

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Elhard: — Thank you, Mr. Speaker. I rise today, Mr. Speaker, to present a petition signed by the good folks of Tompkins, Saskatchewan, and it's in connection with the request for reduction of fuel tax by 10 cents a litre. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

I so do present.

Mr. Heppner: — Thank you, Mr. Speaker, I too rise to present a petition and this is signed by the good people from Nipawin, Love, and Tisdale, as well as Prince Albert. And I read the prayer which involves the concern about the high cost of fuel in Saskatchewan.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce the fuel taxes by 10 cents a litre, cost shared by both levels of government.

I so present.

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, I too rise on behalf of citizens concerned about the high price of fuel. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

Signatures on this petition, Mr. Speaker, are the communities in my constituency of Kinistino, Melfort, and Gronlid.

I so present.

Mr. Toth: — Thank you, Mr. Speaker. As well to present petitions and reading the petition regarding amalgamations and it reads . . . the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly reject the forced amalgamation of municipalities.

Mr. Speaker, the petition is signed by people from the communities of Eastend and Shaunavon.

I so present.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to stand today to present a petition on behalf of citizens concerned about the high cost of fuel, and the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

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

And this is signed by citizens of Weyburn, Swift Current, Tisdale, and Oxbow.

I so present. Thank you.

Mr. Wall: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of the people in Swift Current concerned about their hospital, and the prayer can be summarized as follows:

Wherefore your petitioners humbly pray that the Hon. Assembly may be pleased to cause the provincial government to assist in the regeneration plan for the Swift Current Regional Hospital.

Mr. Speaker, this petition is signed by people in the city of Swift Current.

I so present.

Ms. Bakken: — Mr. Speaker, I rise today to present a petition for citizens who are opposed to forced consolidation in municipalities, and the prayer reads:

Therefore your petitioners humbly pray that your Hon. Assembly reject the forced consolidation of municipalities.

And it's signed by citizens from Eastend, Tompkins, Shaunavon, and Consul.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I too rise to present a petition opposed to forced consolidation of municipalities. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly reject the forced consolidation of municipalities.

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

And this petition is signed by a number of people in the Eastend area. Thank you.

Mr. Weekes: — Thank you, Mr. Speaker. I also rise to read a petition opposed to enforced municipal amalgamation. The prayer reads:

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 as in duty bound, your petitioners will ever pray.

From the good people from Kinistino and Melfort.

Mr. Brkich: — Mr. Speaker, I too have a petition to reduce fuel tax by 10 cents a litre.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal, provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

As in duty bound, your petitioners will ever pray.

The signatures are from Bladworth, Davidson, and Langham.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition from citizens concerned about forced municipal amalgamation. And the prayer reads:

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.

As in duty bound, your petitioners will ever pray.

The petitioners, Mr. Speaker, are from Kinistino, Melfort, and Beatty.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. I too rise to present a petition on behalf of Saskatchewan citizens concerned with the high tax on fuel. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

And the petitioners come from the communities of Spiritwood, Mayfair, Shell Lake, and a number of other communities.

I do so present.

Mr. Allchurch: — Thank you, Mr. Speaker. I rise today to bring forth a petition regarding the reduction of fuel tax by 10 cents a litre.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

And I have petitioners from Spiritwood, Saskatoon, and

Leoville. Thank you, Mr. Speaker.

I so present.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by Saskatchewan citizens concerned with enforced municipal amalgamation. And the prayer reads as follows:

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 this petition is signed by citizens from the community of Drinkwater.

I so present.

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I too rise to present a petition to reduce fuel tax by 10 cents a litre. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

As in duty bound, your petitioners will ever pray.

This petition is signed by the good citizens of Star City, Nipawin, and Love, Saskatchewan.

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.

Of citizens of the province petitioning the Assembly on the following matters:

Provision of reliable cellular service in Prud'homme, Bruno, Vonda, and Cudworth;

Halting plans to proceed with the amalgamation of municipalities;

Providing funding for the Swift Current Regional Hospital; and

The reduction of fuel taxes.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Heppner: — Thank you, Mr. Speaker. I give notice that I shall on day no. 39 ask the government the following question:

To the Minister of CIC (Crown Investments Corporation of Saskatchewan): what organizations did each of

Saskatchewan's CIC Crowns contribute money to in 1999, and how much; and what organizations applied to each of these Crowns for contributions but were rejected.

And while I'm on my feet, Mr. Speaker, another question. I give notice that I shall on day no. 39 ask the government the following question:

What organizations has each of Saskatchewan's CIC Crowns contributed money to in the year 2000, and how much; what organizations have applied to each of the Crowns for contributions and were rejected.

Thank you.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 39 ask the government the following question:

To the Minister of Municipal Affairs: in 1999-2000, what events and/or organizations were approved by the Saskatchewan Arts Board for funding; in 1999-2000, what events and/or organizations were rejected by the Saskatchewan Arts Board for funding?

INTRODUCTION OF GUESTS

Mr. Wall: — Thank you, Mr. Speaker. What a privilege and an honour it is today to introduce to you and through you to all of the members of the Assembly, a very distinguished guest in your gallery, Mr. Speaker.

He is a community leader, someone who has contributed greatly to my home town, the city of Swift Current, and indeed to the province. Twenty-two years he spent on the city council in Swift Current and he was 12 years the mayor of Swift Current. His name is Mr. Len Stein, and we're pleased to have him here.

He's also a long-time entrepreneur in Swift Current. He started his business, Sage oil well services, in 1962. It presently employs anywhere between 70 and 90 people depending on how busy they are. And I would just ask all hon. members to join with me in welcoming Len Stein to the Legislative Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Van Mulligen: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members, a group of students who are seated in your gallery.

These students come to us from Balfour Collegiate in the constituency of Regina Victoria. I believe there are nine students. They are accompanied here by their grade 11-12 teacher, Karen Sherle.

I might add, Mr. Speaker, that Balfour Collegiate and this particular class comes to us every year. Not all teachers make this effort, and in extending them a welcome I would also ask members to recognize this important contribution by teachers to civic affairs and social studies in our province. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. As most members know, in a former life I used to be a school teacher and on two different occasions had the privilege of teaching in the community of Hague.

We're privileged today to have 42 grade 11 and 12 students with us from the community of Hague.

They are accompanied by their teachers, Margi Corbett, one of the finest teachers I ever taught with, and Scott Richardson — I've never had the privilege of teaching in the same school as he's taught — and chaperons Ben Krahn, Doreen Fehr, and Eric Magill. And someone else called Bob the Bus Driver.

I'll be meeting with these students later on. And before the other members chirp out something insignificant, due to the austerity that we now experience due to the NDP (New Democratic Party) in this country, there won't be any free lunch.

So would you welcome them to the legislature, please.

Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Thank you, Mr. Speaker. To you and through you and to the members of the Assembly, it gives me great pleasure to rise today to introduce some very important visitors from northern Saskatchewan. They hail from Pinehouse Lake, Saskatchewan.

And with us today is 12 grade 11 and 12 students from Pinehouse School. And they have a couple of teachers who are also acting as chaperons — Gloria Belcourt and Neil Natomagan.

And, Mr. Speaker, I'm hoping to attend the graduation in Pinehouse this summer, and to point out that we know it's a long, long dusty road to come all this way to visit us.

And I want to make sure that they know we appreciate their effort they made coming down here and to welcome them here once again. Thank you very much.

Hon. Members: Hear, hear!

Hon. Mr. Goulet: — Yes, Mr. Speaker, I too, as the Minister of Northern Affairs, would like to welcome our guests from Pinehouse. And I would say:

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

In that, Mr. Speaker, I would say that I'm very proud to see them going ahead with their education and finishing their 11 and 12.

And I might add, Mr. Speaker, that their younger brothers and sisters will be very proud of them because not only will they be graduating but they will also be getting a new school for Pinehouse. Thank you.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Declining Population

Mr. Elhard: — Thank you, Mr. Speaker. It's my pleasure to rise in the Assembly today to recognize the historic visit by the Governor General of Canada, Her Excellency Adrienne Clarkson. During Her Excellency's visit, she travelled extensively throughout the province visiting many groups and communities as well as participating in the honours recognition ceremonies.

Mr. Speaker, I also feel that it's noteworthy to mention that during her visit with us here at the legislature, Her Excellency saw fit to quote from two significant literary figures, both of whom have connections to the Cypress Hills constituency. Pulitzer prize-winning author Wallace Stegner and his family once lived in the community of Eastend before moving to the United States. And, Mr. Speaker, Sharon Butala, a current luminary in the world of Canadian literature, is also a resident of the Eastend area.

But, Mr. Speaker, all of the voices in Cypress Hills have been saying for years now that people are leaving our province. This is something that we in the Southwest live with every day, and Her Excellency gave voice to this reality when she spoke to this Assembly.

Mr. Speaker, does the fact that the Governor General made the comment make it any more true? I sincerely hope that this government takes note of this ongoing exodus and the burden that it creates in all of our communities.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Economic Development in Regina

Mr. Yates: — Thank you, Mr. Speaker. More good news for the people and the economy of Saskatchewan. The local economy seems to be booming with all the building projects and expansions that are taking place in Regina.

The Ramada Hotel, formerly the Sands Hotel, has completed the first of a three-phase, \$3 million expansion program, Mr. Speaker. The hotel has gradually increased staff levels to about 180, up 10 to 15 per cent from this time last year. Good news for Regina.

As we all know, The Bay in Regina has moved into its new home in the Cornwall Centre. To fill the 90 new positions at the new location, The Bay held a three-day job fair to collect applications. Mr. Speaker, again good news.

And even more good news for Regina, Mr. Speaker. Westfair Foods, the owners of the Real Canadian Superstore, have confirmed that they will be building two new Superstores in Regina. New stores in the northwest and southeast parts of Regina will be operating by late this year. Each of these stores will employ between 2 and 300 employees. That's 5 to 600 new jobs, Mr. Speaker, in the city of Regina.

And the Sherwood Co-op store in Regina's northwest is expected to complete its 5 million food store expansion by mid-June, Mr. Speaker.

With all these expansions, it is clear that Regina and indeed the province's economy is booming. This is good news for the people of Regina and Saskatchewan.

Thank you, Mr. Speaker.

Stereotypical Terminology

Mr. Wall: — Thank you, Mr. Speaker. A common tactic of those who cannot defend the merits of their argument is to resort to personal attack. It is a despicable and cowardly form of argument. But for many, it is also the argument of choice in this age of political correctness.

Shout racist, shout sexist, shout homophobe, shout it loud and long and often. And don't ever stop because, heaven forbid, if you do, you might actually engage in some meaningful debate.

Yesterday the NDP and some others chose this spurious argument to defend the funding of pornography in our province. Mr. Speaker, that's the same NDP who would always hint at motives of racism every time the Saskatchewan Party raised its Aboriginal PST (provincial sales tax) policy. The same NDP who adopted that policy in the recent budget.

Now the NDP and some others are suggesting the member for Kelvington-Wadena's concerns about taxpayer-funded pornography is really an attack on the gay and lesbian community, even though they cannot point to a single statement by that member to support their claim.

Mr. Speaker, the NDP have chosen to condemn the member for Kelvington-Wadena — not for her words, not for her actions, but for their preconceived stereotype of the Saskatchewan Party. Mr. Speaker, isn't that the definition of discrimination?

Some Hon. Members: Hear, hear!

Saskatoon Resident Receives Sterling Award

Ms. Lorje: — Mr. Speaker, we should take every opportunity to pay tribute to those who devote their time to community service whether it be in volunteer groups, NGOs (non-governmental organizations), or arm's length organizations. We would be the poorer without their energy, their expertise, and their dedication.

I am pleased therefore to announce to the Assembly that on May 1, Shelley Brown of Saskatoon was presented with the Sterling Award for tireless service to the community at the 10th annual Silver Spoon Dinner. The Sterling Award is given annually to a local woman who "enriches the quality of life for residents of Saskatoon through ongoing volunteer work". The award is presented by the Saskatoon Jewish Community and the Hadassah-WIZO organization.

MLAs (Member of the Legislative Assembly) know Shelley Brown as a member of the Vicq commission whose recommendations led to the most comprehensive and most fair

set of tax reductions ever. But this is only one line on her resumé.

She has chaired the SPCA's (Society for the Prevention of Cruelty to Animals) finance committee, served on the board of UNICEF (United Nations Children's Fund), been instrumental in the establishment of Wanuskewin, taken a turn as president of the United Way, been on the board of St. Paul's Hospital Foundation, a board member for Tourism Saskatoon, and appointed honorary Co-Chair for the Saskatoon community service capital campaign. She was also a member of the Saskatoon property tax review committee.

All this as well as being a businesswoman and a mother. I join Hadassah-WIZO in honouring Shelley Brown for helping make Saskatoon the best city in the best province in the best country.

Some Hon. Members: Hear, hear!

Star City Resident Competes in National Judo Championship

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, I rise to recognize a member of my constituency that has gained national status. Fraser Will of Star City competed in the National Judo Championships held in Montreal, April 14 and 15.

Fraser captured the Gold Medal in the senior national division of the Canadian Judo Championships. This win gives Fraser a berth in the Junior World Championships in October in Tunis, Tunisia in North Africa.

Fraser remained in Montreal until Wednesday to train with the national judo team.

We commend his personal achievements and that of the Melfort Judo Club of which Melfort . . . of which Fraser is a member.

Please join with me, Mr. Speaker, in congratulating this young man and the Melfort Judo Club.

Some Hon. Members: Hear, hear!

Action Office Interiors Expands

Mr. Harper: — Thank you, Mr. Speaker. Yesterday I had the pleasure of representing the Minister of Economic Development and the Government of Saskatchewan at the grand opening of Action Office Interiors in Regina.

In the last 17 years, Action Office Interiors has successfully served its clients throughout the province from one location in Saskatoon. Now because their business is growing, a new location in Regina is necessary. This expansion means more jobs for Saskatchewan people. Action Office Interiors plans to double its workforce in the very near future.

As we've already heard from the member from Regina Dewdney, we had . . . we've seen some dramatic retail growth in east, south, and northwest parts of Regina. We are now witnessing new industrial and commercial growth in northeast part of Regina.

Mr. Speaker, this is an exciting time to be in business in Regina, and we're very pleased to have a company with action in its name to take part of that action.

I want to congratulate Action Office Interiors for the opening of their new location, and wish them continued success in their . . . in all of their endeavours.

Some Hon. Members: Hear, hear!

Announcements from SARC and SARCAN

Mr. Kwiatkowski: — Thank you, Mr. Speaker. This morning I had an opportunity to attend an event where the Saskatchewan Association of Rehabilitation Centres, better known as SARC, and its recycling division SARCAN made two very important announcements.

SARC is an association of 36 member agencies providing service for citizens with disabilities. The association was set up to provide one common voice with which to lobby government, secure major contracts for workshop production, conduct continuing education programs, and research new employment opportunities for citizens with disabilities. In 1997, the membership was enlarged to include 19 additional associate members who provide residential services for citizens with disabilities.

This morning SARC announced a week, May 8 through to the 12, designated specifically to recognize community caring and commitment. The theme of the week is "United We Can."

SARCAN recycling is a division of the Saskatchewan Association of Rehabilitation Centres and was set up to handle the non-refillable beverage container recycling program in Saskatchewan. SARCAN announced a new state of the art processing facility in Regina creating more employment for citizens with disabilities and creating a recycling system unequalled in North America.

As a past president of SARC and SARCAN, I was very proud to be a part of this event and ask all members of the Assembly to join with me in congratulating SARC, SARCAN on these magnificent initiatives.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Government Funding of Film Festival

Ms. Draude: — Thank you, Mr. Speaker. Mr. Speaker, my question is again for the Premier of Saskatchewan.

Mr. Premier, yesterday I distributed the titles of just some of the films that are being screened during the Queer City Film Festival this week. The names of these films are so explicit that they cannot be read out loud in this House.

The organizers of this festival describe these films as pornography. They are promoting the panel discussions and the screenings as pornography. The film producers label these films as hard core pornography. Yet your Minister of Municipal

Affairs, Culture and Housing says the Arts Board has told him it's not pornography.

Mr. Premier, you can't hide behind the Arts Board. You can't hide behind SaskTel. And you can't hide behind SaskFILM. Taxpayers know this is pornography. The government is allowing taxpayers' dollars to be used for the screening of pornography.

Mr. Premier, will you do the right thing and ask the festival to reverse their sponsorship of this festival?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, first I want to say to the member opposite that on this side of the House we don't hide behind our third-party organizations. We believe in our third-party organizations, Mr. Speaker. That's what we do on this side of the House.

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — And I was most interested in the statements by members because I heard the member from Saltcoats get up and ask for a resumé of all of the different events and activities that the Saskatchewan arts council has been involved in, in . . . funds over the last year.

And I say to the member opposite, that was tabled in this House — here's the document. And I say to the member opposite that, when you asked the question about the role of the Arts Board and all of the things that they do in Saskatchewan, you just need to review this document and you'll see the broad range of things that they do.

And I say to the member opposite we support, on this side of the House, third-party organizations that make decisions in the best interests of people. Whether they're arts boards, school boards, municipalities — we believe in third-party organizations, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, to the minister: does your book also say which ones were turned down? The Arts Board says they only approve 25 per cent of the applications that they receive. I'm sure that of the 75 per cent that don't receive funding, there are some very worthwhile projects that don't involve pornography.

And I'm sure the projects would celebrate our culture and our arts in much more meaningful way than a pornographic film would do. You've got festivals, exhibition events all over this beautiful province that celebrate Saskatchewan's culture and heritage. And you've got people trying to feed and clothe the less fortunate in this province, and many of them do it all without any funding from your government.

If the festival organizations are right and this panel discussion is so important to have and the films are so important that they need to be shown, then the film festival should do it on its own accord and without any government sponsorship.

Mr. Premier, will you do the right thing and stand up and say that you will not use taxpayers' dollars to fund this festival any more?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I just want to say to the member opposite that this morning I was reading *The StarPhoenix*, and it's this morning's article and it's written by Mr. Burton. I want to say to the member opposite, read to the House what he says.

So, are we to kill off the principle of arms-length administration of arts activities, which has enjoyed (in this) a run (in this province for over) 50 years, he says.

And then he goes on to say:

The alternative is to allow the government or politicians of the day to pick and choose those art activities (they) it deems politically acceptable.

So who would you rather have deciding (on the funding) projects — a jury of artists and professionals, or the (Saskatchewan Party).

Mr. Speaker, who would you choose to do it?

Well I say to the member opposite that in this province the Arts Board and the people in the arts community want their own community deciding on the kinds of activities that they want to participate in. And maybe on that side of the House if you want to provide censorship . . .

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, to the Minister, and who is accountable to the people of the province of Saskatchewan? You are. The taxpayers in this province are outraged that their money is being used in this way. They can't believe that the government would sanction funding of pornography.

Mr. Speaker, research shows that pornography contributes to sexual assault, including rape and the molestation of children.

The Speaker: — Order.

Ms. Draude: — Mr. Speaker, it doesn't matter if it's gay or straight — porn is porn. And as one caller said in a phone-in this morning, if you're going to have a discussion . . .

The Speaker: — Order, order.

Ms. Draude: — One caller said this morning in a phone-in show, if you're going to have a discussion on rape, would you show a film on rape so that people at the seminar would know what it's all about.

The members opposite and SaskTel and Sask Arts can call it anything they want to, but the organizers of this festival, the porn stars they are bringing in, and the filmmakers, are calling it

pornography. And government funding of it is just plain wrong. There are so many agencies that could be funded that have nothing to do with pornography.

Mr. Premier, will you please stand up in this House and say that today you're going to pull all the funding that is from this government being used for pornography in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, to the member opposite. I want to say to the member opposite that in the province of Saskatchewan we have many, many organizations and groups who are called together at conferences or conventions, and for their own community they have debates and discussions about the future direction that they're going to be going in and what's acceptable and what's not acceptable in terms of their futures.

And I say to the member opposite that today, if you were to have an opportunity to talk to the people who are involved in the festival, they'll tell you that they're debating a very important issue regarding your own community.

And so I say to the member opposite and to this House, that in Saskatchewan today we have third party organizations like the art boards. If you don't believe in the Arts Board in this province, what you should be doing is you should be writing a letter to the Arts Board and you should be saying to them that they should no longer be funding the kinds of activities that you don't believe in.

And I say that to the member opposite. If you don't believe in funding freedom of speech in this province, you should write those people and tell them that you don't support that.

Some Hon. Members: Hear, hear!

Oil and Gas Industry

Mr. Stewart: — Mr. Speaker, my question is for the Minister of Finance. Mr. Minister, the oil and gas . . .

The Speaker: — Order, order, please. Hon. members, there may be opportunities for debates from both sides at another time; this time is allotted to question and answer period. Kindly recognize and respect one another's questions and answers.

Mr. Stewart: — Mr. Minister, the oil and gas industry is big business in Saskatchewan, and a healthy oil and gas industry means big money for the provincial government. But thanks to the NDP's disastrous decision to increase the provincial sales tax by \$160 million, the biggest question in the minds of Saskatchewan oil and gas companies is what part of Alberta they're going to move to.

Mr. Minister, Mr. Minister, does the NDP have a plan to convince oil and gas companies not to flee from Saskatchewan as a result of your decision to increase the PST by \$160 million?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker. I'd be

very pleased to respond on behalf of the government and I want to say to the member from Thunder Creek that we have over the past few years had a very close working relationship with the oil and gas sector, and it's resulted, Mr. Speaker, in some of the longest years of activity that this province has ever seen.

With respect to the resource sector, I want to say, Mr. Speaker, we have made major changes to the oil and gas royalties. We've introduced high water cut; we've introduced deep rights reversion, Mr. Speaker.

But the resource sector is more than oil and gas. We've revised the potash royalty rates. We have revised the base metals and precious metals royalty rates.

Mr. Speaker, I say to you and I say to members opposite that this government is very responsive to the concerns of industry when there are concerns that arise. We have fostered a good working relationship and that will continue.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Mr. Speaker, another question for the Minister of Finance. Mr. Minister, even your old buddies are sounding the alarm. Yesterday the Saskatchewan Party caucus received a letter from Ken Kluz — you remember him, Mr. Minister? He's a former NDP MLA. Ken also ran as a Liberal candidate in the last provincial election.

Let me read . . .

The Speaker: — Order, order. Order! Order, order, please. Order. Order. Order! I would just remind the member to direct his question through the Chair, and ask all hon. members to kindly allow the question to be heard.

Mr. Stewart: — Thank you, Mr. Speaker. I read from the letter:

In conversation with Doug Anguish, former (NDP) Minister of Energy and Mines . . . (he) tells me the oil industry is very upset with the Saskatchewan Government for the p.s.t. enhancement . . . (because it) will cost his company alone 1 million dollars.

At this time they are discussing their options to include less activity in Sask.

And that refers to Renaissance oil. And I'd be happy to provide a copy of the letter to the minister.

Mr. Minister, your \$160 million increase in the PST is driving jobs and business out of Saskatchewan. What is your government going to do to stop the economic disaster you've created?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to tell the member a few things that we're going to do to ensure that we've got a healthy industry in this province. The first thing we're going to do is ensure that these people who wracked up \$15 billion of debt in this province never, ever, ever sit on this side of the House, Mr. Speaker. That's the first thing we're

going to do.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, this budget, this budget that was just passed in this legislature delivered the biggest personal income tax cut that this province has ever seen and those members voted against it.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, this March compared to last March, 15,000 more people working in this province than last year; and, Mr. Speaker, 7,000 of those were young people who these people are trying to chase out of the province.

And I say to you, Mr. Speaker, as long as there is a breath in thinking people we will continue to balance budgets, reduce taxes, and create a positive investment climate.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Thank you, Mr. Speaker. Another question for the Minister of Finance. Mr. Minister, your old buddy Doug Anguish is saying your \$160 million PST increase may push Renaissance oil out of Saskatchewan . . .

The Speaker: — Order.

Mr. Stewart: — Thank you, Mr. Speaker. Your old buddy Doug Anguish says the entire industry is considering pulling jobs and investment out of Saskatchewan. Is that your idea of good economic policy? Is that the NDP's master plan — to chase oil and gas companies out of the province with high taxes?

Mr. Minister, haven't you and your tax-happy NDP government done enough damage? Your decision to increase the PST by \$160 million is fuelling the exodus of jobs and businesses from this province. What are you doing to stop the exodus? What are you doing to convince the oil and gas industry to stay in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to begin responding to this question by saying that members of this government, as we have done over the past number of years, have met with CAPP, the Canadian Association of Petroleum Producers, their executive, and we will continue to do that, Mr. Speaker, because we believe that that kind of dialogue fosters a very positive environment investment climate in this province.

But I tell you, Mr. Speaker, I want to say to you and to people of Saskatchewan what doesn't. Gloom and doom every day. Their sky is falling continually. Every day it's another little disaster for members of the Saskatchewan Party. And you do more to foster a negative business climate in this province than any group of people in the whole province, the whole million of them.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — But Mr. Speaker, Mr. Speaker, what we will continue to do is dialogue, work towards a positive business climate and I just want to give a little quote from *The StarPhoenix*, April 14, 2000 from CAPP: "Is the province in jeopardy of everybody moving . . ."

The Speaker: — Order. Order. Order. Next question.

Mr. Wall: — Thank you, thank you, Mr. Speaker. My question is also for the Minister of Energy and Mines.

Mr. Speaker, your decision's government to slap a new 6 per cent sales tax on oil and gas industry is making it even harder for companies — especially companies around the Swift Current area — to compete with companies from Alberta. We heard the member for Thunder Creek talking about an oil-producing company. We have a number of oil and gas service companies in the Swift Current area. A few days ago, the member for Kindersley outlined a . . . highlighted a couple of oil companies in his area that have already made the decision to move.

Mr. Speaker, the decision to increase the provincial sales tax by a \$160 dollars means many oil and gas service companies in my area face three choices: scale down, shut down, or move to Alberta. Mr. Speaker, my question to the minister is this: which of these options would you have them choose?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, the answer is simple. There are none of those options that we would rather choose. We would rather choose to see a healthy industry where last year invested over \$3 billion in this province, much of it right in his backyard.

Renaissance Energy and the other oil producing companies came to us, if you want to talk about a responsive government, and asked if we could do something with respect to high water cut wells. And you living in an oil-producing area know very well about them. And we responded, we made changes that are going to keep very many marginal wells right in your backyard operating, producing royalties and taxation and jobs right in your own community.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. Mr. Speaker, the minister just doesn't get it. There could be a thousand new oil wells drilled in the next week in Swift Current, but if Swift Current companies can't compete on your unlevel playing field because of your high tax policies, the only thing you've achieved is . . .

The Speaker: — Order. Hon. members, I would like to hear the question as I'm sure you would. Kindly allow the member to ask his question.

Mr. Wall: — As long as this government's policies are creating an unlevel playing field in the oil industry in Saskatchewan. The only achievement that they will lay claim to is to get the Premier nominated economic developer of the year for the province of Alberta, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, my question to the same minister. Earlier in the . . . before question period I introduced Mr. Stein to the gallery. Mr. Stein's company . . . Mr. Stein's company, Sage well services, has been operating successfully and creating jobs since 1962. But thanks to the NDP decision to pile on a 6 per cent tax, Mr. Stein and other people in the industry are having to for the first time consider moving out of Saskatchewan.

Mr. Minister, is your NDP government simply going to wave goodbye to people like Mr. Stein who have created jobs and economic wealth in our province, or will you admit that your budget is killing oil and gas jobs, and will you scrap the PST expansion?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I would be more than willing to respond to this member because I'll tell you the biggest detriment to investment and job opportunities and job creation is he and the government that he worked for — John Gerich in the 1980s who created \$15 billion worth of debt.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, would that we were not servicing almost a billion dollars in interest; we wouldn't have a PST. And I tell you, Mr. Speaker, if we hadn't had him and his ilk it . . .

The Speaker: — Order, order.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. You know it's true, it's true, I did work for the . . . for that administration.

The Speaker: — Order. Order. Hon. members, the level of enthusiasm is exceeding what's acceptable.

Mr. Wall: — Thank you, Mr. Speaker, it's true I did work for that administration as a young person. I was fairly idealist . . .

The Speaker: — Order, please. I would ask all hon. members to please respect one another when people are on their feet to be heard, on both sides of the House.

Mr. Wall: — Thank you, Mr. Speaker. What was very disappointing to see in that administration is how that government and how key cabinet ministers grew out of touch and arrogant. And it's déjà vu all over again, Mr. Speaker; and they're going to suffer the same fate that that government suffered, Mr. Speaker — political oblivion.

Mr. Speaker, right now . . . Mr. Minister, right now your high tax policy . . .

The Speaker: — Order, order.

Mr. Wall: — Mr. Speaker, Mr. Speaker, a question to the Minister of Energy and Mines. The fact of the matter remains, right now the PST policies of this government, the high taxation

policies of this government are forcing companies like Sage Well Services, long-time companies in the province of Saskatchewan, to at least have to consider the option of leaving our province. That's 70 to 90 jobs in the community of Swift Current; 70 to 90 families affected.

Will you at least take steps to ensure that every company in the oil and gas industry in Saskatchewan is playing on a level playing field, Mr. Minister? Will you either scrap the sales tax or take steps to ensure that every company, regardless of where they're from, pays that PST?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, the member opposite is asking that we talk about taxation, so I will.

We've just delivered the largest income tax cut in this province's history. There are 55,000 families in this province who will no longer pay any income tax. Effective January 1, the flat tax — done. We've slashed the capital gains tax. The average Saskatchewan family's going to receive a thousand dollar tax cut. Seniors in this province will receive a thousand dollar tax cut.

Mr. Speaker, are these actions of an arrogant and an unresponsive government? Mr. Speaker, I say to you that we have listened to the people of Saskatchewan. They asked for tax cuts. This government, this Finance minister, and this Premier have acted. And I'm very proud of what we've done with respect to this year's budget. That member should be ashamed of even mentioning his past, Mr. Speaker.

Some Hon. Members: Hear, hear!

Gas Transmission Contract

Mr. Heppner: — Thank you, Mr. Speaker. Well we've just had three answers that aren't going to give any hope for the people that they were suppose to give some hope to.

So we'll ask a question of the Minister of SaskEnergy. Simple question, Mr. Minister, it's about that \$114 million pipeline. Mr. Minister, what is a transfer of demand clause in a gas transmission contract? And how was it used in that particular pipeline? A transfer of demand clause.

Hon. Mr. Nilson: — Mr. Speaker, over the last number of days I've been answering some questions around a pipeline that was built, that was part, and is part of the SaskEnergy system of gas lines.

One of the things that seems to be underlying this is the fact that maybe some of this line doesn't return quite as much as what they anticipated. The original plan set out that they were hoping to have a rate of return of about 15 per cent. The rate of return over the last number of years and last year was 11 per cent. What we know, in Alberta, the rate of return on similar gas lines is 9.9 per cent. This is right in the ballpark of where it should be.

We are going to continue to provide, through our energy company, the lowest natural gas rates in Canada. We're going

to do it in a fair, efficient way providing for all . . .

The Speaker: — Order.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Well, we had a poor answer to Monday's question. Today is Thursday. So we will tell you what a transfer demand clause is. It's a clause that allows you to transfer demand from one existing contract to fulfill your commitment to a new contract.

We understand that all new contracts that you signed in connection with that pipeline left the gas companies that particular option, and they promptly exercised it by transferring demand from their existing contracts to meet the commitment with the new contracts. Isn't that the case, Mr. Minister? Your so-called firm commitments, that you said you had, left the gas companies with a trap door to back out through. And that's exactly what they did.

Mr. Minister, will you confirm that the only reason gas companies are meeting their commitments under these new contracts is because you left them a loophole that they could back out of their existing contracts?

Hon. Mr. Nilson: — Mr. Speaker, in 1996 and 1997 there were significant declines in the natural gas prices and that happened in Saskatchewan. Natural gas drilling went down . . .

The Speaker: — Order. Order, please. Order.

Hon. Mr. Nilson: — In that time, the Saskatchewan gas consumers asked that TransGas would make some changes around in the export commitments that they had so that this gas could be supplied to Saskatchewan. This allowed for transfer of gas to Saskatchewan consumers. This provided some of the cheaper prices of gas for Saskatchewan people.

This was also then part of a plan that SaskEnergy has had for a number of years, which it continues now, that they will provide the lowest natural gas prices in Canada for this year. They will continue to supply it to all of their consumers around the province. We will continue to do this as a very good corporate citizen of Saskatchewan.

Some Hon. Members: Hear, hear!

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

Hon. Mr. Romanow: — Mr. Speaker, I ask leave of the House to introduce some special guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Romanow: — Thank you, Mr. Speaker. And thanks to all the members of the Assembly. I would like to introduce to you, Mr. Speaker, and to the members of the House, seated in your Speaker's gallery, some very distinguished visitors and guests. These visitors are senior executives from Hitachi and Marubeni Canada Ltd.

Mr. Speaker, members will know that Hitachi for many years has been an honoured and respected contributor to Saskatchewan's growing and diversifying economy.

Last year the company embarked upon a very important and significant expansion of its facility in Saskatoon — a welcome expression, I might add, of confidence in the economy of Saskatchewan and the people of our province.

Now these six gentlemen are here today to meet with the minister responsible for CIC, and the Saskatchewan Power Corporation president, Mr. John Wright, and to meet with me tomorrow in Saskatoon in the morning to discuss further opportunities for our province — to building on our long and mutually profitable relationship.

Mr. Speaker, I know I speak for all members when I say that we are honoured that our visitors share optimism about the future. We're honoured that Hitachi, one of the world's great industrial enterprises, is committed to working with us to enjoy the benefits of continued growth and prosperity here in Saskatchewan and in Canada.

Thus, Mr. Speaker, I'll ask each of these distinguished visitors to rise, and after they have completed standing, to remain standing, and then to accept the greetings of the House. They are, first of all, Mr. Haruo Urushidani, director and general manager of Hitachi engineering and product division in Japan — if you'd please stand — Mr. Hiroshi Yamaguchi, who is the president of Hitachi Canadian Industries in Saskatoon; Mr. Tetsuhiro Nozaki, who is the general manager of Hitachi plant engineering division in Japan; Mr. Masahide Tanigaki, who is the general manager of Hitachi international operating division in Japan; Mr. Kaz Shinyashiki, vice-president of Marubeni Canada Ltd. in Vancouver; and Mr. Tadashi Uehara, manager from Hitachi (Canadian) Ltd. in Calgary.

Mr. Speaker, please join me, all the members in welcoming our honoured guests.

Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. With leave to also introduce the guests.

Leave granted.

Mr. Hermanson: — Thank you, Mr. Speaker. And unfortunately, gentlemen, I didn't receive notice of your names, but we do want to welcome you to Saskatchewan.

I had the privilege last year of touring the Hitachi plant in Saskatoon, and I was impressed by the way it was operated. It was a well-run industry in Saskatchewan — something that we desperately need. And the employees and management of the company could only express their appreciation for how Hitachi had shown confidence in the province of Saskatchewan, and for the fact that they were able to participate in your company.

For those of you who are visiting Saskatchewan, we welcome you to this province on behalf of the official opposition; and for those of who are in Saskatchewan, we thank you for your part . . . the part you are playing in the Saskatchewan economy, and

we wish you well here in Saskatchewan in the future.

Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 32 — The Municipal Employees' Pension Amendment Act, 2000

Hon. Mr. Cline: — Mr. Speaker, I move that Bill No. 32, The Municipal Employees' Pension Amendment Act, 2000 be now introduced and read the first time.

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

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Kowalsky: — Mr. Speaker, I am pleased to provide a response to the 130th written question in this legislature.

Some Hon. Members: Hear, hear!

The Speaker: — Question 130 is tabled.

Mr. Kowalsky: — Mr. Speaker, I am happy to provide the answer to question 131, in the spirit of openness and accountability and responsibility on the part of the government.

The Speaker: — The answer to question no. 131 is tabled.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 28

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 28 — The Ombudsman and Children's Advocate Amendment Act, 2000** be now read a second time.

Mr. Wakefield: — Thank you, Mr. Speaker. I've had an opportunity to look over some of the material that was presented regarding this particular Bill, and I have to make the following comments. I believe that there is a lot of housekeeping that should be done, Mr. Speaker, in this particular Bill, and I'm very pleased to see that we can move this ahead and try and get some of these housekeeping items looked after.

There are some concerns though, Mr. Speaker, with this Bill. And they have been addressed before but I would like to try and highlight some of the concerns and maybe add one or two new concerns.

One of the things that seems to bother me particularly comes from the fact that these amendments are coming at this particular time. As you know, the annual report from the

Children's Advocate has just been put forward and some of those items . . . some of the issues that were highlighted in that annual report are not very complimentary to this particular government.

And we noticed too, in the same set of amendments, that the amendment regarding pay and salary has a major difference from what is currently in place. So that is a real concern. Because we believe that, as stated in the amendments, some of the Children's Advocate as well as the Ombudsman role really deserves to be independent. And the independence of both of those positions I think are paramount.

When I see though that the way that the salaries are set for both the Children's Advocate and for the Ombudsman, that being determined by the Board of Internal Economy, that gives me certainly some concern. That is not independent as I would see it.

The amount of salary that can be set then, if it goes to the Board of Internal Economy, is really determined by a committee of the legislature that has a disproportionate amount of representation on one side and not the other.

(1430)

Then that, Mr. Speaker, is not an independent review of the salary. And I hope that that isn't meant to be reflective of the independence of the office as so indicated in these amendments.

I have also noticed, Mr. Speaker, that when I reviewed the annual report of both the Children's Advocate and of the recent annual report of the Ombudsman, several items came forward that I think is relevant in fact to this particular amendment.

When I noticed the Ombudsman's report, there was a lot of complaints that are taking place against the Crown corporations and the utilities. It seems odd that an Ombudsman would have to deal with people, citizens of this province that are frustrated in trying to make a settlement with their own Crown corporation.

There should be normal ways and normal ways and normal recourses for trying to solve particular problems. The Ombudsman role apparently has become increasingly important in trying to solve these particular frustrations of our citizens.

If this were a deregulated environment and the Crown corporations in fact were replaced with private utilities, there is a mechanism for solving these particular frustrations, and it wouldn't have to be referred to the Ombudsman. But it almost appears that the Ombudsman is being overloaded with a lot of the problems that maybe shouldn't be associated with an Ombudsman role.

I noticed that the increase, for instance, in the Ombudsman's role in terms of trying to solve complaints has risen almost 70 per cent in the last couple of years. That is a huge increase and therefore puts an increasing amount of stress on the particular Ombudsman. And at the same time, other complaints against the . . . that are referred to the Ombudsman refer to Social Services, workmen's compensation, and as I referred, to the Crown.

That extra workload I'm sure has to be compensated for by either making sure that the salary is independent rather than an internal review, internal . . . the Board of Internal Economy. Without proper compensation, I really think that the Ombudsman role is going to be diminished. Or, if the workload continues to be increased at the same rate, something is going to have to be done in terms of why these frustrations are being directed at the Ombudsman.

And when I reviewed as well the Children's Advocate role, I noticed in her annual report that calls coming in from frustrated people involved in the role of Children's Advocate, 75 per cent of these calls have actually come from the parents and the children themselves — 40 per cent from the parents, 33 per cent from children. And 67 per cent, as I read the annual report, 67 per cent of those came from Social Services.

It would appear that the role of the Children's Advocate is trying to pick up some of the . . . to try and solve some of the problems rather, Mr. Speaker, that the Department of Social Services is not being able to address, and I think is certainly falling down on the job when that many people or that many complaints are addressed to the Children's Advocate.

When I looked at the role as well in the annual report, I noticed that the budget from 1997 to '99 has virtually doubled from \$500,000 to \$950,000. That's a 55 per cent increase in two years.

Now if that is representative of the kind of work that the Children's Advocate has to handle, that in my view says a lot about the work that the Children's Advocate must address. And as I mentioned, probably because some of the problems that should have been addressed by Social Services in particular have not been addressed.

Another part of the amendments that I noticed, Mr. Speaker, look at the authority to suspend the Children's Advocate or the Ombudsman while the legislature is not in session. There's some wording change from disabled and so on to things like "incapacity to act, negligent of duty" and so on.

If this is an independent position, as the amendments purport to try to put in place, I'm wondering what the conditions are. Are they objective or subjective when it comes to the suspension of authority of both either the Children's Advocate or the Ombudsman?

Another of the amendments include, Mr. Speaker, the ability now of either one of these agents to file separate annual report. I think that's important and I would certainly support that. That shows the independence of these two bodies and I think the perception of these two entities is very important.

There is another amendment that I wanted to highlight. I think that it has . . .

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

Ms. Higgins: — With leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Higgins: — Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly, one of my best supporters sitting in your west gallery from the constituency of Moose Jaw Wakamow. Not only in my political life, but throughout our married life, he has supported me in many endeavours that I have taken our family on.

I would like the members of the House to welcome my husband Don to the Assembly.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 28 — The Ombudsman and Children's Advocate Amendment Act, 2000 (continued)

Mr. Wakefield: — Thank you. Thank you, Mr. Speaker. One of the amendments that I noticed in this particular Bill is allowing the Ombudsman to have, and the Children's Advocate to have access to whatever information that they require in order to conduct the appropriate investigation. I think that's a very important element if we're going to depend upon both of these entities so heavily. Certainly we do not want to restrict their ability to have access to the information and also to conduct any appropriate investigation that they feel is essential in trying to bring these complaints to resolution.

There's another amendment that I've noticed, that there is a waive of the requirement to submit a written complaint. It would appear that even though the Ombudsman and the Children's Advocate role is so busy, to allow for open access, I think, is commendable. I guess the caution I would have, Mr. Speaker, is that the open access without written complaint would certainly increase the workload of the Ombudsman or the Children's Advocate. That would be a concern.

Mr. Speaker, I guess I wanted to also highlight one of the other amendments that I have a little bit of trouble with. There is a provision in these amendments to allow the Lieutenant Governor in Council to suspend the Children's Advocate or the Provincial Ombudsman when, as I mentioned early in the session, the Assembly is not in session.

I would like to be able to feel comfortable that in determining who was going to be suspended and for what reasons, there was just cause.

I don't notice in the amendments anything to do with an appeal process. It would appear that at the discretion of the Lieutenant Governor in Council, a person could be suspended for any particular reason that that the Governor in Council would feel was appropriate at the time. I don't think that that is an appropriate . . . that's not an appropriate amendment, and I do believe an appeal needs to be put in place.

Mr. Speaker, there are several of these concerns that I have with

these particular amendments and I would prefer that we would have a little more time to be able to resolve some of the concerns that I have raised. And so at this time I would like to move debate on this particular . . . adjourn debate, excuse me, Mr. Speaker.

Debate adjourned.

Bill No. 26

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 26 — The Tabling of Documents Amendment Act, 2000** be now read a second time.

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, this Bill at first blush appears to be fairly straightforward. It will allow for a document to be tabled through the Clerk of the legislature when the House is not in session in order for the document to made public.

And we on this side of the House support that.

Currently the preparation time is about 210 days. Over the next four years it apparently is going to be trimmed to about 120 days, and we certainly support that.

These amendments are fine except for the fact that the information that is provided in the documents is not necessarily adequate. And there's some very, very good examples of that, Mr. Speaker, in the annual reports from CIC that you not always include the activities that the Crowns may be engaged in.

And in recent years in this Assembly we've seen examples of that such as the Channel Lake fiasco. There wasn't one word of mention of it in the annual reports, Mr. Speaker. And while the government is moving to provide better disclosure in terms of time, they certainly aren't doing anything in terms of content. And I think that's the concern that we would have with this piece of legislation, Mr. Speaker.

The fact of the matter is, is that regardless of when the information's tabled, if the information is incomplete, it still doesn't provide any better picture to the taxpayers of this province.

A better commitment from this government would be to give full disclosure of the activities that they're involved in. And the most recent one, of course, is this pipeline deal that the province is involved in through SaskEnergy. There is lots and lots of questions surrounding that pipeline and whether there was actually a need for the pipeline or not. And there's a lot of skepticism on this side of the House whether there was a need for that pipeline.

And all you have to do is look back, Mr. Speaker, at the Channel Lake debate. As I said, there was not a word of mention whatsoever in any documents that the government tabled, late as they were. The fact of the matter was in the concluding . . . at the conclusion of the whole Channel Lake fiasco, we found that an assistant to the Premier, a Brian Topp who has successfully, I understand, landed a job with another NDP administration somewhere else . . . (inaudible interjection)

. . . Well he'll be turning up sooner or later in some NDP outfit, I'm sure.

Anyway the fact of the matter is, he was the one that wrote the report. And I remember the member from Regina South telling the reporters that at the end of the day, they had to support it or pull the pin out of here, I think was the . . . well I think I can recall exactly his words — it was either we live with the report or walk away. And I'm not quite sure what that . . . (inaudible interjection) . . . Well perhaps the member would like to help us a little bit. What did you say then?

Mr. Speaker, I think I remember exactly and we can get the quote. I'm sure that there are people in our office that will dig that up for us in the next few hours while I'm on my feet.

Mr. Speaker, the fact of the matter is, is that the NDP when it comes to tabling documents, when it comes to giving full disclosure, when it comes to providing information to the taxpayers of this province, have never, have never given full disclosure.

(1445)

And that's why the people of this province are very skeptical about the way you people operate in government. That's why they distrust you. That's why they don't agree with you. That's why they're moving away in droves from you. That's why in the last election you lost member after member. That's why in the last election you just about lost entirely. That's why in the last election the Saskatchewan Party got more votes than you did totally.

And that's why in the next election, that's why in the next election you'll be sitting over on this House — at least a few of you will be, at least a few of you might if a few of you care to hang around or care if you . . . a few of you might be able to manage to retain your seats.

The fact of the matter is, Mr. Speaker, at the end of the last election, if we would have had a couple more . . .

The Speaker: — Order. Order.

Mr. Boyd: — Thank you, Mr. Speaker. That's the concern that the taxpayers of this province has. And regardless of when this government says that they are going to provide information, regardless of when they come forward with the annual reports, regardless of what their stated intentions are, they've never carried them out, Mr. Speaker. They've never provided disclosure.

They've provided trumped up reports written by employees of their administration, written by people within the Premier's Executive Council offices about very, very serious issues of misuse of taxpayers' money. And we've seen this in numerous occasions, Mr. Speaker. And so this piece of legislation, while it has some stated good in it, it certainly falls well short of the mark in terms of what is necessary when it comes to disclosure.

And I hear members on the opposite side of the House chirping from their seats. If you really were interested in disclosure — if you really were interested in disclosure you'd be bringing a Bill

forward providing information about all areas of taxpayer expenditures whether it's the Crown corporations or whether it's the line departments. When it comes to the Crown corporations, Mr. Speaker, you will know that there is very, very little information.

The Provincial Auditor of this province even has difficulty getting information from this government, even though in all of their campaign literature over the years, the last number of elections they have talked about open and accountable. And the member from Prince Albert Carlton stands in the House day after day, proud as punch with a blank folder in his hand saying that he's providing the full information about the latest question from the opposition.

The fact of the matter is when we get the information there's a half a dozen words of explanation about a question that requires considerable detail. And while they have all this stated intention of providing full documentation and all of that sort of thing, when we receive it there is absolutely nothing in it that provides us with any closer explanation of the questions that we've asked for.

Mr. Speaker, that's the difficulty that we have with the administration when it comes to the kind of information that they should be providing to the people of this Assembly, and more importantly, to the people of Saskatchewan, the taxpayers in this province.

As a result of that, Mr. Speaker, we are considering some amendments to this legislation to deal with those kinds of concerns because we feel that full disclosure is important. We feel that that's what's necessary.

And while we are consulting with people across the province about The Tabling of Documents Act, we feel it important that we do our job in opposition and take some time to move through this Bill, to look at it and consider some options in terms of amendments to the legislation.

Mr. Speaker, with that in mind, we would move for adjournment of debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund Social Services Vote 36

The Chair: — Order. Order, order. Order. Before I call the first subvote, I'll invite the minister to introduce his officials.

Hon. Mr. Van Mulligen: — Thank you very much, Mr. Chair. Seated beside me is the deputy minister of the department, Dan Perrins; and seated behind Mr. Perrins is Bonnie Durnford who's the assistant deputy minister. Seated behind me is Bob Wihlidal who's the executive director of financial management.

And towards the rear of the Chamber are Phil Walsh, who's the executive director of income support; Marilyn Hedlund, the associate executive director of income support; Richard Hazel,

the executive director of family and youth; and Deborah Bryck, the director of child daycare.

I think that's it.

The Chair: — Thank you, Minister.

Subvote (SS01)

Mr. Toth: — Thank you, Mr. Chair. Welcome to the minister and to his officials this afternoon as we discuss issues surrounding your department, Social Services, and how it deals with the people of Saskatchewan, and in particular provides services to families and mainly to children. And in many cases how your department deals with children and how it . . .

In some ways while I think the term to use in talking to workers, they're there to protect the lives and the well-being of children. Sometimes one has to question whether or not they're really looking at protecting the lives of children or even thinking of the well-being of children.

And, Mr. Chairman, Mr. Minister, I think over the next period of time as we debate Social Services, we'll be raising a number of concerns and issues that have been brought to our attention in that regard — issues, certainly not just brought to our attention by individuals, but most recently by the Child Advocate, Debra Parker-Loewen in her report titled, I believe it's listen to the children . . . *Children and Youth . . . Listen to Their Voices*.

Mr. Minister, certainly she raises a number of concerns which we want to get into and discuss with you and your department officials as to where the department is heading, what steps are being taken to address the concerns that have been raised.

But as I indicated, Mr. Chair, there are certainly a number of issues, a number of concerns that always come to the forefront in regards to the Department of Social Services.

And when one looks at the department and recognizes the number of individuals that received care that are on social services and then the different concerns, and certainly issues arising from individuals vary from one region of the province to the other, and I'm not exactly sure how your department deals with these. Is there just a straight standard policy and no flexibility? And I think those are the issues we need to look at, such as rental for housing. And that's a question I think, Mr. Minister, I'd like to begin with fairly shortly.

But first of all, Mr. Minister, I would like to know exactly how many individuals are working in the department, how many workers. Can we have a list of who's working and salary ranges from the department in that regard?

Hon. Mr. Van Mulligen: — We'll certainly undertake to provide the member with that information, Mr. Chair.

Mr. Toth: — Mr. Chair, Mr. Minister, we trust that in that information you'll have covering not only your office but all the people in the department. We would like to have an idea. And I take from your response that that's the information we'll be receiving.

Mr. Minister, a concern that has really . . . come across my desk on a number of occasions over the past little while is in regards to rent for housing, and this is an issue I think I'd like to get some clarification on. And the concerns that are raised are coming from individuals who are just finding, especially in the larger urban centres, that the standard level of rent just falls short of what is actually available.

And in one case in particular, just most recently, an individual had called me and basically they're being told by their landlord that the rent . . . rental rate is going to be increasing.

(1500)

Mr. Minister, however, what this individual is already finding, she's already digging into her basic allocation, I believe, of about . . . I think it's just over 200-and-some dollars a month to cover rent because she's short by about 40 or \$45. And that's just one situation. And no doubt your department hears from many individuals.

Mr. Minister, I'd like to have an idea of where the department is going in order to address this concern and this issue so that the issues aren't always falling on our shoulders as MLAs. Not that we're not looking for work to do, but I think some of these circumstances that come to our desk are circumstances that possibly should . . . there should be a policy or a means of addressing it through the department so that steps are taken and there are means of addressing the different concerns and recognizing that different costs and different regions that people face in order to provide for themselves and their families.

So, Mr. Minister, what is the policy right now in regards to rent and what is your department doing to address the issue that arises when people find themselves that a standard rental rate is falling . . . that they're receiving is actually much lower than the quality of housing or the availability of rental services that are available.

Hon. Mr. Van Mulligen: — Mr. Speaker . . . or Mr. Chair, I want to thank the member for the question and for his comments. With respect to shelter allowances, shelter allowances are based on generally the size of the family that is making application to us, and can be further refined based on where it is that person lives in Saskatchewan.

That is to say there will be one scale for people who live in the large urban areas, another one for small towns, and then another maximum for those who live in rural areas. So it's those two factors combined which will determine what specific shelter allowance provision will be made for someone who applies to us for social assistance.

There are some other special requirements that can be taken into account. For example, if a person has a disability which limits the kind of housing that might be appropriate for them, we can also take things like that into account in establishing what the shelter allowance will be. I think the member is correct in saying that, as the person who contacted him has a concern about the availability of housing, and the cost of housing is also a concern to us especially in the larger cities and also in northern Saskatchewan.

And I guess we have basically two ways to address that. One of the ways would be to increase the maximum shelter allowances that we provide to individual clients. But in doing that we don't necessarily have any guarantee that landlords might not increase the rents commensurately. And therefore it is a question as to what would be gained if we increased the shelter allowances.

We're taking the approach that what we need to do is to invest more in social housing to see what we can do to increase the availability of decent, safe, affordable housing for low-income people including those in receipt of social assistance in the areas of the province where there is the greatest need, which as I indicated is in our urban areas — or large urban areas — and in the North.

And the member will know that although it's not contained in my budget per se, there are budget provisions in Municipal Affairs to increase the amount of money that will be going into social housing. The details of how we'll invest that have yet to be worked out. But we've taken the approach that rather than simply increasing shelter allowances and not having a guarantee after having done that as to whether or not our clients will be better off and low-income people will be better off, and we're better off to look at trying to improve the housing availability for low-income people, including people on assistance in Saskatchewan.

Mr. Toth: — Mr. Chair, Mr. Minister, I thank you for that. And I'm not saying I don't disagree with the fact that just by bumping and basically saying here's what the shelter allowance is, here's what the maximum would be available, may not indeed promote some of what you've been talking about, that but actually at the end of the day we still find ourselves not really meeting the goal of individuals.

But what I'd like to know is, for the sake of people out there who are finding it difficult right now and finding that they actually have to dig into their food and clothing allowance in order to meet their rental requirements . . . One particular case I have, and of course the two larger centres are probably even more difficult, the one individual that called me just recently and was almost in tears — didn't know where to turn — is facing a situation where she's living in a neighbourhood that we know in the two larger urban centres, some neighbourhoods just aren't all that conducive to raising a family.

She's got an eight-month-old child. She'd like to move from it, but there isn't anything, in what she has been following, as far as finding even rent that's close to what she's already being underfunded for — shelter allowance — to move into an area that would be more appropriate to raise a family.

So, Mr. Minister, what I would like to know is what is your department doing to address these types of concerns, and what do we as MLAs do? Who do we put these people in touch with to have their cases possibly reviewed so that they are indeed being, if I can use the expression, treated fairly? So they have housing, adequate housing, to meet their needs in neighbourhoods that are more conducive to a family, raising a family, without having to draw from their meagre living allowance to supplement or to pay that shelter allowance.

Hon. Mr. Van Mulligen: — Mr. Chair, I just want to say that

we do provide in Social Services an appeal mechanism that if a particular client feels that there are circumstances that have not been appropriately considered by my department, that there is an independent appeal mechanism that can, should, will review their circumstances to see whether or not they're being treated appropriately by the department, including the question of their shelter.

But again I have to go back to the fundamental question. Given that all of us — and I think the member recognizes this — must deal with limited resources, and if it's a question of investing those limited resources, where should those limited resources be invested? Is it at this point in increasing shelter allowances generally? And would that improve the situation? Or are we better off to look at the supply of affordable, decent, safe housing?

My sense is that we should be looking at the latter. And my department will be . . . or is sitting down with the Department of Municipal Affairs, Culture and Housing to deal with that specific question to see how we can increase the supply of decent housing for low-income people — not just those on social assistance, but other low-income people as well. And that is the direction that we are going.

Mr. Toth: — Mr. Chair, Mr. Minister, that's all fine and dandy if . . . to increase and to build appropriate housing in this . . . in areas that would be more conducive, especially for young families and development of young families — for instance, some of our downtown neighbourhoods where the livelihood of the neighbourhood isn't exactly what a family or a young family would like to bring their children up in.

But what you're talking about, Mr. Minister, is not available today. What you're talking about, the discussions between your department and Municipal Government, is something that you're hoping to achieve in the future. And I don't dismiss this as . . . dismiss that as a laudable goal. I think certainly that's an area that you need to take a look at, and I commend you for looking at it. But what . . . it doesn't address the immediate need.

And you mentioned about an appeal mechanism. When a person has come to the point where they really don't have all the basic skills to find employment outside of the home . . . And one of the situations that I ran into was . . . is an individual who did have work but due to medical problems was unable to continue working. And most people do not find that employers . . . there are enough employers around who are willing to hire someone for two or three hours a day if that's about the limits they may face as a result of health problems. And also that amount of work may not work or be all that conducive in receiving support from Social Services as well.

I'm aware of the fact that we've put in place, about three or four years ago now, a plan that is there to supplement. If a person can find employment, encouraging people to get employment and that's . . . When I talk to individuals, I talk to them and ask them if it's possible for them to find employment, if they've actually tried to find employment. And what I find, Mr. Minister, is that people come back to me and they say, you know yes, the job that I did find, I started working there, but actually I had less in my pocket. And I didn't have as much to

cover my needs as I was getting on assistance at the time.

And so there's two ways of looking at the circumstances. And a basic minimum wage doesn't leave you with a lot even at 40 hours a week if you have the opportunity to find full-time work.

But, Mr. Minister, what does a family or what does a single parent do today with an eight-month-old child in trying to find a better . . . not necessarily a better-quality home. I think they're satisfied with the home, the building, the shelter that they live in right now. But by moving to another neighbourhood with a shelter that . . . or a house that would be somewhat similar, however, in an upscale neighbourhood it's probably going to be a little more money. What does that person do?

You mentioned about an appeal mechanism. Who do we put that person in touch with in regards to that appeal if that's what's necessary, if they just don't seem to get anywhere with the department at all?

Hon. Mr. Van Mulligen: — Mr. Speaker, with respect to the appeal, I would encourage that person to contact his or her worker and to ask the worker as to how it is that she should go about appealing. And if she can't get that information from her worker, I would certainly encourage her to call my office because we'd be more than pleased to provide that and to let the person know what rights they have of appeal.

We take the appeal mechanism, if you like, seriously. We think that it's necessary where you have a department, you try to provide assistance — and some of the decisions might be seemingly at times somewhat subjective — that there is an outside body that can independently assess whether or not the person who's in receipt of assistance is being dealt with fairly and appropriately. And we take that seriously and want to do that.

The member also raised the question of this particular case, or this, you know . . . and more than one.

(1515)

We have, as the member acknowledged, two years ago, in 1988, set in to place the building independence program, which is intended to provide real, substantial incentives for low-income working families. We've taken the approach that we need to encourage low-income families to work because even if a low-income parent is starting off at a minimum wage, it is through work that ultimately a person can gain experience, can gain or achieve better opportunities for better jobs down the line, as opposed to locking them into the welfare system.

So what we've done in conjunction with the federal government is to provide all families, depending on their income, with a Child Benefit. There is a combined National Child Benefit and . . . or federal Child Benefit and a Saskatchewan Child Benefit which, depending on the circumstance of the family, might be up to \$2,500 approximately per child.

In addition to that under the building independence program, we put into place the Saskatchewan employment supplement program, which is not automatically calculated based on one's income from the previous year, but is a program to which

people need to apply. And again, it's intended to encourage people to work and recognize that if you work, that you may have additional costs that you might not have if you were just simply in receipt of assistance — costs such as transportation to get to work, clothing, and child care costs, which are very significant, and in the case you mentioned would be an important consideration. And I think in terms of that program that family might receive up to \$2,000 per child, and again it depends on the circumstances and the kind of income that they derive.

In addition thereto, we recognize that health costs for children are a major concern of low-income people. When families are in receipt of assistance, we provide coverage for additional health costs; whether it's eyeglasses or prescription drugs or dental needs, we will provide coverage for that. But if a family in the past moved off assistance, then that coverage would stop.

And so we've taken the position that we should continue to provide assistance to that family, at least for their children, so that if their children need eyeglasses or there's surgery that's . . . dental surgery that's required or drug costs — if the child has asthma for example — that we will be there through that additional health coverage to allay any concerns they might have about those costs and in that way try to make sure that they don't need to go back onto assistance simply to have those additional health costs dealt with.

And we take the position that the person that you're talking about and others in society need to be encouraged and provided generous incentives to work, because it's through work that ultimately that they can find some hope of getting out of poverty. But to create a situation where you provide incentives to stay on assistance, on social assistance, that then too is a recipe for locking them into poverty. So the approach that we've taken is to provide incentives.

Mr. Toth: — Mr. Chair, Mr. Minister. Mr. Minister, I'm certainly pleased to hear you speaking about the fact that there's nothing wrong with people going out and finding actual gainful employment. You and I remember a day when the placements were different and I remember the opposition of the day certainly criticizing the former administration for even asking people or putting people to work, and criticized for those initiatives.

And I can assure you that whether you will have agreed with some of the policies of that time, I know in circumstances talking to communities that implemented some of the programs, that actually a number of people who had been on assistance over a period of years . . . One community in particular over a period of years hired people on assistance and never did hire the same person back. And out of eight people that they had actually hired under that program, seven of them were full-time employees.

There was only one individual who continued on social assistance and that individual moved to another community where the community wasn't implementing the program of helping them trying to . . . by providing work and Social Services providing some supplements like you were talking of, so that they would see that their gainful employment is something that can be a benefit.

And I firmly believe that, because I believe if a person feels . . . has a better feeling about themselves, a greater well-being knowing that they are contributing to themselves and to their family . . . And so I think that's very important and I'm pleased to hear that your department is talking of and is continuing to move towards methods and ways of assisting people find gainful employment.

Before we move from this though, Mr. Minister, I would like, I would like you to give me the basic cost of shelter allowance and utilities — that'll vary from one area to the next — what the basic allowance is for family, what the additional allowance per child is.

And I'd also like to know who the contact person or what the mechanism is for the appeal process in regards to disagreements regarding shelter or other costs that are received by Social Services recipients. Who do they contact?

Hon. Mr. Van Mulligen: — Mr. Chairman, first I just want to say to the member that, although it's not my department, the Department of Post-Secondary Education and Skills Training continues to provide opportunities for social assistance recipients to gain a meaningful work experience, to help prepare them for full-time employment. They do this through work placement programs very significantly; I think there's about 1,600 clients or so that Post-Secondary assists throughout the province.

There's also a community works program where there's almost a thousand people in Saskatchewan who gain work experience through job placements with community-based organizations. And there's also a bridging program which places people with private employers, I believe, and also community-based employers to help them gain experience and to become job ready. So we continue to provide those kind of opportunities in Saskatchewan.

With respect to the social assistance rates, the rates . . . the standard allowance for one adult . . . one adult, one child, the basic allowance — food, clothing, personal, and household — is \$230. The shelter allowance would be \$385, the utilities would be actual, and in addition to that, there would \$210 that a person would receive through the Child Benefit, combined federal and Saskatchewan Child Benefit. Plus there would be . . . if that person also had some employment, there would be further assistance that they could qualify for through the Saskatchewan employment supplement.

And if it would help the member, we can certainly send across a comprehensive list of all of the various rates, depending on the number of adults and children and the like, and provide that to him.

In terms of the appeal process, we could also undertake to provide the member with a bit of a write-up on the appeal process and how that works and who it is that people should be appealing to.

But our workers know and are expected that if clients raise concerns, that those clients should be told about the appeal process in their area — how they're accessed at, how the process works, who also might be in a position to help that

person. Because we recognize that not all people in receipt of social assistance are in a position to advocate for themselves. Obviously not, because they contact your office and they contact my office because they don't feel that they're in a position to advocate for themselves.

So depending on the centres, there are also people in the community that are in a position to assist that person through the appeal process.

Mr. Toth: — Mr. Chair, Mr. Minister, I thank you for that response, and certainly I would appreciate a breakdown of how the appeal process works specifically, for my understanding. And I certainly will pass on to anyone who comes to my . . . brings it to my attention — if they're running into problems that they should contact the worker certainly if they feel that they have . . . their worker hasn't really been listening to the concerns raised — to contact my office again and we'll certainly follow up on it.

The one question I do have. You mentioned basic allowance of 230 and then a child benefit of 210 per child. Is that per child over and above the 230?

Hon. Mr. Van Mulligen: — Mr. Chair, yes.

Mr. Toth: — Thank you, Mr. Minister. It seems either I'm not getting all the facts or something's missing here because some of the most recent ones . . . and I have two or three that some of your office staff are actually looking up on my behalf so I'm not going to comment on those until I get all the information and nor do I intend to bring individuals before us here.

But just the numbers here, you're giving me here, even if they do have to draw a bit from their basic allowance to cover rent, with the Child Benefit there should be a little more to work with than what I've been informed about. And I'll do some, certainly, some follow-up as to what actually is being received by clients. Normally I do that anyway just to see exactly where people are at.

Mr. Minister, you mentioned as well the services provided by Post-Secondary Education, and just Post-Secondary doing a few things. I don't know, and you can correct me if I'm wrong, but are they working in conjunction with your department to provide some real training opportunities for individuals to help them get off assistance? And I think maybe if you wouldn't mind just expanding on it a bit.

The reason I ask the question is because I've had in just the past few months, a few people have come to me who are on assistance and the issue that they raised . . . in one case an individual had taken a special care aide course and there weren't any real jobs opening up so she was looking at moving on into accounting. There seemed to be more of an opening and I believe there was a firm that had some availability or was looking to add some staff people.

(1530)

The problem she had was that to go and take this extra additional training, she would have to move onto . . . she told me she would have to move off of social assistance onto a

student loan, and again through the student loan provide for herself.

But she wasn't in . . . and I'm not exactly sure how that works. But it seems to me, Mr. Minister, that moving people right off of social assistance, or saying they've got to move into student loans, first of all, you've got to qualify for a student loan, and that's a very difficult thing to do.

And what's your department doing to assist young people in that way, especially in light of the fact that we've got legislation before this Assembly; that is you've recognized that your department has a responsibility to individuals who especially have been under their care for a number of years and at the age of 18, prior to this legislation, would basically be cut off and they were on their own, and now you're recognizing that you will offer them some assistance and support till they're 21.

So, Mr. Minister, the question is: what is your department doing to actually help people gain the educational services that are needed, or assistance in order to give them some of those educational assets that will give them real . . . an opportunity for meaningful and gainful employment?

Hon. Mr. Van Mulligen: — Mr. Chair, the member has asked about . . .

The Chair: — Order.

Hon. Mr. Van Mulligen: — Mr. Chair, the member from Moosomin has asked about educational support for people who receive assistance.

We as a department again try to support specific clients with specific needs. If we think that there is an educational opportunity, a specific training program, depending on that client's circumstances . . .

The Chair: — Order. Order. Order. Order. I'm going to invite all members that wish to participate in a sidebar conversation to please have the courtesy to do so outside of the Chamber.

Hon. Mr. Van Mulligen: — Thank you, Mr. Chair. As I indicated, we do try to . . . If there are clients that have specific educational needs, we try to work with them to see if we can assist them. In the main, we provide referrals to programs that are run by Post-Secondary Education and Skills Training.

Post-Secondary Education and Skills Training, for example, has a provincial training allowance, which is a flat-rated benefit but more generous than what we might provide for people on social assistance, as a means of supporting social assistance recipients and also Employment Insurance recipients in Saskatchewan to gain basic education upgrading. But I'm not really in a position to deal with the details of the programs that Post-Secondary Education provides because I'm not responsible for that department, although we do work closely with them to see if they do have space available for clients from my department and to see what can be done to help people upgrade their education and their employment skills so that they are in a position to . . . be in a better position to get jobs in our labour market.

So that's one way of saying that I'd certainly encourage the member and other members to ask my colleague, the minister responsible for Post-Secondary Education, about the specific training opportunities that his department provides not only for social assistance recipients but also for Employment Insurance recipients, and I think he'd be pleased to answer that. I know that if I try to answer for him, he's sitting next to me, he'll probably kick me in the shins or something like that and say that's my business.

But suffice to say, I think there are probably about 4,000 people in Saskatchewan who either are in receipt of social assistance now and we provide them with specific help for upgrading their skills; or some of those are in receipt of a provincial training allowance and therefore not in receipt of social assistance but are upgrading their education and their skills under the umbrella of Post-Secondary Education.

But suffice to say that, like the member, we agree that the more that we can do to help unemployed people to upgrade their education and their skills and to put them in a position to compete for jobs in the job market, the better off we are.

Mr. Toth: — Mr. Chair, Mr. Minister. Mr. Minister, maybe what we should do is ask the member, the minister responsible for Post-Secondary Education, to get into the debate as well. It seems to me there is an overlap, and it might be more convenient even, say, down the road when we get to Post-Secondary Education if we could have a bit of a dialogue with the two ministers available so we get a better understanding. That might be a way of addressing it.

But, Mr. Minister, a couple of my colleagues would like . . . have a couple of areas that they'd like to address this afternoon while we have a chance. So I'm just going to wrap this up by saying this right now in regards to this particular issue, I take it that your department and the workers available throughout the province of Saskatchewan should be able to really assist individuals on social assistance to find the proper channels that are needed to. If you will pursue further education or pursue some job opportunities through the co-operative programs that are there with social . . . with Post-Secondary Education.

And from what you just said I'm going to just say . . . or take it that being that whenever someone comes to me I'm going to invite them to go back to their worker. And if indeed we're finding roadblocks or the worker isn't that familiar . . . I'm trusting the workers are familiar enough with the programming to at least assist people through. It seems to me when the individuals have come to me they've been gone to their worker, they asked for and the worker refers them to somebody else and they just seem to be getting, if you will, the paper shuffle, Mr. Minister.

So we will see whether or not what you have just been sharing with us this afternoon is actually working and if people . . . if we can refer them to the worker, and the worker is doing what you're telling us this afternoon they should be doing, then we should be able to assist people in finding that — whether it's some further education or gainful job employment — that opportunity to move totally off assistance.

At this time I'm going to defer to some of my colleagues.

Hon. Mr. Van Mulligen: — Mr. Chair, I just . . . on the member's last point, yes. But again, as I indicated we try to assess individual client's needs and their circumstances and as to whether or not our support would be appropriate.

I think the member can recognize that if a 19-year-old person showed up at Social Services office and said that, look I don't live with my family; I'm on my own; I have no income. What I'd really like to do is to go through university to become a lawyer. Will you pay for that? Well there's obvious limits to the kind of assistance that we would be providing.

But suffice to say our workers are in a position to refer our clients to Department of Post-Secondary Education and Skills Training to see what assistance they can provide for people in certain circumstances. And there are also in addition to that, depending again on a client's circumstances, we may as a department also be in a position to assist that person.

And as I've indicated, I think that there are at this point about 4,000 people in Saskatchewan that are receiving some form of assistance either through Post-Secondary Education and were previously social assistance recipients, or are currently social assistance recipients.

Mr. Kwiatkowski: — Mr. Chair, I very much appreciate that. Mr. Minister, I would like to discuss a couple of partnership agreements — one more of a local nature and certainly one of a more provincial nature.

But I would like to start with an initiative in the Hudson Bay area that you may very well be aware of. It was an initiative of the Hudson Bay School Division, the Porcupine opportunities program, community living division of Social Services, and the community of Hudson Bay itself, to design and develop a program for people with disabilities that would provide transition out of the school system into both a vocational program and some pre-employment type of programs.

Originally the understanding was that this program could be funded as early as January 1 of this year. I understand that most of the work that needed to be done in order to put it in place was done. And I would like to know if there is any provision in this budget to support that program, and to what degree it will be supported?

Thank you.

Hon. Mr. Van Mulligen: — The answer is yes, Mr. Chair, although we're not aware what the specific amount is at this point. But yes, there is money in the budget.

Mr. Kwiatkowski: — Thank you, Mr. Chair, Mr. Minister. And when will that be made available? I understand that the community and the various organizations involved are feeling a certain degree of frustration at this point in that they haven't been made aware of when it will be made available, how much will be made available, and what the conditions of it being made available will be. Perhaps if you could respond. Thank you.

Hon. Mr. Van Mulligen: — Mr. Chair, as I understand it, our funds are there. They're there to support . . .

The Chair: — Order. Order.

Hon. Mr. Van Mulligen: — Mr. Chair, our funds are there. They're available now to support the program. My understanding is that we're just trying to sort out with some of the other partners that you mentioned to ensure that their funds are also there, and that the necessary understandings are there to support the program.

(1545)

And we do support the program, want to provide the money, but there's some wrinkles that still have to be ironed out with the other parties to make sure their funds are there. But our money is ready to go.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Mr. Minister, I expect that those are operational dollars that you're referring to. And do you know if any capital monies will be made available? There will be some capital requirements in order to get this program off the ground, and are any capital monies of any kind going to be made available to facilitate that?

Hon. Mr. Van Mulligen: — Mr. Chair, as I understand it, our funds are targeted primarily to provide operational support for this venture. That there is a local service club that is intending to raise funds for renovations to a facility to accommodate the program.

If there should prove to be some problem in terms of raising the funds locally, we'd certainly be prepared to give some consideration to additional assistance as may be required.

Mr. Kwiatkowski: — Thank you, Mr. Minister. Mr. Chair, I'd like to move on to a broader and larger partnership arrangement now, and that would be the partnership arrangement between the Saskatchewan Association of Rehabilitation Centres, the Saskatchewan Association for Community Living, and the community living division of Social Services partnership.

Over the years this partnership I think has worked very, very well. There has been some concern on the part of two partners though, SARC and SACL (Saskatchewan Association of Community Living), that in terms of moving forward with any of the decisions that are being made jointly, on occasion the cost of that falls back to them.

And while community living division of Social Services has on occasion provided some assistance to the broader-based provincial partnership, I think that they have felt on occasion, as I indicated, that the larger responsibility has fallen back to them in order to move some of these solutions that they're providing for a lot of the issues across the province.

And I'm wondering, in this budget, will there be any support for the SACL, SARC, and CLD (community living division) partnership?

Hon. Mr. Van Mulligen: — Mr. Chair, I'm advised that although the government has provided additional support for community . . .

The Chair: — Order, order.

Hon. Mr. Van Mulligen: — Although the government is providing an additional 2 per cent in support for community-based organizations to assist them in salary needs of their employees, and I believe a further 1 per cent for general operating increases . . .

The Chair: — Order. Does the member for Kindersley wish to make a statement from his feet respecting the ruling of the Chair?

Mr. Boyd: — Point of order, Mr. Chair. As you know, and as many members of this House will know, the minister responsible for Social Services used to heckle continually from his seat. And it comes with a great deal of concern to members on this side of the House when he stands and then sits down and requires absolute . . .

The Chair: — Order. The Chair . . . Order. Order. I thank the member for Kindersley for stating what . . . Order. I thank the hon. member for Kindersley for stating what he believed is a point of order. I simply respond by saying that the Chair neither asks for nor particularly is desirous of any help from members.

I'm going to simply report to you that the minister has not asked for silence. In fact, the minister has been encouraging the Chair to allow the heckling to continue.

However, however, having . . . Order. When a member asks a question, I think that member has a right to hear the answer. And likewise, the minister has a right to hear the question.

Hon. Mr. Van Mulligen: — Thank you, Mr. Chair. Now where were we?

We have provided a 2 per cent increase to CBOs, community-based organizations, to a system with wage needs of their employees; a further 1 per cent to a system with other inflationary pressures that they might have.

Having said that, there are no additional administrative funds proposed to be provided to either the Saskatchewan Association of Community Living or the Saskatchewan Association of Rehabilitation Centres as such.

Having said that, we are in discussions with the Saskatchewan Association of Rehabilitation Centres or SARC, to inquire about their possibility of administering an initiative that is contained in this year's budget, I believe a sum of approximately \$300,000 to promote the transition of persons with disabilities from a sheltered workshop or rehabilitation centres into supported employment in the job market in Saskatchewan.

So we're . . . although there's no additional great administrative support in addition to the 1 per cent, we are in discussions with them about some additional program dollars so that they might be able to administer that initiative for us.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Mr. Minister, is it not correct that that additional \$300,000 comes from the old VRDP (vocational rehabilitation for disabled persons program) funding and is not in fact part of this budget; through EAPD (employability assistance for people with disabilities) or

through any initiatives, that this is part of what was left once the old VRDP program was terminated?

Hon. Mr. Van Mulligen: — Mr. Speaker, as I understand it, the \$300,000 is new funding specifically targeted to assist persons with disabilities to make the transition.

In addition to that, the member will note that under Post-Secondary Education and Skills Training, there's a further \$1 million budgeted for employment assistance for persons with disabilities, which I understand also represents an increase over the old VRDP program.

The member also raises a question again where there's a bit of an overlap with Post-Secondary Education. And perhaps the member from Moosomin had a good idea that perhaps both departments should be here some days so that where there are those areas of overlap, that we can get into a more fruitful discussion of those issues. And I appreciate that suggestion.

But, in short, the \$300,000 that is targeted to assist persons with disabilities to make that transition is new funding and it's new funding that I personally am very excited about.

I think that there's a growing recognition, as the member will know, in our society that we need to do more than simply provide opportunities for persons with disabilities to work in cloisters or sheltered workshops or rehabilitation centres, but to the extent that we can, to support them to gain . . . to achieve real jobs in the real economy so that they too have a sense of doing some real things in their life the same as everyone else.

So I'm personally very supportive of this initiative.

Mr. Kwiatkowski: — So I understand it then, Mr. Minister, that the money would be new to your department, but probably would be the residual funding from VRDP brought over from Post-Secondary Education. Is that correct?

(1600)

Hon. Mr. Van Mulligen: — Well again, Mr. Chair, the funding in our department is new. And I'm . . . we're guessing somewhat again because it's a different department, but it's our understanding that the funds that are allocated for EAPD are also new funds. So if you like, there's additional funds of \$1.3 million in our budget to support persons with disabilities to enter the mainstream of the job market in Saskatchewan.

But having said that, we will undertake to check with Post-Secondary Education that the statements that we're in a sense making on their behalf are in fact correct. And we'll certainly get the member the, to . . . make sure that the member has the accurate information.

Mr. Kwiatkowski: — Thank you, Mr. Minister. Just a question in terms of the administration of the 300,000: will that be administered solely by SARC or will that be administered through the SARC-SACL-CLD partnership, the province-wide partnership of those three provincial organizations? Thank you.

Hon. Mr. Van Mulligen: — Mr. Chair, the \$300,000 is . . . our discussions with SARC are such that we anticipate that SARC

will administer the funds.

They will have an advisory board that will include for sure the Saskatchewan Association of Community Living. They will obtain proposals from the various SARC members and SACL branches about how people in various parts of Saskatchewan might be able to increase the opportunities in communities for persons with disabilities, and therefore increase the uptake of funds that are there under employment assistance for persons with disabilities. That's how we propose to expend the \$300,000.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Mr. Minister, just one more question, and then I have a number of colleagues who would like to join in the questioning in and on the estimates.

But just very quickly, I think that there has been a tremendous amount of success in this province in creating employment for citizens with disabilities, both through the membership of SARC and through organizations such as SARCAN. One of the major impediments, however, over the years has been the lack of resources to be able to go out and talk to the business community, to talk to the general public about the benefits of employing people with disabilities.

And my concern is, is there any funding available in this budget to be able to do that? Where individual community-based organizations, some of the provincial associations that are involved, can go and speak with business about the merits of employing people with disabilities? Thank you.

Hon. Mr. Van Mulligen: — Mr. Speaker, that's exactly what the \$300,000 is intended to.

Mr. Boyd: — Mr. Chair and Mr. Minister, I believe it was the last time we had estimates, we spoke a little bit about the situation with regard to child care provisions. And I wonder if we could just continue quickly that discussion.

There is a situation in my constituency in Kindersley that . . . I don't want to bring the child care provider's name into it. I may provide it to you after our discussion here. But there was some concern about the problems associated with the current legislation and the number of children that you can have within a private home care or private child care facility. I believe it's eight that you can currently have.

And you probably . . . I'm sure you are aware, and your officials are aware, of the difficulty that that presents in some cases. In this particular case, Mr. Minister, this lady is providing child care to a number of people in Kindersley. The difficulty that she is faced with is that many of her clients, many of the parents of children, are part-time employees of various businesses in Kindersley and area. And as a result of being part-time employees, they're called to work on relatively short notice and require immediate child care services if they're going to enter work that day . . . go into the workforce that day.

And so, as a result of that, what happens is at times she is faced with a situation where many of her clients come to her asking for child care for their families, for their children. And, Mr. Minister, it obviously presents some challenges for her because she finds herself in a situation where she may have eight people

turn up on a regular basis, and then three or four — as a result of part-time employment — call and ask if they can bring their children over for . . . to deal for child care.

So, Mr. Minister, I'm wondering if there is any latitude in the legislation, or if we can somehow or another deal with this type of situation, to address it. And as I said, I'd be prepared to share with you the lady's name after our discussion here. I spoke with her this morning and she was wondering . . . we had talked about it earlier if we could follow up a little bit on this, Mr. Minister, to try and resolve this situation. She's not in any way, shape, or form trying to circumvent the legislation, but she's not always in a position to be able to turn down people when they show up at the door wanting child care services.

So perhaps you would care to comment at this point.

Hon. Mr. Van Mulligen: — Mr. Speaker, there are . . . or Mr. Chair, there are legislative amendments to The Child Care Act before the Assembly at this point which propose to deal exactly with the question that the member has raised.

The member is right that a family child care provider is limited to providing care for no more than eight children at any one time. And for that matter, whether they're licensed or unlicensed, we take the position that there should not be more than eight children. As the member can appreciate, at a very busy time of day, how could a child care provider in the case of say, a fire emergency, be able to evacuate a great number of children.

So, like the fire commissioners, we would have some very grave concerns from a safety point of view, and have concerns I think importantly from the point of view of the quality of child care that might be provided if the numbers get too large. I mean what kind of child care could be provided if a person had a huge number of children in a home and no help to do that.

So, in short we put amendments before the Legislative Assembly to expand the type of child care that can be provided. That if that child care provider can get another person to assist them, then they can care for up to 12 children in their home. And that's the amendments that we're making.

So in that particular case if a person normally has say seven or eight children but there are a number of families who need placement in that home, if she has another child care provider that she can also bring into the home at that point and it meets local municipal bylaws, then yes, she would be assisted to do that. And I might say that I'm also prepared, pursuant to minister's orders before the legislation is enacted, to provide that person with that ability to do that now.

Mr. Yates: — Mr. Deputy Speaker, I move we report progress.

(1615)

**General Revenue Fund
Economic and Co-operative Development
Vote 45**

The Chair: — Before I call the first subvote, I'll invite the hon. minister to introduce her officials.

Hon. Ms. MacKinnon: — Thank you very much, Mr. Chair. On my left here is the acting deputy minister, Larry Spannier. Next to Larry is Debbie Wilkie, director of marketing and corporate affairs. Behind Larry Spannier is Rob Greenwood, assistant deputy minister of policy division; next to him is Donna Johnson, executive director of corporate management. Then we have Lynn Oliver, who's the chief information officer, information technology; and Bryon Burnett, who's the assistant deputy of operations.

Subvote (EC01)

Mr. Wakefield: — Thank you, Mr. Chairman. Madam Minister, welcome to your officials that are here today. I would like to just direct a couple of general questions to you, Madam Minister, if I could and then we'll get into maybe some more detailed questions in a few minutes.

One of the important things that I feel about economic development is make sure that everybody is on the same wavelength as what your objectives are. Do you have, or could you relate to us, the overall vision statement that you have or the published mission statement that you have for your department?

Hon. Ms. MacKinnon: — Yes, Mr. Chair, I would be pleased to read that to the member opposite:

To grow and diversify the Saskatchewan economy by building on our existing strengths.

Mr. Wakefield: — Mr. Chairman, thank you. Thank you, Madam Minister. One of the most striking things that I've noticed about the *Estimates*, Madam Minister, is some of the things in the summary page of the expenditures. I'd like to just touch one or two of them.

The first one that I have noticed is the policy. I notice an increase over 1998-9, again in 1999-2000, and the estimated for 2001 is something like a 32 per cent increase in the policy section. Can you explain why that increase is necessary and . . . is there an increase in staff for instance?

Hon. Ms. MacKinnon: — Mr. Chair, what the increase is for is the research and the consultation for the economic development strategy that's coming.

But I would like to say a word about the role of the Department of Economic Development in the government, because I think it's often not well understood. And I think often groups who talk about, well you don't need a Department of Economic Development, don't understand what the main role is within government.

If you look at the two major economic development projects that this province has landed in the last 12 months — the Synchrotron project and the forestry initiative — the initiative for both of those projects came from this department. A large part of the initiative is putting together the pieces to make the Synchrotron a reality. That is, ensuring that we had what we required on our part in terms of the research capacity, the training, but also that we had the contacts with other jurisdictions — that the federal government was onside, that the

CFI (Canadian Foundation for Innovation) was onsite — the Government of Ontario has put \$10 million into this project — that the Government of Ontario was onsite. And so a large part of their job is to work within government and with other jurisdictions to land these sorts of projects.

And I want to just say to the members opposite: if you didn't have these folks, you wouldn't have the Synchrotron project. It is that simple. And I say that to people when I'm in Saskatoon. I say people who come from that bent . . . (inaudible interjection) . . . Beg your pardon, sir? I didn't hear what the member said.

But I do think . . . when I talk to people in Saskatoon about the Synchrotron and I say, you know, we played a major role in landing this project, I don't think there's anybody involved . . . Ralph Goodale himself wouldn't deny that fact. Would this project be here if these folks weren't here? And the answer is simply, no, it wouldn't because it took years and years of work to put that together.

I'd like to take a moment to also talk about the forestry strategy which again means 10,000 new jobs in three years — more jobs if you look beyond the three-year time frame — more than half a billion dollars of private sector investment. What that required was a couple of things: Working with the Department of Environment to ensure that we had the right balance between protecting the environment but also fully utilizing the wood supply to bring the companies here; and then contacting the companies to ensure that we had competitive bids for the different projects.

So when you talk about research and development increasing, in fact the number of bodies hasn't increased dramatically, but the role played by this department in government is absolutely key to ensuring that those sorts of projects land on this province.

And I can guarantee to the members opposite — neither the Synchrotron nor the forestry initiative would be here if these folks weren't here.

Mr. Wakefield: — Mr. Chair, and thank you, Madam Minister. I have some questions about the statement that you were just referring to.

I really believe that when you referred to partnership, I think that's an important part of economic development. In my view, economic development is probably the one key feature that all departments of the government need to be focusing on. Without economic development . . . it's really the essence of what the whole government should be focusing on besides some of the social things.

Now that partnership is very important. Did you, in your discussions with the . . . for Synchrotron or for the northern initiatives, who was involved in the what you call the partnerships? Was private industry involved? Was Education involved? Was research . . . How broad a range was the partnership?

Hon. Ms. MacKinnon: — I think one of the things, Madam Chair, there that we're most proud of is the level of partnership involved in the Synchrotron project. It involved the Canada

Foundation for Innovation, the province of Saskatchewan, the Government of Canada, the University of Saskatchewan, the city of Saskatoon, the University of Alberta, and the University of Western Ontario, the National Research Council, SaskPower.

And I add to this list, because this list is a couple of weeks old, the Government of Ontario now. And there will be other governments coming on as partners in this project.

So absolutely, and the . . . I think what the point I want to make is you don't get those partnerships by picking up the phone to Al Palladini, the Minister of Economic Development in Ontario, and saying Al, how about 10 million bucks? Could we have it? And I'm sorry I don't have time to visit you, but please send it in the mail.

You develop those partnerships by these folks going down to Ontario, talking about the project, talking about the benefits of the Synchrotron to Ontario companies, and saying over a period of time, here's our case and here's why we expect you to invest in it, and why ultimately the Government of Ontario did invest in that project.

Going back to forestry. Absolutely, we work across government with the Department of Post-Secondary Education and Skills Training, with the Department of Highways. But again the role of these people is to co-ordinate that all so that when you go to an investor who says, well okay, maybe I would be interested in investing in forestry in the province of Saskatchewan, you can say, okay, fine, here we have the Department of Finance. We've got the best tax regime for your company. You're going to pay the lowest taxes of any jurisdiction in Canada, right here in this province. The least expensive place in which to do business.

We're going to say, because we have worked with Post-Secondary Education and Skills Training, we're going to have a skilled, trained workforce ready to go. And we are going to work with the Department of Highways to ensure that the other road infrastructures are there.

So that's exactly what happens. You work in partnership within your own government and in partnership with other governments across Canada to get them onsite for your projects.

Mr. Wakefield: — Madam Chairperson, I noticed . . . And this is from an annual report, it's somewhat dated now, it's 1998-99. There's a section on . . . cabinet committee on economic development, and it was renamed at that time. It was renamed the cabinet committee on economic — oh, sorry, on the economy.

Is that committee still in operation now?

Hon. Ms. MacKinnon: — Madam Chair, yes, it is.

Mr. Wakefield: — What are some of the activities that you use the cabinet committee for? Or is it a departmental decision whenever you're trying to focus in on a particular Economic Development activity?

Hon. Ms. MacKinnon: — Madam Chair, that's actually a very good question. The role of the cabinet committee on the

economy is to do exactly the coordination that I'm talking about.

So that, for example, the forestry initiative would have gone through the cabinet committee on the economy over a period of several months; so that you knew that the training component was in place, the highways component was in place. We're now working on the secondary processing components — the agro-forestry component.

And that's where the policy decision is made. Here is what this government is going to do in this particular sector and all of the departments have to appear and have their part of the package in place.

Mr. Wakefield: — Okay. Thank you, Madam Chair. Madam Minister, I want to maybe move ahead a little bit to get your view on some of the things that Economic Development uses or maybe should be using in terms of making it friendlier for investment, friendlier for economic development. I'm thinking in terms of the use of tax credits.

Now I know that you use tax credits in certain industries. Can you tell me how successful those are, particularly in the film industry, and what is achieved and what is the objective?

Hon. Ms. MacKinnon: — Madam Chair, to the member opposite. Tax credits are an important part of what we use to attract companies to Saskatchewan. That is, we'll take a particular sector — and we have targeted the number of them — manufacturing and processing. We need this province to do more manufacturing and processing of our products rather than shipping them out raw.

So one of the things we do is we change the tax regime to ensure that we have the lowest taxes of any jurisdiction with which we compete in manufacturing and processing, which we do; or livestock facilities would be another example.

So we use tax credits to ensure that in the areas that we have targeted for growth, we have the lowest possible taxes of any possible competitors. You mentioned the film tax credit. That's an excellent example. The film tax credit has led to tremendous growth in the film sector. But what we also do is we monitor the results.

So if we bring in manufacturing and processing tax credits, what we look for is an increase in activity in terms of the value of the production and jobs to ensure that you actually are realizing the jobs that were promised by the companies, and in every case so far, these tax credits have worked.

In this last budget we went for a major income tax cut because the business community told us of all of the tax measures that you could put in place to grow this province, a dramatic four-year plan to cut income taxes would be the most important. And so that was the growth tax cut in this budget, was the income tax cut.

Mr. Wakefield: — Madam Minister, if it has worked well with the film industry and some of the other ones that you've referred to, would you give consideration to expanding that to virtually all of the economic activity and industry that are trying

to create economic activity in the province?

(1630)

Hon. Ms. MacKinnon: — Well I think the position that you have to begin with is you've only got a limited amount of money available. This province still has a huge debt as you know. So you have to look at a sector and say okay, fine, for every dollar of tax cuts here, how many jobs do we get. And that's the analysis that occurs.

The tax cuts that occurred in manufacturing and processing were not expensive tax cuts, but they did have the effect of making us the lowest cost jurisdiction in terms of taxes. And they did lead to economic activity.

So they have to build a business case to us. They have to say . . . that sector has to say okay, if this tax cut occurs, then this is the economic activity that will result. And it's a very proven way of growing the economy. The provincial action committee in the economy in its report a couple of years ago said this is the tax approach that has worked and has been successful in Saskatchewan.

Mr. Wakefield: — Madam Chair, I was happy to hear you say that, Madam Minister, because I too believe that making tax concessions or considerations are the correct way to try and attract success in terms of business and commercial and economic investment. That's why I was asking earlier if you would consider expanding the tax credit to other industries and if your staff has had a chance to do some economic modelling as to what the results would be from those kind of expansions. Because again, I think that's quite important to be able to try and attract those kinds of industries to Saskatchewan. Without those kinds of incentives, we're not going to attract the businesses. In fact, it almost seems like we're chasing them away.

Hon. Ms. MacKinnon: — Madam Chair, first of all, it's the Department of Finance that does the analysis because they, of course, are responsible for the tax regime in the province. And so they do the analysis sector by sector.

But I would disagree with the member. I don't think . . . If you look at the record of the companies that have moved to this province recently, the tax regime is only a part of the answer. In fact, there are companies that have moved here recently — and I'll give you some examples — who have said the tax regime wasn't the issue at all for them.

The Alberta Garment Manufacturing moved from Alberta into Saskatchewan. The reason they moved — and they stated it publicly — was because we had the best training for the workers. And of all the problems that this province and other provinces are going to face in the future, labour shortages are going to be our biggest problem that we're all going to face.

So just as important as the tax regime is going to be the education and the training that you have for your people. And companies like the Alberta Garment Manufacturing have said they moved to this province not because of tax regime, although they didn't have any particular problems with the tax regime, but because of the training module.

So I think if I have a disagreement with the members opposite, it's this belief that taxes alone do it. It doesn't. If you don't . . . We wouldn't have had the Synchrotron, we wouldn't have had forestry if it depended only on our tax regime. It depends on the whole range of tools, and in some cases training is going to be a lot more important than taxes.

Mr. Wakefield: — Madam Chair, Madam Minister, I can appreciate that there is more than one element in order to develop this. And I think you're correct in your suggestion that training and education is a vital part of this. The concern I have is that even though that's a part of our economic development plan and a key part of it, the training that we're giving our students and our young people and the education is a very expensive part to our economy. But in fact a large majority of our young people are in fact leaving because of the tax regime or lack of opportunities.

How best to address that concern, because as you know our population has not increased a great deal when we look at the population of Canada generally which is at least doubled if not more. Other provinces around us have increased by percentages. Saskatchewan has not increased its population very significantly in the last 40 or so years.

The fact is that all of our families are experiencing our young people leaving and going outside the province. How do you square the training and education aspect, and try to keep them here in this province with your economic development vision?

Hon. Ms. MacKinnon: — I think, Madam Chair, the first thing I would do is disagree with your basic premise, which is the young people are leaving. They're not.

If you look at Saskatchewan in the last Statistics Canada survey released, we're net intakers of post-secondary education graduates. That is more people with post-secondary education come to this province than leave. We're actually net gainers.

And if you look at some of the numbers, well over 90 per cent of the people who graduate — from whether it's SIAST (Saskatchewan Institute of Applied Science and Technology) or universities — stay in this province. And for the ones who leave, we actually get more coming from other provinces.

So in terms of the educated, skilled people that we need for our future — the young people — we're keeping them here. We're keeping them in greater numbers than we ever have, with the possible exception of the 1970s, in this province.

Mr. Wakefield: — Madam Chair, Madam Minister, that sounds very good and very encouraging but I haven't been able to see any of those results from my constituency or from talking to people. I have relatives that are leaving right after graduation. I know that people in my constituency are needing trained people and they're not available. They're just not available in our province.

So I guess I really wonder where you're getting the statistics from about a net increase of our young people. The Governor General just made a comment here in this legislature in the last few days, commenting on the fact that young people that she talked to were making a point that they were going to

regrettably have to leave this province.

Can you give me a little more comfort as to where these statistics are coming from?

Hon. Ms. MacKinnon: — Sure, they're coming from Statistics Canada. And they're not secret statistics; they're widely reported.

The Governor General was talking about a specific phenomenon — people leaving farms because they had no choices. No doubt about it. That's happening.

But if you come to the member for Regina South's constituency, you come to my constituency in Saskatoon . . . I have children that age — late teens, early 20's — and I ask their friends constantly: what are your plans? They're staying here. They're staying in this province.

I would challenge the member opposite to go to Innovation Place and look at the age of the workforce there in some of our high-tech, highly trained sectors of the economy — about 10 years younger than the rest of the province. So there's no doubt about it — there has been a shift of population from rural areas into urban.

And as Minister of Economic Development, I'll tell you one of the problems in doing economic development in rural Saskatchewan are the number of jurisdictions you have to deal with. When you have to . . . A project in Humboldt required 30 different RMs (rural municipality) to get together to make the decision. Well that makes it more difficult.

In Saskatoon and Regina, there's one government that they deal with. So it's a lot easier for them to come there.

But there is certainly an imbalance. Rural areas have been experiencing depopulation. The latest labour force says statistics showed that. They also showed that there is major growth in Regina, Saskatoon, and in northern Saskatchewan.

Mr. Wakefield: — Mr. Chairman, Madam Minister, that shift is very severe in fact from rural to urban, and certainly it's well noticed.

I had a question that would relate to that. And if you'd just give me a minute, I'll try and find what I'm referring to. I'm referring to the business and community economic development aspect. And I'm looking at the sub-programs for regional economic development authorities and organizations.

It would appear to me that the REDAs (regional economic development authority) that I'm looking at have had a reduction in the amount of funding going to them from —1998-99 — from almost 6,000 . . . 6 million down to 3,200,000 in the estimated '99 and 2000. And estimated in 2001, it's now only 2.8 million.

Is there a reason why there's such a decrease in the amount of funding for REDAs when in fact you're trying to develop the economy in rural Saskatchewan? And I guess peripherally trying to do that by amalgamating rural municipalities that I don't believe have anything to do with economic development

in terms of size.

Hon. Ms. MacKinnon: — There's been a reduction of 750,000 in REDA funding which I'll explain in a minute.

But I want to take you up on the second point. One of the big problems, if you want somebody to move into a jurisdiction, is you have to have a common set of regulations across the piece.

And if you talk to . . . you talk to our REDAs. You go to some of the successful REDAs — look at the Humboldt REDA. They'll tell you that one of the first things they have to do is take a whole series of RM regulations which are at odds with each other, and to put them into harmony in order for a company to come in.

And I have horror stories like this about what companies have to face if they're trying to move into a jurisdiction. A plant on one side, on one side of a road in one RM, and the road being controlled by the RM on the other side of the road. So it becomes very difficult for those companies.

So one of the easy things for them to do is to go to Regina or Saskatoon because they deal with one government. They say okay, fine, here's one government, one set of regulations. So it is a major problem in those communities. And I can tell you project after project . . . they're shaking their head but it is true. It is absolutely true.

And I think that the problem is in parts of the province like Humboldt where you have a very good REDA that does that function, it takes the RM regulations . . . they say let's get them all harmonized, let's put them into one regime so it's common across the piece. That part of the province grows like this.

Other parts of the province where there is no REDA in place that's effective because they haven't chosen — REDAs are local organizations — then there's no capacity to do that. We don't have the capacity as a government to go in and say you need a set of common regulations. And so you go through those obstacles.

Now, as far as the reduction in funding, there was a REDA enhancement fund which was in place to help the REDAs get better established, to allow them to build basic infrastructure, computerize, get on the Internet if they so chose, to do training. And that's been reduced because we feel that we've done what we needed to do to get the infrastructure in place. And quite frankly, the new proposals for projects weren't good enough for me to say to keep the extra money there.

So that money will be redirected into one-stop shopping for economic development in communities across the province. So that we actually try to work with the federal agencies and do what's been done in Swift Current and other parts of the province — have one centre where you can come for economic development.

Mr. Wakefield: — Thank you, Mr. Chair. Madam Minister, I guess I have some concern then with the REDA budget. When you were mentioning a moment ago that an expanded base of municipal realignment is a requirement in terms of economic development, what effect then will it have on these REDAs?

Are you going to amalgamate several REDAs into one? Or what would be the strategy or the plan there?

Hon. Ms. MacKinnon: — Well we believe that there's an optimal size for a REDA. That it shouldn't . . . There are some REDAs that do need to amalgamate with other REDAs. They're too small to be effective, so we will be encouraging them to do that.

And so there's a problem at the bottom with some of them being too small. But you've got to be careful because the ones in the North, which are called CREDOs (community regional economic development organization), cannot be too large because of the geographic area.

The reality of the REDA is the REDA allows parts of the province to do economic development on a regional basis, and in a sense overcomes the problem if they're successful in having all these different RMs with all the different regulations. But as Minister of Economic Development, I simply got to tell you — and the member would know that because he's been in economic development — it isn't a selling point when you go to companies outside the province and you say: please come to our province, we only have about a thousand governments here. Business is . . . Their hands go up. They say, you've got what? So it is not a selling point.

(1645)

Mr. Wakefield: — Okay, Mr. Chair. Thank you, Madam Minister. When you said that we've decided that the REDAs would be more effective if they were in more of an amalgamation, was that a ministerial "we" or was that a department "we" or was that a cabinet committee on economic development "we"?

Hon. Ms. MacKinnon: — I think the REDA's themselves would say that there's an optimal size that they would like to achieve.

And so we have the member from whatever that is — Kelvington-Wadena — making comments. In her area, they're voluntarily amalgamating, they're growing. They're actually becoming larger through choice because they realize that they have to be of a certain size to be effective.

And so we're encouraging them to do that. Because when they're competing really for opportunities with Saskatoon and Regina — where the size of that REDA and population would be well over 200,000 people in that area — in order to effectively make a case to a company, which is what they want to do, to come and locate in their area, they have to be of a certain size.

Mr. Wakefield: — Okay, thank you. I'd like to, if I can, in a few minutes I might come back to REDA because there is some other things that I think we should explore.

But I would like to move ahead into the business investment program that is listed on page 35 of the *Estimates*, and in particular the \$10 million figure that is there in innovation and science fund.

Now I know that you've put out press releases about this fund. But I'd like in your words, Madam Minister, what the objective is of this fund and what do you expect to accomplish from this?

Hon. Ms. MacKinnon: — Yes, it's a very . . . it's an extremely important fund.

I was in Ottawa last week at a ministers' meeting. We had an excellent presentation on e-commerce R&D (research and development). And the vast majority of the new jobs that are going to be created are going to require some measure of research and development, knowledge-based economy — absolutely key to the future. And provinces that have a good knowledge infrastructure are going to succeed and those that don't are going to fall behind. They're going to be left in the dust.

This fund is very specific and targeted. The federal government, in its last two budgets, announced major research and development funds which we generally support. There's some . . . some of the criteria with some of their funds we have problems with, but generally we support them.

They would be the Canada Foundation for Innovation, which has funded various projects in the province, the biggest one being the Synchrotron; would be the Canadian Institutes of Health Research, which will be funding health research in the province; and the other is the Chairs program which will be providing funding for universities. But based on the number of research grants that these universities get, all of those funds require matching contributions from the province . . . from provinces to be successful.

So what this fund will do is it'll provide matching funds for the federal grant. Essentially what we do to our researchers, we say we'll back every one of you in the competitions but only the ones that win, that succeed, will get funding. And we tried that with the Canada Foundation for Innovation and it worked exceptionally well.

Because, as I say, provinces that are going to create jobs and opportunities for those kids of the future have to be in a major way involved in research and development as we are in biotechnology, in Synchrotron, and there's a whole list of areas where we are right at the top in terms of the list across Canada.

You say, where do you go for agriculture biotechnology? There's no question, they say Saskatchewan.

Where do you go for research into other aspects of agriculture? No doubt, they say Saskatchewan.

Synchrotron — which will be probably the most important single project that this province has received in the last 25 years — will mean Saskatchewan will be on the map. So that's what the fund will do.

Mr. Wakefield: — Mr. Chairman. Madam Minister, I personally support the objective of the research and the things that are happening, for instance at the University of Saskatchewan in particular, but also developing here as well.

For the amounts of money that we're putting into here — it's

very significant amounts of money — what do you or your department have in terms of assessment of the projects? Or do you have targets and programs that need to be achieved by certain standards? How do you assess the usefulness of these research grants because they are very considerable?

Hon. Ms. MacKinnon: — I know it sounds like a lot of money to you — \$10 million. Ontario and Alberta have put half a billion dollars into these funds . . . if you . . . with the significance of this to their future. Now these are federally . . . peer-reviewed by the federal government, exactly the same as the Synchrotron.

Before the Synchrotron was even considered for Saskatchewan, there was, what I call, peer review. That is scientists from across Canada, the National Science and Engineering Research Council, took all of the proposals and assessed them against each other. And then the Synchrotron . . . Saskatchewan won that competition over University of Western Ontario in that case, and then we went after the funding.

So they're peer-reviewed under the auspices of the major research council. The government does not get involved because it's the scientists who have to tell you which is the best project here that's actually going to be successful.

Mr. Wakefield: — Mr. Chairman, thank you. I wasn't referring to awarding of the research money even though it's \$10 million, and you might not think that's a lot of money. Where I come from it's a lot of money. And to the taxpayers of Saskatchewan, that is a very significant amount of money considering the number of taxpayers that we have is not exactly expanding at the rate of other provinces.

But what my question was, Madam Minister, was once you have awarded the . . . the contract has been awarded and your research money has been allocated, what does your department do in order to make sure that the research is progressing according to the objectives and plans that were first outlined in the awarding of this contract?

Hon. Ms. MacKinnon: — They're like any other contract the government would enter into. There are timelines, deliverables, results, and they're monitored, very carefully monitored, in conjunction with the federal government. We actually work in partnership with the federal government on these because we don't see any reason to duplicate the bureaucracy of it.

So we work in partnership with them. If you've got a research grant — I mean I've had them; I know how they work — you have a contract. By this time you have to deliver this, by this time you have to deliver that. At the end you have to have the book or the project completed. And the funding is all conditional on meeting whatever the timelines are and the deliverables.

Mr. Wakefield: — Okay, thank you, Madam Minister. I want to get into the area of co-operative development, also on page 35, if I could. Can you outline what the objectives are of this particular vote? And what the role of your department is in trying to achieve those objectives?

Hon. Ms. MacKinnon: — Yes, from our point of view the

co-op sector is a major engine of economic growth in the province of Saskatchewan but it's not like the business sector. The parameters under which it operates are quite different.

The committee reported progress.

The Assembly adjourned at 5 p.m.

So this group here works with the co-op sector if legislation is brought forward. A couple of years ago the Minister of Justice revised The Credit Union Act, 1985 to make it more possible for credit unions in the province to grow. It would come through the co-op secretariat.

The Minister of Agriculture, in the last budget — not you, but the real Minister of Agriculture — announced a new initiative in new generation co-ops. The work would have been done through the co-op's policy secretariat.

Any work in co-ops across government is done by the department involved, that is Justice and Agriculture, but under the policy coordination of the co-op's directorate.

Mr. Wakefield: — Thank you. Does that directorate put a greater amount of emphasis on developing that part of the economy as opposed to attracting private sector to this economy?

Hon. Ms. MacKinnon: — It definitely does because if you look at rural Saskatchewan, and you go into some of those communities, small communities, what are the last things to leave? It's usually the credit union and the co-op store. So they're absolutely key to particularly the rural parts of the province.

If you go to Saskatoon, you'll see Safeway, Superstore, OK Economy — I've got a list. You go into many rural communities, what you'll see is the co-op in one way or another, whether it's the grocery store or the gas station, and the credit union. So they're absolutely key and we do whatever we can to promote the health and the expansion of the co-op sector.

Mr. Wakefield: — Mr. Chairman. Madam Minister, it almost seems like you're predicting the continued migration of rural into urban again. I guess my concern there is why is this happening in Saskatchewan, and it's not happening in Manitoba or it's not happening in Alberta?

Hon. Ms. MacKinnon: — I'm not sure what the member's question is . . . Not at all. In fact one of the changes we made in the last two years is we put more of our Economic Development staff out into rural communities, into the regions out there. Because the problem in the past is, if you went into an office outside of Saskatoon or Regina and you said I'd like to start a business, you might be able to get a bit of advice, but it'd be hard. If you said I want to start a co-op, they wouldn't know what to do — they'd tell you to go to Regina.

Now the . . . we have regional staff across the province. So if you go in and you'd say, I'd like to start a business, they can help you. But if you say I might be interested in starting a co-op because maybe a new gen co-op is the best answer to my problem, they can give you the help and the advice they need.

So in fact what we have done is we have moved people from Regina out into the regions in the last couple of years.

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