situation as well.

But what I think I would say to that is that we are trying our best as a province. And I know that the Economic Development minister and the Minister of Northern Affairs and the Minister of Aboriginal Affairs, they're all working together to ensure that as many people in Saskatchewan have an opportunity through forestry.

And I might add that, again, it may be proper for the minister of SERM to do that; but I might add that the 10,000 new jobs and the three-quarter of a billion dollar investment is on track. There's new mills opening up. There's new opportunities. There's value-added processes. And it's all being done in a sustainable fashion.

So again to your question — is the forestry opportunity available to people in certain areas — the obvious answer is yes. And we certainly hope that large industry and small industry can work together to accomplish some of the admirable goals set by the province; all the while being fully aware that the environment and resource management position is we must do this in a sustainable, environmentally friendly fashion. And that's where our primary role comes in.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. I also understand that this Bill has provisions that will allow SERM officials to confiscate a wild rice crop where dues and fees have not been paid and the producer's permits or licence have been cancelled or expired. Is this correct, Mr. Minister?

Hon. Mr. Belanger: — Thank you very much, Mr. Chair. Just to point out that our intent here is to not go after a bunch of wild rice growers — our intent is to clarify the ownership. The

collection practices are going to stay the same. And again we're working with the outfitters . . . sorry, the wild rice growers in the province. And I think this minor change is something simply to help us clarify the ownership and to reduce some of the arrears that may be out there.

And just to point out that the collection processes haven't changed. It's not a significant problem. It's basically a minor housekeeping issue.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. When you say ownership does that mean then that the government will then now become the owner?

Hon. Mr. Belanger: — Thank you very much. Again the question in terms of what will happen to the crop, quite frankly this was . . . we had a written letter from the Saskatchewan Wild Rice Council asking us to do this, because we wanted to clarify who owns certain crop.

And I would say to you that if SERM is going to confiscate the crop, then the proceeds of the crop would go towards settling the arrears of that particular patch. And then of course our intent is to again transfer it over to another wild rice operator that would follow the rules and certainly pay their permit fees and some of the costs associated with accessing that particular part of Saskatchewan.

(1515)

Ms. Julé: — Thank you, Mr. Chair. Mr. Minister, good afternoon. Mr. Minister, in regards to the owners and operators of the wild rice industry, I'm wondering if any of those owners have received monies through the Saskatchewan Opportunities Corporation to assist them in getting their business running, or whether SOCO (Saskatchewan Opportunities Corporation) money was given to any of those industry members to assist in their operations in any way.

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just to point out that we are not aware of the financing arrangements of some of the people that do apply for the wild rice permits. We simply issue the permits based on what is shown as available, and we ensure that we collect the fees.

So in terms of who is financially supporting some of these ventures, we don't have that information.

Ms. Julé: — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, you had indicated to my colleague here from Spiritwood that you were going to see to it that if there were any arrears and so on that were outstanding with these wild rice operations, that the crop then would be used at your determination to pay off those arrears; and subsequently any other determination that your department felt would be necessary in as far as ensuring that operations are viable and run well would be done in a manner whereby the department could transfer ownership of these operations to another owner.

There's a lot of questions surrounding how that might be done, Mr. Minister. As far as your ministry, your department having the authority to do that is really questionable for me, especially if these are operations that do not have public funding to sustain

them.

And so I would ask you, Mr. Minister, how would a determination be made as to who would then be having the right to pinpoint who the new operator would be. Who makes that determination and on what basis do you make it?

Hon. Mr. Belanger: — Thank you, Mr. Chair. Just to point out again that SERM doesn't really look at the whole avenue of who we should allocate and who we shouldn't . . . we should not allocate to. What I want to point out to the member is that we generally operate on a first-come, first-serve basis and all the allocations and permits for wild rice do go to the field staff. And again, we try our very best and I think it's very consistent that we come and go on a first-come, first-serve basis.

Ms. Julé: — Thank you, Mr. Chair, Mr. Minister. But it is your department that has just indicated in this House that you would make the determination that there was going to be a transfer of ownership if in fact one of the operations was not operating in a viable way or an environmentally sustainable way.

So you are going to be taking a determination to take that step, from what I heard you say. And even if it is not your department, it is obviously your government who will be doing that. And so I think there needs to be an accountability and responsibility to the public for you to state today how that determination is made on behalf of your government.

And I'd like your personal comment on whether you think it's government's role to make that kind of a call, judgment call, and to interfere in private business where it is private business, and like I've mentioned before, especially if there is no government money in this.

Hon. Mr. Belanger: — I think in terms of the sustainable fashion and in terms of the application process, I may have got the issues of forestry versus wild rice issue mixed up.

In terms of the FMA transfer that we were speaking about, about five minutes ago, I made reference to the fact that if we do look at an FMA being transferred, we look at things as ownership and some of the facilities that we're looking at, and the viability, and certainly some of the environmental challenges that we face. And that was where the question came up in terms of the economic position of some of these companies.

In relation to wild rice, we don't look at the environmental implication of the applicant. Again the applicant could be anybody that goes to a SERM office and says, I hear this particular area is available and I'd like to apply for it. Here's my money. I'm also a member of the Wild Rice Growers Association, and so on and so forth. So we don't really distinguish whether candidate A or candidate B has a better financial position. All we know is that again, we go as best as we can to a first-come, first-served basis.

In terms of the seized crop, the area — that will be offered for tender through a local newspaper. It will be posted in the SERM offices, and also in some of the wild rice processing plants and public places as well. So the intent is not to choose who we want to have these areas. We simply want to say, look, listen,

there's a problem here. We want to clarify who the ownership of this particular patch is; there's some arrears, we want to get those arrears settled up, you know.

And somebody else will come alongside and take the opportunity because wild rice, as you're aware, is a growing industry. It is an exciting industry.

And I know my hon. colleague, the member from Cumberland, has done a great amount of work in that regard. And they also brought the Deputy Premier out to La Ronge to meet with some of the people that have made a significant gain in the wild rice industry.

So really our intent is to not stifle the wild rice industry at all. The deal here is to make sure that the opportunity is available, that the Wild Rice Council is supportive in reference to this particular exercise, and that if an opportunity does come available that we don't try and pick and choose who we want there. And we try to follow the rules and processes as fair as we can and that's exactly what the Act is intended to do. Thank you.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. In regards to the wild rice crops and where the dues and the fees have not been paid — I'm assuming by your information that you've given today that there's been some problems regarding that — how long has this been going on and is there a grace period for the producers in that respect?

Hon. Mr. Belanger: — Thank you, Mr. Chair. As you may know, the industry has been going fairly strong since 1980, and this problem has been apparent since the early '80s. And just to point out that the Wild Rice Council has asked us to do this particular amendment because they want to make sure that the 15 per cent of people that are out there that aren't paying their permit fees, and so on and so forth, that the issue is not sitting there for another 20 years.

So this is the reason why SERM is now in the process of putting this particular exercise to this Act.

Mr. Allchurch: — Thank you, Mr. Minister, and Mr. Deputy Chair. Have you talked to the wild rice producers to find out what the reasons are for them not paying the fees? And are the fees so high to begin with that they're not paying them, and that is the reason why?

Hon. Mr. Belanger: — Thank you, Mr. Deputy Chair. Just to point out that 85 per cent of the wild rice growers in Saskatchewan are great — like they follow all the rules, they pay all their permit fees, and everything is going well.

And this Act is simply addressed to try and find some solution to some of the people that are out there that may or may not be involved with the particular industry, and it's hard to find out what's going on some days.

And that's one of the reasons why the wild rice growers are saying look, listen, put this clause in, we want to clarify who owns certain land, some of these people have not paid the arrears for a number of years, get to the bottom of it, and get this whole issue settled.

The average wild rice permit costs . . . from SERM's perspective is that they average about \$200, and some of the sizes of wild rice crop can go up to a thousand acres and some as small as 100 acres. So quite frankly, it's not a significant fee. It's a very good fee, it's a fair fee, and again we're doing our very best to support this industry the best we can.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. When you're saying \$200, it's \$200 per what?

An Hon. Member: — Per year.

Mr. Allchurch: — Per year. For as many lakes as they have or just for one or . . .

Hon. Mr. Belanger: — It's \$200 per year, per permit.

Mr. Allchurch: — Thank you, Mr. Minister, and Mr. Deputy Speaker. What other provisions are in place, other than confiscating your crop, that would encourage producers to keep their licences current and their fees paid up to date?

Hon. Mr. Belanger: — Thank you, Mr. Chair. I just want to point out is that the question was, are you working with these people that are in arrears?

I want to point out that confiscation is the last of the options that we have. We are working with the Wild Rice Council throughout the province, advising their members, look, listen, this is something that you guys want to do, to do one thing and that's to clarify some of the owners of some of these patches, and that's what they're trying to do; but let these members know that if they're not keeping current with their permit fees and not letting us know what's going on, and they continue not addressing the problem, that this is intended to help the Wild Rice Council itself and the industry.

So the question we . . . or the answer I have is, confiscation is our last step. We have been consulting with the Wild Rice Council throughout the province. These arrears problems have been going on for 20 years. We want to clarify who owns some of these patches. And I even believe we should go so far as to say to some of these people, is that to contact them directly, one-on-one, saying this particular patch that you had at one time, you're in arrears this amount, are you aware of that? And if you're aware of that, can you pay that?

I think that's one of the options that we are looking at. There has been some extensive consultation. It's not something that we want to do; it's just an avenue we have now to support the wild rice industry, at the request of the Wild Rice Council of the province of Saskatchewan.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. In regards to the licensing, that licensing is done on a year-to-year basis. I'm wondering if the arrears that is incurred by the member is added on to the licensing before he can get his licence for the next year?

Hon. Mr. Belanger: — Again, this particular problem is facing about 15 per cent of all the growers out there. And as I mentioned before, clarification is one of the intents . . . or the objectives of this Bill — we want to clarify who owns what,

where. And again, 85 per cent of the wild rice growers out there are good growers. They do well. They pay their permit fees. They pay all the necessary dues. And they're, quite frankly, an incredible asset to their industry.

The problem we have on the 15 per cent is we need to get clarified who owns what. And if they don't have any other options available on a particular patch, that they give it back to SERM for allocation to other people on a first-come, first-served basis.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. When you're saying, 85 per cent are good ones and 15 per cent are bad ones, can you give us some numbers as which relate to the 85 per cent versus the 15 per cent that are bad ones?

Hon. Mr. Belanger: — Well first of all, I just want to clarify the position is that we don't want to point out that there's 15 per cent of the wild rice growers industry out there that are bad.

The fact of the matter is these growers could be really good growers. All we're trying to point out is there's 15 per cent of the growers out there that are in arrears with their permits and their fees. We want to make sure we get to the bottom of that and find out to clarify who owns some of these areas, the arrears, then get them addressed, and can we help, again, the other 85 per cent who are, again, decent producers that are following the rules and certainly paying their permits.

So, I think to clarify — there isn't 85 per cent bad and 15 per cent good in terms of the industry; there's 15 per cent that are consistently not paying their fees on an annual basis. And I want to make sure we get to the bottom of that and that's what this whole exercise is intended to do.

Mr. Allchurch: — Mr. Minister, and Mr. Deputy Chair, can you give us numbers that are involved in the rice growing association, like, actual numbers of how many people are wild rice growers? And out of that there's 15 per cent that aren't, so that would give us a number of how many people are in arrears.

Hon. Mr. Belanger: — There are approximately 200 active wild rice growers in the province of Saskatchewan. And they're very active in terms of developing the industry. So if you take 15 per cent of that, which is a high number, roughly 30 people are in arrears.

And again, we want to clarify what these 30 people are doing — if they still own the patch or if they want to give the particular patch up that they have. And these are the questions that we're trying to find out.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Deputy Chair. As I understand that, to an outfitter who was selling their outfitting business, he is allowed to sell his licensed property as part of his sale.

In regards to the wild rice growers, I understand that he cannot sell his rice-growing properties as part of the water sale. Could you clarify this for me?

Hon. Mr. Belanger: — Thank you, Mr. Deputy Chair. Just to clarify the position. The reason to your question is that wild rice

is considered a self-generating crop. This is a cross-Canada approach in allocating wild rice opportunities.

So in relation to your question about why an outfitter can sell his operation and use some of the resources on his allocation as part of his business opportunity and why a wild rice grower cannot, is it's classified as a self-generating crop which is a resource that the Crown owns even though the person has applied it.

And the difference between them and the outfitter is, the outfitter of course is hunting wildlife. And it's certainly something that is a significant difference between wild rice and wildlife. And that's the reason why you have the two rules.

And again with the wild rice argument is that this has been a cross-Canada approach when it comes to wild rice, and there is a long history to the reason why they are doing it. And we'll certainly share more detailed information with you if you so wish.

Mr. Allchurch: — Thank you, Mr. Minister, Deputy Chair. In regards to the sale of wild rice crops, you're saying that he cannot sell that. Yet the person that has the permit owning it, the rice, to put wild rice in those lakes, they're putting it in, it's their manpower putting it in, but yet they're not allowed to sell that as part of the sale when they go to sell their operation. And my question is, why not?

Hon. Mr. Belanger: — Again to clarify the position, is that this is a standard Canadian approach in reference to wild rice, and Saskatchewan is abiding by that approach.

Mr. Allchurch: — Thank you, Mr. Minister, and Mr. Deputy Chair.

In regards to that, then I think it should be looked at differently. Because if you compare that to an outfitter, and there are outfitters right next to these wild rice growers, and the laws are different for both those two operations, and they should be the same because they work side by side and they work on the same regards.

With that, I don't have any more questions, Mr. Minister. I don't know if my other colleagues have any. That's my last question.

I want to thank the minister and the officials here today. Thank you.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

Hon. Mr. Belanger: — Thank you, Deputy Chair. I just wanted to thank all the members in the opposition for their questions and sincerely appreciate their support and collaboration on these very important issues.

Thank you.

Bill No. 82 — The Income Tax Amendment Act, 2000

The Deputy Chair: — I'd like to invite the Hon. Minister of Finance to introduce his officials.

Hon. Mr. Cline: — Thank you, Mr. Deputy Chair. I have with me today to my left, Mr. Kirk McGregor, who's the assistant deputy minister of taxation and intergovernmental affairs. And to my right, I have Mr. Len Rog, who's the assistant deputy minister in the revenue division. Behind Mr. Rog is Mr. Rob Dobson, who's the director of education and health tax in the revenue division. Behind me is Mr. Jim Nelson, who is the director of audit in the revenue division. And behind Mr. McGregor is Mr. Arun Srinivas, who is the senior taxation policy analyst in the taxation and intergovernmental affairs. All of these individuals work for the Department of Finance.

Clause 1

Mr. Wakefield: — Thank you, Mr. Deputy Chair of Committees. And, Mr. Minister, may I welcome your officials here this afternoon. I have a few questions I'd like, mainly for clarification if I could, Mr. Minister, regarding Bill 82, The Income Tax Amendment Act, 2000.

I guess my first question is . . . from what I remember from your presentation both at the budget and also in reading the second reading, there was the item of the flat tax and we've talked about this being reduced from a 2 per cent flat tax to 1 per cent.

When I read the amendments I see 1.5 per cent there, and I think I understand. But I would ask you to clarify that, because when people read the amendment and hear from the things that are being said, they're going to say in the year 2000 it is not 1 per cent, it is 1.5 per cent. So please clarify that discrepancy.

(1545)

Hon. Mr. Cline: — Yes, Mr. Deputy Chair. What the member says is quite correct. The rate is being changed from 2 per cent to 1 per cent effective July 1. But because the rate will be 2 per cent for the period January 1 to June 30 and 1 per cent from July 1 to December 31, over the average of the year 2000 the rate will be 1.5 per cent.

Mr. Wakefield: — Mr. Chair, Mr. Minister, when people do their tax for the year 2000 they'll see this 1.5. Do you think there's going to be some confusion and some need to say, hey, that's not what was told to us earlier. How best to approach that when our constituents come to us and say that is not what we heard earlier?

Hon. Mr. Cline: — Well just to say that then there would be some confusion, because we have been very clear and consistent throughout that the flat tax will be reduced to 1 per cent effective July 1. This is consistent with the way taxes have changed in other years.

For example when the debt reduction surtax was cut in half one year . . . a number of years ago, the same thing occurred. There's the 25 per cent reduction because the change occurs midway through the year. So if you cut something by 50 per

cent but you're doing that for half the year, that ends up 25 per cent throughout the year. So it's a very simple matter of calculation. Certainly it's been done before.

The other thing I would explain to people is that on January 1 the flat tax will be eliminated, so after January 1 it will be zero per cent. I'll welcome the opportunity to talk about the 2 per cent, the 1.5 per cent, and ultimately the zero per cent.

Mr. Wakefield: — Thank you, Minister, Mr. Deputy Chair. I like those kind of numbers when we're talking about reducing taxes. That I think is certainly the right direction to go. And I hope you'll be able to show very quickly that there is in fact an expansion of economic activity, and the resulting economy will show a positive aspect to this. I'm confident that it will. We've done studies from our perspective and I have to agree that that is certainly the right direction for the flat tax.

One of the other questions that I have, Mr. Minister, pertains to the subsection 8.3, and that is 8.3(1) when we're talking about the . . . you're adding a section in there, the post-secondary graduate tax. I know that in the amendment it's just adding one more item under the amount equal to the aggregate of.

Can you explain again the value of this post-secondary graduate tax with the idea that . . . do you believe it has gone far enough? Do you believe that that tax is going to accomplish what your objective is with this post-secondary graduate tax?

Hon. Mr. Cline: — Well I think it will be helpful, but I think that what is more important is the larger tax cut that will occur with the introduction of the new system on January 1, 2001.

This year, the year 2000, what will happen is that a graduate of a post-secondary institution will receive a tax credit of approximately \$3,180. So that on that portion of their income for the year 2000 in addition to other tax credits, personal exemptions that they may have, their income would not be taxable and that portion of their income would not be taxable.

So it's a bit of encouragement. Next year when the new system comes in, whereas I as a non-senior for example might have a tax credit of \$8,000, under the new system if I was a graduate of a post-secondary institution I'd have an additional 3,180, so I'd be up to about \$11,180 before I start paying income tax. So it's just a bit of an encouragement for young people to stay here.

But I'm not sure it will as much impact, Mr. Deputy Chair, as the overall reform of the taxation system of which this is one part. I think you have to take all of the parts together, and hopefully they'll encourage economic activity as the member says, and therefore job creation. And I think most of us would agree that probably the main thing that people look for are job opportunities on graduation and that's what we're trying to encourage.

Mr. Wakefield: — Thank you, Mr. Minister, Mr. Deputy Chair. To encourage people that have graduated to stay in the province is certainly the correct thing to do. And I know that your tax plan is a program plan that over the years will see an increasing amount of income tax reduction. At least that's projected and planned; I think you've explained that.

To a student that's just coming out of university who has a very large debt load, who is looking at employment for the first time and trying to find the best return he can, or she can, to try to both get established in that world and also to pay off the debt that he or she has occurred, it's very important to have something that is an immediate, recognizable, achievable reduction. And I guess my comment was that this, from the constituents that I've talked to that are at university, is not going to be able to do the job. So that I'm just stating that as one of the observations. Mr. Minister, you may or not want to comment on that.

Another question, if I could. I'll move to something a little bit differently and that is the tax credit that is being shown under one of these amendments. You talked about the cheques that will be sent out for the tax credit will be coordinated with or along with, I think you said, the GST (goods and services tax) tax credit cheque. Is that correct and would you comment on that, please?

Hon. Mr. Cline: — Yes. The first part of the question, whether the tax saving to students would be sufficient to encourage them to make a decision to stay here or to move here — because it applies to people who might have gone to university or taken a trade elsewhere and might want to move to Saskatchewan, they could be from Newfoundland, for example, or Manitoba — no, in and of itself I'm not sure that it would make a difference. I think it's part of a package and as part of a package, I think it could.

The package would be that students get tax credits for things like, when they're going to school, if they pay tuition during the taxation year, we have a bursary program that pays . . . forgives some of the loans that needy students would have to otherwise pay back. And all of those things plus lower taxes generally, I think, would be important. So I would say to the member it's part of a package.

With respect to the Saskatchewan sales tax credit, yes, that is going to be paid by the federal government with provincial money but in one cheque which is the GST cheque. And right now, as the member probably knows, people that are eligible for the GST cheque get a cheque four times a year. So quarterly, every three months — July 1, October 1, January 1, and April 1.

And what will happen is that if you're entitled to a GST cheque you don't have to do anything at all. You automatically will get the PST credit but it will be put into the same cheque so that your GST cheque will go up. You know, for example, if it used to be \$49 for the federal, then let's say that you might get another \$20 a month or whatever it would be provincial, so that you would get a cheque of \$69. But you'd get one cheque. Those numbers aren't correct by the way, I'm just using them as an example.

And the GST cheque now says Government of Canada on it because all the money comes through the federal government. When the PST tax credit comes in, it will say Government of Canada and then it will say Government of Saskatchewan. And it will have an explanation of, here's the total amount of your money that you're getting with this cheque. Government of Canada is putting in this much, Government of Saskatchewan is putting in this much and the person will be able to see.

And the PST tax credit actually started on April 1 of this year, but nobody has got that money yet because the federal government wasn't able to add the money to the GST cheques until October. So in October, people entitled to the GST tax rebate will get their GST cheque but they will also get their PST and they will get three cheques in one for PST at that point.

And then of course on January 1, they'll get their quarterly cheque for the PST along with their quarterly cheque for the GST. And then that will just continue indefinitely.

Mr. Wakefield: — Thank you, Mr. Minister. Mr. Chair, just for clarification then, the conditions that will trigger the GST rebate will also trigger the PST rebate from the provincial government, all coming out then in one cheque.

Who is going to be doing the coordinating? Who's going to be doing the administrating? What costs are involved here? And are we going to be paying, administratively, our share, or is that going to be picked up by the federal government?

Hon. Mr. Cline: — The program will be administered by the Canada Customs and Revenue Agency, which is what is commonly referred to as Revenue Canada. That is the federal agency of the Department of National Revenue.

And in terms of the costs, the details of the costs have not been worked out yet, but I would say that they would be relatively minimal because what we're trying to do here is, in fact, avoid the cost of sending these cheques out ourselves and the accounting. And also dovetailing the entitlement with the GST entitlement, so that it's a fairly simple matter administratively.

And the reason I say the costs would be fairly minimal is you have to bear in mind that the federal government is administering our entire income tax system for us. And what that means is that, basically, in addition to the many, many other things they do for us, we're asking them to do one, in the scheme of things, relatively significant but at the same time not the biggest part of what they do for us.

So it will be included in the costs we pay for them. I don't think it will substantially increase the cost, I think there will be some increase, but because they do this for us already, it's in the normal course of business that they would also take on this responsibility.

And we'll talk to them about whether they're entitled to some additional compensation because of that. But we don't anticipate the costs to be all that great, and certainly cheaper than if we did it ourselves.

Mr. Wakefield: — Thank you, Minister. Just another question if I could, Mr. Chair. Did you do any analysis to see if that was a more efficient way of doing this? Why not just a tax credit at the end of the year so that it came to them . . . to that person at that particular time.

Hon. Mr. Cline: — Two reasons, Mr. Deputy Speaker. The first is when you're paying out this cheque — the PST rebate — it is to lower-income people. And those people need to have those funds every three months as opposed to once a year. They will spend that money when they receive it. And we want to get

it in their hands as soon as possible. That's the first reason.

The second reason is the closer we are consistent with the GST, the cheaper it will be for us to do. And the GST comes out four times a year, so it's good that the PST come out at the same time. That will be cheaper, and it will be more helpful to low-income people.

(1600)

Mr. Wakefield: — Thank you, Minister, Mr. Chair. I like that response. I think getting money out into the hands of the people is an important thing. And, if it's not going to be too costly, and as you have told us it might work in administratively well with other things that are being done by the federal government, I would commend that.

One last comment if I could, Mr. Minister. It goes back to trying to attract people here into this province and we were referring particularly to the students — graduating students — giving them a sense of something that they can use immediately and also developing the economy so there is opportunities here.

But we don't want to try to discourage them. For instance the student loan provision, the interest on student loan provision, actually worked the opposite way because there was a reduction of the benefit there. And I think it's important to keep moving forward in the direction of having students look to see if there is an opportunity here before they decide to move out, away.

Mr. Chair — and I'll give you an opportunity if you wish, Mr. Minister — but, Mr. Chair, I really don't have any further questions. And I would like to thank your officials — if they're going to remain for others, we'll do it again — but thank you and the officials for this particular part.

Hon. Mr. Cline: — Well thank you. I just will respond very briefly, Mr. Deputy Speaker, by saying this — that the member referred to the change on the interest subsidization. And the member's right, that we have reduced the amount of interest subsidization to the students who have graduated and have loans. And we've replaced it with the tax credit.

But the difference is — and I support this — that we used to pay the interest subsidy to students whether they stayed in Saskatchewan or not. And so you could move to British Columbia or Alberta or Manitoba, and we would be paying taxpayers' money from Saskatchewan to give a student that we had educated, that had been required to leave the province, a subsidy.

What we're doing instead is subsidizing those students who choose to stay in Saskatchewan. We're directing more money to do that. And so I think that it is a good thing to do from the point of view of the taxpayers, and to encourage people to stay here.

And so I'll respond it that way. The member indicated he didn't have more questions. I don't know if others do, Mr. Chair, so I'll sit down at this point.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I'd just like to thank the member from Lloydminster and his colleagues in the opposition for their co-operation with respect to this legislation, and also I'd like to thank my officials for their help. And with that I'd like to move that we report Bill No 82 without amendment.

The committee agreed to report the Bill.

Bill No. 81 — The Income Tax Act, 2000

Clause 1

Mr. Wakefield: — Thank you, Mr. Chairman of Committees. Mr. Minister, I have a few questions here again, mainly for clarification like we've had in the past. Just very recently, dated June 23, you sent to me and I appreciate it, a list of some of the House amendments that you plan on moving forward, with these particular amendments. Rather than going through them specifically at this point, could you tell us why some of these amendments need to be put in place? And can you tell us in a summary fashion whether it's going to be beneficial to the taxpayers of Saskatchewan? Are these amendments going to cost us more in the long run?

Hon. Mr. Cline: — Yes, Mr. Deputy Speaker, I thank the member for the question. There are a variety of House amendments to the Bill which simply means that we'll be asking the House to approve wording that is different than the wording that was presented earlier.

And I would say to the member, I'm not sure I would describe any of this as being of particular assistance necessarily to the taxpayers; I don't think they're detrimental either. Really what they are, are technical housekeeping amendments which are designed for the benefit of the Canada Customs and Revenue Agency and the Department of Finance provincially in terms of the agreement between the two of . . . those two departments as to how taxes should be collected.

And the reason for them is that we have the federal government collect our provincial income taxes by way of agreement between the province of Saskatchewan and the Government of Canada, represented by the Department of Finance in Saskatchewan, and the Canada Customs and Revenue Agency in Ottawa.

And they in Ottawa have simply said to us, you know there are certain ways that we would like to collect these taxes with you or for you, and these are the rules that we feel should be followed. We don't have any particular problem with those rules. None of what they're suggesting changes substantively the tax plan as presented in the budget or in the Bill as it's been introduced in the House, but we do have to arrive at an agreement with the federal government in terms of the wording of the legislation, and that's what these House amendments do.

I'm quite sure that the taxpayers generally probably are not concerned with the amendments. They're concerned with the substantial aspects of the Bill in terms of what are the tax rates going to be, what are the credits going to be, when is the flat tax

going to be abolished, and that kind of issue. But the amendments don't speak to those kinds of substantive, important questions.

Mr. Wakefield: — Thank you, Minister, Mr. Chairman. When I received the amendments that you sent over on Friday, of course I went through them very carefully. And I had to miss all my golf dates on the weekend of course — I'm sure you'll believe me on that.

But in fact, there is some . . . there is rather a lot of amendments. And being new at this, it seemed to me that this was maybe somewhat unusual, because this is very late in the day. Your Bill had already been put forward. It had already had first and, I think, second reading. And all of a sudden we have these amendments.

Can you tell me, was there no way to identify the problems associated with the federal government aspect of the tax? And in fact when you were drafting the Bill, were you not aware of some of these things needing to be put in place at that time?

Hon. Mr. Cline: — No, we were not. The difficulty here, Mr. Deputy Speaker, was that the consultation with the federal government occurred of course after the budget and didn't really finish until fairly recently, at which point the amendments were drafted.

But I think the member can appreciate that we wanted to present the suggested new taxation system to the legislature before we told the federal government what the changes would be.

And in fact, out of respect for the legislative process and all members of the Legislative Assembly including the opposition as importantly as the government members, it's important that we not tell the Government of Canada what we're doing tax-wise before we tell the legislators here and the people of the province.

So the budget was presented; the Bill was drafted initially. But after the budget was presented, a fairly lengthy period of consultation went on with the federal government in terms of the technical aspects of the Bill.

And I'm advised by the officials that it's quite customary, in fact, to have quite a degree of consultation with the federal government about the technical aspects. And as I say, this simply couldn't be done before the budget, and then took some time after the budget.

Mr. Wakefield: — Thank you, Minister, Mr. Chairman. Pursuing that just a wee bit further, the administration of our tax system here, as you've indicated, is coordinated with the federal Customs and Revenue.

And I know that you're focusing our direction on de-linking with the federal government. But will that mean that there is less administrative carry-over or liaison with the federal government? Will it mean that they are still administratively very involved in what goes on here in this province, even though we are going toward de-linking?

Hon. Mr. Cline: — Yes, we will de-link the taxation system in the sense that we're going to go to a tax on income system and lower taxation rates. That's one part of the equation.

But in terms of the administration we're not going to change the aspect that says that Revenue Canada, as we commonly refer to it, will continue to collect the taxes rather than setting up a separate bureaucracy in the Department of Finance. So for the most part we're asking the federal government to continue to administer the taxation system on our behalf.

I should add that there are sometimes instances where the federal government doesn't wish to administer everything associated with our tax system. For example, the manufacturing and food processing, one of the targeted tax incentives we had a few years ago, they said you should administer that yourselves. And it's always possible that that could occur and that we would have to administer part of the tax system ourselves.

But for the most part we would like as much as possible it to be administered out of Ottawa so that there's a single administration. Mind you we will have to . . . you know we pay them a certain amount of money to do that as we negotiate with them from time to time.

Mr. Wakefield: — Thank you, Mr. Minister. Mr. Chairman, just maybe a bit of a clarification if I could then on a couple of these amendments.

One of them is the amendment dealing with the Saskatchewan-based business income and business income earned outside of Saskatchewan; that's one of the amendments. And a similar amendment, at least the way I read it, is this multi-jurisdictional trust and how the taxes are applied in terms of in and outside of the province.

Again it's very complicated, very complex. And I think it would be useful if you would again reinforce the fact that there is no really major change here. And the consequences of these amendments in fact are not going to create a large or any kind of a tax increase on our people that are involved in those clauses.

Hon. Mr. Cline: — Yes I can confirm, Mr. Deputy Speaker, that that is the case. These amendments certainly do not increase any taxes.

In fact some of them, including the one, one of the ones at least that the member's mentioned is to ensure that people are not doubled taxed, that they're only taxed in Saskatchewan on income earned in Saskatchewan as opposed to income that they might have to pay tax in a different jurisdiction where they have income from more than one province.

So we're trying to make sure that we don't tax people more than we're supposed to. There's certainly nothing in here that will increase taxes or do otherwise than implement the system that was announced in the budget which will be a system of lower income taxation starting this year. But with respect to this Bill, this really describes what happens starting January 1 next year when the various surtaxes are abolished and we go to the three-rate structure with a system of tax credits which are amounts of money that people won't be charged tax on. So that

isn't affected by the amendments that are being presented today.

(1615)

Mr. Wakefield: — Thank you, Minister, Mr. Chairman. I assume the same assessment of neutrality, more or less, applies to the spousal credit — the tax credit aspects of those amendments. And if I could, while I'm on my feet, Mr. Minister, I'll just comment on the one that struck me as of maybe most interest, that's the senior credit, as I'm getting closer to that aspect.

One of the questions that struck me as I was reading through that. What happens, for instance, if a senior leaves the province during the year? Would he still be able to — he or she — be able to claim that tax credit? Because in my constituency there's a great number of people deciding, almost on a daily basis toward the end of the year, whether they should be moving to the other side of the border or not.

Hon. Mr. Cline: — In answer to the first part of the question, you're right to assume that the amendments with respect to the credits . . . And, Mr. Deputy Speaker, I think the member meant for the spousal credit, the amendments simply are for clarity. They don't change substantively what the tax plan would do.

With respect to the question of the senior who might move out of the jurisdiction, whether in Saskatchewan or anywhere else, a person pays taxes according to where they have their residence on December 31 of the year. So that if someone moved out on December 31 to another province — say Alberta — they would then pay tax at the Alberta rate. If somebody moves into Saskatchewan by December 31, they would file tax and pay tax at the Saskatchewan rate.

Mr. Wakefield: — Thank you, Mr. Minister, Mr. Chair. I don't have any further questions and I know we're going to be moving on to another Bill. I would like to thank the minister, and if the same officials will be here, I'll thank them then, Mr. Minister.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

Clause 8

Hon. Mr. Cline: — Thank you, Mr. Speaker. I already explained to the hon. member from Lloydminster by letter and then today that there are a series of House amendments and the reason for them, and that they are administrative in nature.

And the first one is to clause 8 of the printed Bill. And I move the following amendment to that clause that we:

Amend the description of TS in subsection (4) of Clause 8 of the printed Bill by adding "on the individual's income for the year" after "by the individual".

And I so move.

Amendment agreed to.

Clause 8 as amended agreed to.

Clause 9

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move the following amendment to clause 9 that to:

Amend the description of TS in subsection (2) of Clause 9 of the printed Bill by adding “on the trust’s income for the year” after “by the trust”.

And I so move.

Amendment agreed to.

Clause 9 as amended agreed to.

Clauses 10 and 11 agreed to.

Clause 12

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. With respect to some of these amendments, they’re fairly lengthy, but I provided the wording of them to the hon. member from Lloydminster last week. And I’m going to suggest, if I could ask leave, to take the amendment as if it had been read. And if that is agreed then I’ll submit the wording of the amendment to the Chair.

The Chair: — The Minister of Finance has previously shared the wording of this amendment and he’s asking for leave to take the amendment as read, it being lengthy. Is that agreed?

Leave granted.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move the amendment to clause 12 as drafted on the motion that I’m going to submit to the page to be tabled. Thank you.

Amendment agreed to.

Clause 12 as amended agreed to.

Clause 13

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. Just for the record, I think, at this point, I’d like to ask for leave to follow the same procedure with respect to this clause, and perhaps with respect to the rest of the amendments which tend to be quite lengthy. And if I can have leave, then I’ll then make the motion.

The Chair: — I’m going to ask, if the leave is agreed, with the caveat that if there’s ever any displeasure, members will just speak out. But is leave granted for all of the amendments to be taken as read?

Leave granted.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 13 of the printed Bill be amended in the fashion described in a motion that I’m going to give to the page to be tabled with you.

Amendment agreed to.

Clause 13 as amended agreed to.

Clauses 14 to 18 inclusive agreed to.

Clause 19

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 19 of the printed Bill be amended in the fashion set out in a written motion that I’m going to table with you. I so move.

Amendment agreed to.

Clause 19 as amended agreed to.

Clause 20

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 20 of the printed Bill be amended in a manner set out in a motion which I’ve signed and which I’m now going to table with you. I so move.

Amendment agreed to.

Clause 20 as amended agreed to.

Clauses 21 and 22 agreed to.

Clause 23

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 23 of the printed Bill be amended in the manner set out in a written motion that I’m going to table with you. I so move.

Amendment agreed to.

Clause 23 as amended agreed to.

Clauses 24 to 45 inclusive agreed to.

Clause 46

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 46 of the printed Bill be amended in a fashion that is set out in a signed and written motion that I’m now tabling with you. I so move.

Amendment agreed to.

Clause 46 as amended agreed to.

Clause 47

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 47 of the printed Bill be amended in a fashion that I have set out in a motion which has been signed and circulated and that will be tabled. And I so move.

Amendment agreed to.

Clause 47 as amended agreed to.

Clause 48

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that clause 48 of the printed Bill be amended in the manner described in the written motion which has been circulated and which I now table. And I so move.

Amendment agreed to.

Clause 48 as amended agreed to.

Clause 49

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker, I move that Clause 49 of the printed Bill be amended in the manner set forth in the motion which has been circulated and which I now table and I so move.

Amendment agreed to.

Clause 49 as amended agreed to.

Clause 50 agreed to.

(1630)

Clause 51

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I move that Clause 51 of the printed Bill be amended in the manner set forth in a written motion which I now send to you. I so move.

Amendment agreed to.

Clause 51 as amended agreed to.

Clauses 52 to 147 inclusive agreed to.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker. I'd like to thank the member from Lloydminster and the official opposition for their co-operation moving the legislation forward. And also I'd like to thank the officials from the Department of Finance for their assistance.

The committee agreed to report the Bill as amended.

Bill No. 83 — The Income Tax Consequential Amendment Act, 2000

Clause 1

Mr. Wakefield: — Mr. Chair of Committees, Mr. Minister, I don't have any other questions that we haven't discussed further. So, Mr. Chair, I don't have any further questions.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Hon. Mr. Cline: — Thank you, Mr. Deputy Speaker, and with thanks to the opposition and to the officials, I move that we

report this Bill without amendment.

The committee agreed to report the Bill.

The Chair: — Why is the hon. member for Carrot River Valley on his feet?

Mr. Kwiatkowski: — With leave, to introduce guests, Mr. Chair.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kwiatkowski: — Mr. Chair, it's my pleasure to introduce two very special guests in the Speaker's gallery this afternoon. Mr. Alan Appleby, the Saskatchewan coordinator for the World Wildlife Fund, and accompanying him today is Mr. Bill Van Geist. He is the campaign consultant for the World Wildlife Fund.

And they're just in today wanting to take part in . . . observe the session this afternoon. And I would ask that everyone welcome them here this afternoon.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 84 — The Education and Health Tax Amendment Act, 2000

Clause 1

Mr. Wakefield: — Thank you, Mr. Chair of Committees. Mr. Minister, I guess we've recorded over the last some time some of our concerns with the education and health tax amendments. So they are in fact on record, but I would like to add maybe just one or two comments, if I could, based on these.

The first observation I'd have, Mr. Minister, is the fact that with the expanded PST — both on budget day, or the day after budget day, and on July 1 — there's a great deal of confusion in a lot of segments of our different industries that are not sure whether there is tax to be paid or not, and there's a lot of confusion when they phone in for information.

Confusion still reigns in a lot of areas and one example would be some of the questions that probably were put to you in your recent trip to Lloydminster. And I guess for the record, Mr. Minister, I would thank you and your officials for making that trip to Lloydminster to look at a very specific problem that is maybe unique but it certainly has to be addressed, and I thank you for that time.

But overall there's still some confusion there. What can you recommend to us as MLAs (Member of the Legislative Assembly) who get these calls? What can you tell the people of Saskatchewan about this confusion?

Hon. Mr. Cline: — Mr. Deputy Speaker, I'd like to say to the member that, in specific answer to the question, the easiest thing to do is probably to phone the 1 800 number of the Department of Finance revenue division. And that number is

1-800-667-6102. I'll repeat that — it's 1-800-667-6102.

And I think it's fair to say that the member is correct, Mr. Deputy Speaker, that there has been a lot of confusion. And the reason is that tax reform has involved the largest change to our tax system in many decades, and so there have been a lot of calls. I think at one point we were getting sometimes up to 1,500 calls a day and very difficult to deal with everything all at once. And the number of calls certainly has doubled over what it normally is.

But having said that, most of the confusion has been sorted out and I don't anticipate that this situation will arise again simply from the point of view that we've been through it now. And I don't think that we're going to see this kind of change, the magnitude of change, in future budgets. I think that we've gone through this. It's been a big change. There's been confusion.

I think the Department of Finance has actually done a very good job, but it's been a very large change.

But in any event, if there is any remaining confusion the best thing to do is to phone the Department of Finance. And the officials there are very good. They will sort out the confusion and clarify anything that still needs to be clarified.

Mr. Wakefield: — Thank you, Minister, that's an important phone number because, as you know, probably your office as well as all of the MLAs' offices are getting a lot of calls. So it's good to publish that number and to have people access that information.

Mr. Chair, I just have one other comment or question — and we've dealt on this before and so I'm not going to go at length — but I wanted to register my concern about the fact that the PST had been expanded. Basically I think less . . . a reduction of taxes at any time is the direction to go. With an expanded PST maybe I could have understood it if it had been reduced to a 5 per cent, but stayed at 6 per cent gave me some concern when I read the budget.

So just for the record, I wanted you to hear that concern from me and ask for your comment on that.

Hon. Mr. Cline: — Well thank you, Mr. Deputy Speaker. I guess I would just say this, that what we're doing is reducing income taxes under the new plan by \$440 million. And we're increasing the sales tax, that's true, by expanding it. We're not increasing the rate; it's still 6 per cent. But we're charging it on more things. That will bring in \$160 million extra revenue PST.

But we're cutting income taxes by \$440 million so that there's a much bigger income tax cut than there is a sales tax increase. And that's the rationale, that overall we're cutting taxes over three years. And that's why the flat tax is being abolished and so on.

The reason we did not follow the advice of the Vicq committee which suggested that we should go to 5 per cent is: in order to pay for the 5 per cent, they wanted us to tax natural gas used in heating, home electricity, children's clothing, licence plates that you buy for your automobile, package policies, Home Paks, other kinds of insurance, restaurant meals, some other things.

You had to tax an awful lot of things — I'll put it that way — to lower it to 5 per cent.

I think we should always have a goal to have a reasonable sales tax. And at one time it was 7 per cent, then it went to 8, then it went to 9, then it went back down to 7, and now it's at 6. It would be nice, ultimately, sometime — I'm not promising this for the next budget — if it could be 5 per cent. I think that might be a reasonable goal. Or if we were rolling in dough, then I guess maybe lower than that.

But what I'm trying to say is the reason we have left it at 6 per cent, expanded it somewhat, is to bring about the very large income tax cut, and that's the major thrust of the tax reform. We think that that will make Saskatchewan more competitive and help us grow the economy. And that's why we went in that direction.

Mr. Wakefield: — Thank you, Mr. Minister, and Mr. Chair of Committees. I guess we'll continue to have dialogue on that and probably have differing opinion.

But, Mr. Chair, I really don't have any further comments or questions other than what we've already put on record, and there's no use to go over that again. So, Mr. Chair, I have no further questions on this Bill.

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

(1645)

Clause 19

The division bells rang from 4:45 p.m. until 4:55 p.m.

Clause 19 agreed to on the following recorded division.

Yeas — 30

Romanow	Hagel	Van Mulligen
MacKinnon	Lingenfelter	Melenchuk
Cline	Atkinson	Goulet
Lautermilch	Thomson	Lorje
Serby	Belanger	Nilson
Crofford	Hillson	Kowalsky
Sonntag	Hamilton	Prebble
Jones	Higgins	Yates
Harper	Axworthy	Junor
Kasperski	Wartman	Addley

Nays — 20

Hermanson	Heppner	Julé
Krawetz	Draude	Boyd
Gantfoer	Peters	Eagles
Wall	Bakken	Bjornerud
D'Autremont	McMorris	Harpauer
Wakefield	Wiberg	Hart
Allchurch	Kwiatkowski	

Clause 19 agreed to.

The committee agreed to report the Bill.

The committee recessed until 7 p.m.