

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I stand today to present a petition from citizens throughout the Watrous-Lanigan area and actually throughout the entire province, who are petitioning to save the Lanigan and Watrous hospitals. And the prayer reads as follows:

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

And the signatures on this petition, Mr. Speaker, are from Allan and Young.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have petitioners concerned, ratepayers concerned about the talk of forced amalgamation of municipalities. 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 plan it has to proceed with enforced amalgamation of municipalities in Saskatchewan.

And, Mr. Speaker, the petition is signed by folks from Atwater.

I so present.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of the people in Swift Current and area concerned about their hospital, about the Swift Current Regional Hospital. And the prayer can be summarized as follows:

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

And, Mr. Speaker, this petition is signed by residents of Swift Current and the small community south of Swift Current known as McMahan.

I so present.

Mr. Weekes: — I also rise to read a petition from citizens concerned about improved cellular telephone service. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Prud'homme, Bruno, Vonda, and Cudworth.

Signed by the good people from Prud'homme and Saskatoon. Thank you.

Mr. Wiberg: — Thank you, Mr. Speaker. I rise this afternoon to speak . . . or to bring a petition by the citizens concerned about the highways in this province. And the prayer reads as follows, Mr. Speaker:

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

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

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

I so present.

Mr. Addley: — Thank you, Mr. Speaker. I'd like to present a petition. The prayer reads as follows:

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

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

I so present.

Mr. Hart: — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens concerned about poor cellular telephone service. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Strasbourg, Duval, Govan, and Bulyea.

And the petitioners come from the communities of Duval and Strasbourg.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition regarding improved cellular telephone coverage.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Prud'homme, Bruno, Vonda, and Cudworth.

And the petitioners on this . . . or the signatures on this petition are from Saskatoon, Lloydminster, and Meacham.

I so present.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a

petition signed by citizens concerned with the possible amalgamation of municipalities. 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.

And the petition is signed by individuals from the communities of Manor, Carlyle and Redvers.

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.

Petitions of citizens of the province petitioning the Assembly on the following matter:

To ensure the Lanigan and Watrous hospitals and the Cupar Health Centre remain open.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Heppner: — Thank you, Mr. Speaker. I rise today to present three sets of written questions.

I give notice that I shall on day no. 68 ask the government the following question. This is:

To the minister of SaskTel: does the SaskTel Mobility use out-of-province firms as a collection agency for outstanding accounts; if so, why isn't a Saskatchewan company used?

Second question. I give notice I shall on day no. 68:

To the Minister of Social Services: why are the shelter allowances rates paid in Dalmeny based on a rural tier while shelter allowance rates paid in Warman and Martensville are included in an urban tier; why are there two tiers of rates; and how does the department determine which tier should apply; and how does a community move from one tier to another?

And I give notice I shall on day no. 68 ask the government the following question:

To the Minister of Energy and Mines: in the last five years how much in the way of mineral rights for farmland have reverted to the Crown as a result of banks not paying the mineral rights taxes on repossessed farmland; under what circumstances will the Crown give back the mineral rights to farmers who reacquire their repossessed land where the banks have failed to pay mineral rights taxes?

I so present.

Mr. Wall: — Thank you, Mr. Speaker. I give notice the I shall on day no. 68 ask the government the following question:

To the Minister of Justice: how many cases have been tried in Saskatchewan in which the Legal Aid lawyer has been paid above and beyond the regular Legal Aid tariff; and outline the additional costs to the Legal Aid Commission of these cases?

INTRODUCTION OF GUESTS

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to the members of this Assembly, 21 grade 4 students from Hillside School in Estevan. They are sitting in your east gallery. Today they are accompanied by teacher Shelley Barlow, and chaperones Natalie Almond, Roxanne Murray, Donna Adcock, Tracy Abdou, and Peter Verbeem.

I'd like to ask you all to join me in welcoming these students to Regina and I hope you enjoy the rest of your day. Thank you.

Hon. Members: Hear, hear!

Mr. Wartman: — Thank you very much, Mr. Speaker. I'm really happy today to have an opportunity to introduce to you and through you to the rest of this House, a couple that I met yesterday. I was out . . . My son took me out golfing at the Murray Golf Course and we were teamed up with a couple, Janet and Gordon Johnston from Victoria. They're touring . . . Gordon just recently retired and they're touring the country and golfing in every province along the way. Janet is the observer and Gordon is an exceptional golfer who taught me a thing or two out there yesterday.

So I'd like everybody here to welcome them to the House and wish them the best on their tour of Canada.

Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Thank you, Mr. Speaker. I would like to introduce to you, sir, and to other members of the Assembly, a group of 24 grade 6 students from the Rosemont School. If they would just stand up in the west gallery, we would recognize them. They are here today with their teacher Mrs. Struthers, and chaperone Mrs. Sauer.

I wish all members to join with me in welcoming the students, teacher, and chaperone here today.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. To you and through you to all members of the Assembly, it's my great pleasure today to introduce not only our MP (Member of Parliament) for Regina-Qu'Appelle, Lorne Nystrom, but with Lorne is two of his staffers here in Regina — Donna Fincati and Warren McCall.

Also with them is — I'll describe it as a fourth, which would make an ideal golf team — but David Cashaback has a master's in political science. But, Mr. Speaker, he is also on the parliamentary internship program attached with Mr. Nystrom's office, and I understand that goes on for about five months now. And I also learned that this is the 30th year of that internship program.

David is in Regina touring Lorne's riding, and I know he was out in Weyburn over the weekend and I suspect has seen a number of . . . I said Weyburn; he was further north — Wynyard. My apologies to both the people of Weyburn and Wynyard for that slip of the tongue.

Anyway, I ask all members to join me in welcoming, particularly David Cashback, but the other three, to the Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. I'd like to introduce to you and to all members of the Assembly, 15 students from Makwa, Saskatchewan in my constituency, to you. They are seated in your gallery, Mr. Speaker.

With them are teachers, bus drivers, and chaperones — I think probably duplicating in a number of those capacities — Charles Stein, Eleanor Stein, and Corrine Martin and Doug Kirsch.

I'll be meeting with them later, right after question period, for drinks and I'm sure a number of questions that they will have. So please join with me in welcoming them to the Assembly here today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

DryAir 2000 Funding Announcement

Mr. Adley: — Thank you, Mr. Speaker. I'd like to inform the Assembly about more good economic news for our province.

The Minister of Economic and Co-operative Development is in St. Brieux, Saskatchewan today to announce that Saskatchewan Opportunities Corporation has invested \$500,000 in a developer, manufacturer, and marketer of grain drying and in-bin grain management equipment.

SOCO's (Saskatchewan Opportunities Corporation) investment in DryAir 2000 will allow the company to manufacture 85 DryAir units, primarily for an export market, and create additional jobs in rural Saskatchewan. DryAir produces a specialized portable heating and dehumidification unit primarily used to generate heat on construction work sites and to dry grain.

DryAir is the kind of company that is part of Saskatchewan's future, the kind of company that this government wants to encourage. They have demonstrated the drive, determination, and the innovative edge that marks excellence. In fact, DryAir was recently awarded with an ABEX (Achievement in Business Excellence) award for excellence.

Mr. Speaker, a recent international KPMG study puts Saskatchewan at the forefront when it comes to being a competitive place to do business. We recently became even more competitive with the tax cuts in our recent budget that represents the single largest income tax reduction in Saskatchewan's history.

Mr. Speaker, let us all congratulate DryAir 2000 on this great announcement.

Some Hon. Members: Hear, hear!

Access to the Legislature

Mr. Heppner: — I would like to comment today on a trend that I don't like very much and I doubt the people of Saskatchewan like it either. That is the increasingly difficult time people are having gaining access to the legislature or should I say, Mr. Speaker, some people.

It seems to me there is an increasing double standard when it comes to people getting into this building. And in my time as an MLA (Member of the Legislative Assembly) it has always been a fairly open and accessible place. But in the last few months I've noticed a trend.

Let me just illustrate a few examples. When the LPNs (licensed practical nurse) showed up in support of the government they were let in. When the teachers showed up to protest the government, they were kept out, as were the farmers. When the new car dealers showed up to support the government, they were let in. When a young woman accompanied by her toddler showed up to distribute the record of submissions to the public review on no-fault, she was asked to leave. When representatives of the gay community showed up to support the government, they were let in. But then just a few days later when they showed up to protest the government decision, they were kept out.

We inquired about the policy regarding accessibility to this building and were told security is simply following the rules that were laid down by the Speaker, and we believe this to be the case.

Mr. Speaker, rules are important, but even more important is that those rules apply equally to all. In this case, it appears they apply differently and related differently to whether or not an individual supports the government.

Mr. Speaker, this is unacceptable. This building is not owned by the socialist government; it is owned by the people of Saskatchewan. And I urge some clarification and fairness be brought to this issue immediately.

Some Hon. Members: Hear, hear!

Sig's Charity Corn Roast

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, on June 10 I had the pleasure of attending an annual fundraiser for charity in the community of Vonda. Sig's Annual Charity Corn Roast is in its 11th year and is a combined volunteer effort involving four rural communities in my constituency — Aberdeen, Prud'homme, St. Denis, and Vonda.

The day in Vonda started with a parade followed by ball tournaments, a dunk tank, and later everyone enjoyed an all-you-can-eat meal of corn on the cob and hot dogs. Five hundred and ninety-five people were part of this event that raised a total of \$6,000. This year the proceeds of the meal

tickets — \$2,000 — went to the Brain Injury Association and the proceeds from other endeavours in the amount of \$4,000 went to the community of Vonda.

Each year, Sig's Charity Corn Roast moves to another one of the four communities involved, and next year the corn roast will be held in Prud'homme.

In past years, Mr. Speaker, these communities have raised funds for Camp Easter Seal, the Children's Wish Foundation, and the Rubella Foundation.

Congratulations to all involved for making this a huge success, especially Sig Bouliane, a very high energy, very special, unique personality who is a major catalytic force behind this successful event. Sig is owner of Sig's Place, a western-style café in Vonda.

Mr. Speaker, the community volunteer spirit is alive and well in the Humboldt constituency.

Some Hon. Members: Hear, hear!

Prince Albert to Host Special Olympics

Hon. Mr. Lautermilch: — Thank you. Mr. Speaker, it's my pleasure today to inform the legislature that my hometown, Prince Albert, has been given the opportunity to host the Special Olympic athletes, coaches, and staff from all 10 provinces and three territories at the 2002 Canadian Special Olympics that have been awarded to our city. I'd like to congratulate Mr. Fredette and his committee for their hard work in bringing this event to our city.

Countless hours of volunteer time went into making this happen, and of course now the real organizing begins. But I want to say that I am convinced and I'm sure it will not be too onerous a task as Prince Albert can count on several hundred enthusiastic volunteers to ensure that this event will be organized and highly entertaining.

I know that having the Special Olympics in P.A. (Prince Albert) will enrich our community. In return the citizens of P.A. will be very warm and welcoming hosts. All of the athletes, the coaches, and supporters will leave Prince Albert and Saskatchewan with very fond memories and new friendships.

Prince Albert has hosted numerous sporting events in the past several years and judging from P.A.'s track record, I can guarantee you, Mr. Speaker, that we will do our province very proud. We will do Canada proud in hosting these very Special Olympians. Thank you.

Some Hon. Members: Hear, hear!

Driving Events in Swift Current

Mr. Wall: — Thank you, Mr. Speaker. This past weekend in Swift Current, two young local brothers, Shawn and Craig Robinson pulled off a significant regional if not national sporting event right in the city of Swift Current. Many did not think that they could successfully and virtually on their own host both the Rema World Long Driving qualifying event and a

Long Drive Cash Contest on the same day.

Well, Mr. Speaker, this past Saturday, the Robinson boys did just that. They lined up sponsors and attracted golfers from as far as Markham, Ontario for the competition. Indeed, Craig Robinson qualified at his own event to advance in the world competition with a drive of 352 yards and 8 inches.

His brother Shawn did not have to qualify at all. He had already won a qualifying event in Calgary and so he could focus on the \$3,000 up for grabs in the cash contest. And while young Shawn hit one of his drives 382 yards, it was not in the final round and so he finished out of the money.

Mr. Speaker, these young golfers demonstrated not only their love for the game, their own amazing abilities to organize, but also ability to conceive and develop and execute a world-class sporting event. This is another achievement for the growing list for both Craig and Shawn, for you see Shawn is also the second-ranked long driver in all of Canada and the 17th in the world. It's no wonder international companies like Harrison Shafts have given their sponsorship to this third year U of S (University of Saskatchewan) pharmacy student from Swift Current.

And finally, Mr. Speaker, I'd also like to take the opportunity to congratulate the Swift Current firefighters on successfully defending their regional championship at this weekend's firefighters combat challenge held in Vermillion, Alberta. Perhaps my colleagues could help the official opposition acknowledge this amazing achievement by supporting The Fire fighter Protection from Liability Act. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Imperial Millennium Celebration

Hon. Mr. Melenchuk: — Thank you, Mr. Speaker. I am told, Mr. Speaker, that we missed the event of this young millennium this past weekend. The community of Imperial wisely put off its millennium celebration until the weather was a bit more co-operative, and was therefore able to welcome about 400 people to its celebration, many of whom returned from far away that day. This came close to doubling the population.

The event began Saturday morning with a parade of 55 entries. There was a ball tournament, and as the highlight of Saturday afternoon the former MLA and current hotel operator dropped a bag of peanuts from a circling plane 300 feet above the target and hit the bull's eye without breaking the shell of a single nut. An amazing feat indeed.

As well there were historical displays at the school, a program with skits at the hall, and to conclude the first day, a street dance on Saturday evening.

Yesterday morning there was a pancake breakfast sponsored by the wildlife federation and finally an ecumenical church service at which the former MLA, and perhaps some others, repented for what they had done Saturday evening.

Mr. Speaker, by all accounts this was a very enjoyable weekend for the people of Imperial and vicinity and I congratulate them

on their very successful millennium celebration.

Some Hon. Members: Hear, hear!

Saskatchewan 4-H Program

Mr. Wartman: — Thank you, Mr. Speaker. As a former member of the 4-H Light Horse Club in North Battleford, I am pleased to have this opportunity to speak to the members of the Legislative Assembly about the achievements made by Saskatchewan 4-H.

The Saskatchewan 4-H program made a commitment in September 1996 to raise \$1 million by the year 2000, and they've reached this goal ahead of schedule. This funding provides the Saskatchewan 4-H with the long-term financial structure it needs to provide programming into the future.

Mr. Speaker, this achievement speaks well of 4-H in this province, and it speaks well of public support for the program.

The successful fundraising campaign over the last four years ensures that the program will continue to serve rural and urban communities throughout this province. It will allow the 4-H program to continue to offer its varied programming, to hold its summer camps, and to send outstanding members on educational trips to various locations across North America.

Mr. Speaker, the Government of Saskatchewan has recently entered into a new three-year agreement with the 4-H program. The Government of Saskatchewan has assisted the 4-H program for many years.

The Saskatchewan Agriculture and Food has dedicated \$300,000 a year to 4-H over the next three years to assist with programming.

Mr. Speaker, 4-H will hold various regional shows throughout the province during June and July. I encourage all members to take these in and support the 4-H throughout this province.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Saskatchewan Indian Gaming Authority

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Gaming minister. Mr. Speaker, on Friday the minister announced that the chairman and CEO (chief executive officer) of the Saskatchewan Indian Gaming Authority received \$360,000 worth of unauthorized expense money in the past year.

The minister directed SIGA (Saskatchewan Indian Gaming Authority) to take a number of steps to deal with this serious problem, including the appointment of a new board Chair and new CEO to replace Dutch Lerat. Mr. Speaker, SIGA is now refusing to follow this direction. FSIN (Federation of Saskatchewan Indian Nations) Chief Perry Bellegarde says they will not replace Dutch Lerat as CEO of SIGA.

Madam Minister, you are the minister responsible for SIGA.

What steps are you going to take now that SIGA and FSIN are refusing to comply with the directions you issued on Friday?

Hon. Ms. Hamilton: — Thank you, Mr. Speaker, and I thank the member opposite for the question. And as she stated, Friday morning we did have the conference to say the auditor . . . on the advice of the auditor, KPMG, discovered two things.

It was reported by the Provincial Auditor to me that the CEO had taken certain actions, and therefore we had taken actions to direct certain things to occur and the board resolution. Through the course of the last few days, a new Chair has been selected for SIGA and we are now waiting to hear from them in a formal sense whether they will comply or not.

The Liquor and Gaming Authority, Mr. Chair, has statutory and regulatory responsibilities for the oversight of gaming operations in this province. And I know that like any other licensee, we will expect them to comply.

So we are waiting to hear that they're complying with those directives.

Some Hon. Members: Hear, hear!

Ms. Eagles: — Mr. Speaker, you'd think that when the SIGA board was told of Mr. Lerat's unauthorized expense claims they would have taken immediate action themselves. Instead they tried to cover it up. They tried to legitimize these claims by giving him a \$360,000 unbudgeted salary increase.

Mr. Speaker, these actions suggest the entire board may have breached their fiduciary responsibility, and now SIGA is openly defying your demand that Dutch Lerat be removed as CEO.

Mr. Speaker, the Minister of Education said that the Gaming minister has the authority to go a lot further. He said she has the authority to dismiss the entire board and appoint a public administrator. Madam Minister, are you considering this step?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, we do have, according to a signed gaming agreement, certain areas that we expect that people would live up to those agreements — any licensee in the province, Mr. Speaker.

We are waiting to hear . . . we know that about the middle of this week, SIGA will have its meeting, and they're going to tell us what steps they've taken. There have been steps that have already been taken according to the resolution and to the Chair of the board.

We have issued directives, and we expect compliance. We have statutory and legal compliance measures open to us, but I'm not prepared to speculate until I hear if they're going to comply or not. And then we will take decisive action at that point.

Some Hon. Members: Hear, hear!

Ms. Eagles: — Mr. Speaker, the SIGA board clearly did not have the proper financial controls in place. The Chairman and CEO was making a thousand dollars worth of expense claims a

day without virtually any receipts to back up these claims. When the SIGA board was confronted with this information, they tried to cover it up. And now they are openly defying the minister's order to remove Mr. Lerat as CEO.

Madam Minister, this board is out of control. SIGA administers millions of dollars of casino revenues, money that is suppose to be used for the social and economic development of First Nations people. Yet they are not prepared to be accountable for their actions.

Madam Minister, will you dismiss the SIGA board?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, on Friday there were directives that I mentioned in the statement that would respond to some of these concerns. SIGA board must meet and let me know whether they intend to — well let the Liquor and Gaming Authority as the regulator, Mr. Speaker — because politically we're not responsible; Liquor and Gaming Authority has a regulatory and legal responsibility to respond.

Mr. Speaker, those directives are non-negotiable. They are non-negotiable. The authority requires SIGA to comply with agreements, terms and conditions. And subject to that, if there is not compliance we would have strategies and measures in place to deal with that. So we will take direct action if those are not complied with, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. My questions are also for the Gaming minister.

Madam Minister, now that you've admitted that you have regulatory and legislative responsibility for SIGA, my question is: who authorized a corporate debit card for Mr. Dutch Lerat?

Hon. Ms. Hamilton: — Mr. Speaker, Friday morning in the statement that one of the members opposite was present at, I'd mentioned that SIGA had issued their CEO and chief executive officer with a corporate credit card and debit cards.

The minute we discovered this we requested and directed that those cards be cancelled. So we have directed; we're expecting compliance. We will take direct action if compliance is not achieved with the terms, as we would expect would any other licensee, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, my question was: who authorized the corporate debit card for Mr. Dutch Lerat? Was it the SIGA board, or did Mr. Lerat authorize it himself?

Hon. Ms. Hamilton: — Well, Mr. Speaker, I'm not going to speculate on details and information. I am going to say that the two items presented to me by the Provincial Auditor are serious concerns, and therefore we've directed that a complete review will occur. The review will have a team of auditors including the Provincial Auditor. If there are details like that, that we

discover need to have corrective measures taken, they will be directed to put those measures in places, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Madam Minister, who approved Mr. Dutch Lerat's expense claims?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, as I've mentioned to the member opposite and I thank him for that question, there are many details that we discovered during the very preliminary working papers from KPMG. There are others that he's asking or perhaps that will come to light during the course of the review. We will look at those. We certainly have made no attempt to hide what the Provincial Auditor has shared with us.

If we find anything that needs to be complied with according to the terms of the legal agreement, we will make certain that that compliance occurs, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, do you have any indication of who it was that approved these expense claims? Was it the board, was it a committee of the board, or was it Mr. Dutch Lerat himself?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you. Mr. Speaker, as I started out in my answer to another member opposite, that we have an audit responsibility. KPMG audits . . . very early on in their working papers they discovered certain things. The Provincial Auditor brings to my attention certain things.

SIGA, according to our agreements, has the responsibility during the course of the year to make sure that they have the controls in place to comply with the audited statements. They know we will look at those as a course of an audit as any other organization. We are now sending in a team of auditors to review all of the information that's been presented to KPMG and our Provincial Auditor. If there are any concerns that we have that they're not living up to the terms of our agreement, we have strategies and measures in place to take care of those, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, Madam Minister, as a result of the information forwarded to you to date, do you have any indication as to who it was that signed the cheques for Mr. Lerat's credit card bills?

Hon. Ms. Hamilton: — Mr. Speaker, as I mentioned, we have an agreement in place with SIGA. The Provincial Auditor will go in with the review team and look at all the particulars that he is talking about. We will be looking at that with an eye to making certain that all of their measures that are taken from here on in will comply with every step of that agreement, Mr. Speaker.

As I mentioned, the two issues that were brought to my attention, Liquor and Gaming Authority, who is a regulator and has a legal responsibility, steps in to make sure compliance is occurring.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, were these cheques for Mr. Lerat's credit card bills, were they signed by board members or were they signed by Mr. Dutch Lerat himself?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. I have mentioned to the member opposite that we have, through KPMG, an external auditor that goes in, takes the papers of SIGA on a yearly basis and goes through those working papers. Very early on in those working papers, he brought to the attention of our provincial . . . the Provincial Auditor, who then alerted the Liquor and Gaming Authority of the two details I shared very early on Friday morning.

We then said there are directives that have to take place. They know to cancel the credit cards and debit cards. We have suspended the licence for Mr. Dutch Lerat. We are asking the SIGA board to share with us all of the information to go through the review. Those are the purview of the SIGA board, Mr. Speaker; we're asking that they would co-operate with us so that we can put measures in place to make certain . . .

The Speaker: — Order.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, who was reviewing and monitoring SIGA's bank statements on the account that Mr. Lerat had access through with his debit card?

Hon. Ms. Hamilton: — Mr. Speaker, I thank the member opposite for his question. I can understand that the member would not have the working level familiarity with an auditing process.

We have, Mr. Speaker, a SIGA board, in terms of an agreement with us . . .

The Speaker: — Order.

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. We know that the auditor for SIGA has a responsibility to prepare a yearly report. That report is shared with the Provincial Auditor. The day-to-day internal controls and operations are responsibility of SIGA to comply with the terms of our agreement and to comply with the information the Provincial Auditor requires.

Mr. Speaker, we are going to conduct a full review to find out all of the details that the member opposite is talking about, to find where the systems need to be in compliance with our regulations and procedures and controls. And we would be living up to the directives that we have issued to the SIGA board, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, I spent almost 20 years of my life working with non-profit corporations. SIGA is, as I understand it, a non-profit corporation. And I can tell you, none of those that I was involved with were operated in a fashion such as this.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Madam Minister, who reviewed those bank statements? Did the boards review them? Did the audit committee review them? Or did they just simply go to Mr. Dutch Lerat?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. And I know, as he knows, that there are organizations that on a yearly basis operate in compliance with the auditing requirements and the internal controls. It's obvious, Mr. Speaker, and no one's saying to the contrary, that some of those have either broken down or would not adhere to or have been in place in the first place.

Mr. Speaker, it's why Liquor and Gaming Authority has a legal requirement and regulatory responsibility to go in, to conduct the review with the Provincial Auditor so that we can go in, see what did occur, what are the details of this situation, and to make certain that we have controls in place that this will not occur again.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, who is on the audit committee of the SIGA board? How often do they meet? And, Madam Minister, what is the reporting procedure of the CEO to the audit committee?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. And I thank the member opposite for the question.

Mr. Speaker, we have a legal agreement and arrangement in place with the SIGA board and the First Nations gaming agreement. We believe in the principles of the agreement and we believe that the auditing systems that are in place have worked.

Very early on in the working papers of KPMG the information was given to us, we know that there is something that needs to be put in place to make sure that they comply with auditing requirements and regulations, be it internal or external.

We now have put in place a team that will go in and work, Mr. Speaker, in a co-operative way to determine what has occurred. In the course of matters, if the Provincial Auditor in reviewing those or the Justice department, as we would do with any other organization or corporation, find something that we need to take further action on, you can rest assured, Mr. Speaker, we will do just that.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Madam Minister, what is the procedure for the audit committee reporting to the board? And what is the procedure of the board for reporting to the minister?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, I believe that the member opposite has asked the same question in a number of different ways. I will answer the same question in the same way, Mr. Speaker. I will answer the question like this.

Mr. Speaker, we have, according to our gaming agreements, signed agreements that allow for auditing procedures to occur. SIGA board has auditing requirements that must occur. The books of SIGA, and all of the information on the actions of the board of SIGA, are presented to their external auditor, KPMG.

We are now requesting that all of that information be looked at and be reviewed to find out exactly, as he asks, where has the system broken down? What procedures are in place? What procedures have not been in place to allow this to occur, Mr. Speaker?

When we find that, I believe in a co-operative mode, we could work together to restore the integrity of the gaming . . . (inaudible) . . . in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, Madam Minister, do you even know if the SIGA board has an audit committee?

Hon. Ms. Hamilton: — Mr. Speaker, as I've said to the member opposite, SIGA has given all of that information and their working papers to KPMG. Very early on in the auditing processes, we've discovered this. They are sharing that information with the Provincial Auditor. He has brought two items to my attention. We have taken immediate action on those items that have been brought to my attention.

All of those kinds of questions, and many more questions, Mr. Speaker, we would want to have addressed, and that is why we're asking of SIGA, in a co-operative way, to let us go in. Let's work together to see what has worked well, what has worked properly.

Mr. Speaker, over the last number of years when the audited statements were clean statements — let's see where things broke down. Let's work together to put in place measures — the internal controls — to make certain it does not occur again.

Some Hon. Members: Hear, hear!

Ms. Eagles: — Thank you, Mr. Speaker. Madam Minister, on Friday you said that in spite of these unauthorized expense claims, SIGA has many auditing controls in place. You said, and I quote:

We believe in all these controls and that they're working and . . . that the integrity of that operation is without question.

Yet you have just admitted that you don't know how Mr. Lerat got a credit card, or pardon me a debit card. You don't know who approved the expense claims. You don't know who signed off on the credit card bills. You don't know who reviewed the bank statements. You don't know what the financial reporting procedures are. You don't know who's on the audit committee or even if they have an audit committee.

Madam Minister, how can you say that the controls are in place? How can you say the integrity of the operation is without question when you really have no idea what's going on?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, the member opposite is taking a quote from a part of the statement I made Friday that talks about the number of ways that the Liquor and Gaming Authority, the body responsible for auditing the operations of casino gaming, goes about doing that.

Because this has occurred at the SIGA board, I wanted to assure the public that there are a number of ways that we audit and control the operations of gaming so that people in the province would know if they were casino gaming that we have those controls in place.

The issue at hand, Mr. Speaker, is this year's audit, because we've had a number of years of audited statements, that have occurred in the same manner, that have given this operation a clean bill of health.

The issue at hand, Mr. Speaker, is SIGA's audited statements for this year, which we will review and we will report in good course what we can do to make certain these things . . .

The Speaker: — Order.

Ms. Eagles: — Madam Minister, the bottom line is the SIGA agreement was established by your government. You are responsible for the financial integrity of this organization, and you failed — you weren't minding the store.

You didn't live up to your responsibility to ensure the proper audit controls were in place. And even now you can't seem to answer the most basic questions about their financial procedures.

Madam Minister, SIGA takes in millions of dollars a year in casino revenue. It is your responsibility to ensure that money is administered properly — so it gets to the First Nations people, where it is supposed to help.

Madam Minister, why weren't you paying attention to your responsibility?

Hon. Ms. Hamilton: — I thank the member opposite for the question. And the premise that she states the question is exactly the reason why we have a First Nations gaming agreement with strong principles in place — to share the economy of the economic development of gaming with all people in the province, Mr. Speaker.

Mr. Speaker, we have an auditing responsibility that's outlined

within the agreement. The responsibility states an outside auditor, KPMG, will go in; they will do the auditing; and very early on in the working paper stage they discovered these problems and concerns.

Mr. Speaker, they shared them with our Provincial Auditor, who on last Wednesday morning shared those concerns late in the morning with me. I gave the FSIN and SIGA a chance to understand that information from our Provincial Auditor, who shared that with me in a letter on Wednesday, and Friday morning I took action. Mr. Speaker, I say this government took swift action.

Some Hon. Members: Hear, hear!

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, the minister has been unable to give answers to the very basic questions on her portfolio. Now we have a financial disaster on our hands.

Madam Minister, do you understand the workings of your own portfolio?

Some Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Mr. Speaker, I know the member opposite knows that we're a political body and we have political responsibilities. I also know the member opposite knows that Liquor and Gaming Authority is the regulator and has legal responsibilities outside of political involvement in . . . and involvement in this issue, to take control of this issue, to watch those issues as the auditor reports them to us, Mr. Speaker, in compliance with the agreements that are in place.

Now, Mr. Speaker, then I know that she knows all of those questions can be answered. The regulating body, Liquor and Gaming Authority, has had that in place for years, has had a clean audit in this regard in years past.

This year on Wednesday, in the middle of the morning, we discovered by the Provincial Auditor that he has concerns. We've taken swift and direct action on those concerns, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Hon. Mr. Nilson: — For ministerial statement.

The Speaker: — We will require leave. Is leave granted?

Leave granted.

MINISTERIAL STATEMENTS

SaskPower Establishes Open Access Transmission Tariff

Hon. Mr. Nilson: — Mr. Speaker, we are here today to talk about an important development in Saskatchewan's electricity sector, one that will open up new markets for SaskPower and lay the foundation for change in Saskatchewan's electricity marketplace.

I'm pleased to announce a Saskatchewan transition system will be open to wholesale energy purchases and sales by mid-2001. This change will occur through an open access transmission tariff or OATT, that SaskPower will prepare and publish in accordance with industry practice. The tariff is expected to be in place by July 1 of next year.

Simply stated, the tariff is an open offer of transmission service. For a fee, suppliers outside Saskatchewan will be able to use our transmission system to transport electricity to other jurisdictions as well as to SaskPower's two wholesale customers, the municipal utilities in Saskatoon and Swift Current.

The tariff will provide similar access to independent power producers in Saskatchewan who are connected to the SaskPower grid. Moving electricity this way is known in the industry as wheeling. Wheeling is driven by the principle of reciprocal access. If you want access to our system, you must allow us the same access to yours.

Having transmission tariffs in place here in Saskatchewan will provide SaskPower with reciprocal access to new trading opportunities across North America and lay the foundation for change in Saskatchewan's electricity marketplace.

How will this tariff work in practice, Mr. Speaker? Saskatchewan consumers will continue to receive safe, reliable, and cost-effective electricity from SaskPower. SaskPower will use inner computer analysis of actual and forecasted loads as well as generation availability to determine the amount of transmission available for third party use. This will ensure that there is no overbooking of the transmission system.

Mr. Speaker, SaskPower will establish and manage a scheduling system for available capacity. This system will be consistent with industry practice. The rules will be the same for everyone, and each supplier will have equal opportunity to advance a competitive bid with the best bid securing an access contract for a given period.

SaskPower's own supplies for out-of-province trading will not take priority over that of any other eligible transmission user. In fact, they cannot take priority according to industry standards.

The corporation will take about a year to set up this tariff system. They will develop policies and procedures, determine hardware, software, and staffing requirements. They'll discuss the tariff with potential users of transmission access, and they'll complete negotiations with other jurisdictions. The end result will be a tariff that aligns the province with other jurisdictions, and offers expanded business opportunities for Saskatchewan's electric utility.

Tariffs such as this have become the standard for doing business across the complex interconnected network that this is the North American electric grid. The electricity industry is changing across North America including the rules for interconnected transmission access. SaskPower must keep pace with this change or risk losing the right to trade in other markets.

For SaskPower this tariff also meets an immediate need. As I

mentioned earlier, it will impact SaskPower's two wholesale customers — the cities of Saskatoon and Swift Current. Under The Power Corporation Act, SaskPower has the responsibility and exclusive right to supply, transport, distribute, and sell electricity in Saskatchewan with the exception of two specific franchise areas — the city of Saskatoon and the city of Swift Current. The tariff will enable these two customers to investigate other supply options.

But Saskatchewan communities and residents as a whole will continue to benefit from a common ownership of our electricity system through Saskatchewan Power's commitment to provide safe, reliable, and cost-effective service.

These innovative supply provisions that we've done in the last couple of months at the QE (Queen Elizabeth) power station and at the co-generation project at Potash Corporation's Cory mine will also, along with the introduction of this tariff, be part of our government's commitment to build a Made in Saskatchewan solution to the changing electricity market of the 21st century.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Well I do believe, Mr. Speaker, this is the beginning of some good things for the province of Saskatchewan, and we welcome the beginning of what this particular announcement says.

It does say on the particular document that was handed out, that the minister says he was pleased to make this announcement. Well that's amazing, Mr. Speaker, that they were actually pleased about this. I have a socialist friend — more than one — and incidentally, Mr. Speaker, these friends are socialists but they no longer vote for the NDP (New Democratic Party) because the NDP doesn't stand for anything that they used to.

Anyway the point of that statement, Mr. Speaker, was that this socialist friend of mine loves to tell a story about . . .

The Speaker: — Order. Order, please.

Mr. Heppner: — He loves to tell a story about Tommy Douglas flying over Saskatchewan and saying one of the greatest moments of his life was to see all the farmyards having electricity. Which is an amazing statement considering that he seems to imply that if it hadn't been for Tommy Douglas, these people would still be out in the dark.

But it's amazing. Alberta, Manitoba, BC (British Columbia), Ontario — all got away without Tommy Douglas, and they all had power, and most of them earlier than this.

But this is an interesting statement, Mr. Speaker. We've seen what's happened in telephones where our long-distance rates have gone down once SaskTel finally no longer had the stranglehold on the throats of people in Saskatchewan.

Now we look at this and I'm sure the people in Saskatoon and Swift Current are looking at this and saying, finally we can negotiate our power with someone, instead of having been told

for decades and decades, this is what you will pay or we'll turn off your power.

These two communities can now finally go throughout the market and find the cheapest electricity that they possibly can. It's an exciting moment in Saskatchewan, Mr. Speaker. We support it. And we're hoping it's going to go further; that all the rest of us will someday be able to do the same thing in this province, that at that time will not be a socialist province.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. On behalf of an open and accountable government, Mr. Speaker, we're very pleased and happy to table a response to question 180.

The Speaker: — The answer to question no. 180 is tabled.

Mr. Yates: — Thank you, Mr. Speaker. Once again, even though the question was more appropriate for the federal government, being an open and accountable government we're pleased to find the information out and answer.

The Speaker: — The answer to question 181 is tabled.

Mr. Yates: — Convert.

The Speaker: — Convert question 182.

GOVERNMENT ORDERS

SECOND READINGS

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

Hon. Mr. Cline: — Mr. Speaker, I am pleased to rise and move second reading of the Bill that amends The Income Tax Act.

Last year, specifically in the March 1999 budget, Mr. Speaker, the government began a process to reform Saskatchewan's personal tax system. Our objective was to achieve a simple, fair, and more competitive tax system that would be more responsive to the needs of Saskatchewan people and would strengthen the Saskatchewan economy.

The report of the Personal Income Tax Review Committee and the public's response to that report emphasized that any reform of the tax system must create growth and opportunity for Saskatchewan people and any tax reduction must also be sustainable. Saskatchewan people place the highest value on fiscal responsibility meaning no deficits, no increased debt, and the maintenance of quality public services such as health care and education.

Mr. Speaker, our tax reform plan meets these challenges with a significant and sustainable tax reduction for Saskatchewan people. This Bill will launch a new era of simple, fair, and

competitive taxation in Saskatchewan.

Firstly, we will begin this transition in 2000, in this year, Mr. Speaker, by cutting the rate of the Saskatchewan flat tax in half — from 2 per cent to 1 per cent, effective July 1 of this year. Or put another way, Mr. Speaker, to reduce the rate from 2 per cent to 1.5 per cent for the entire year of 2000.

(1430)

So, Mr. Speaker, on July 1, Saskatchewan income taxes are going to drop, they're going to go down. And beginning on July 1, Saskatchewan taxpayers will save over \$120 million in provincial income taxes for the balance of 2000, or about \$350 for an average family.

And in addition to that, Mr. Speaker, in addition to the income tax savings, there's a new Saskatchewan sales tax credit that will provide a further \$32 million in annual benefits to our residents.

This Bill introduces the Saskatchewan sales tax credit as a means of improving the fairness of the provincial sales tax for lower-income Saskatchewan people.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The credit will provide a quarterly, non-taxable benefit to help offset the increased sales taxes payable as a result of the sales tax reform announced in the budget. That credit will be integrated into a single payment with the federal goods and services tax credit. Mr. Speaker, anybody that gets a GST (goods and services tax) credit cheque will begin to get a PST (provincial sales tax) tax credit cheque included in one cheque. And we will have that administered by the federal government, rather than sending out cheques ourselves, but we'll provide the money to pay the PST tax credit.

That credit, Mr. Speaker, takes effect April 1, 2000 — so it's already in effect — but the federal government cannot actually deliver those cheques until October 1. But on October 1, when people get their GST cheques, they will also get the first three cheques of the PST cheque. That is the cheques that they're entitled to for April 1, July 1, and October 1 will all come on October 1 with their GST cheque. So, Mr. Speaker, that will be effective this year, as well as the flat tax reduction on July 1.

Thirdly, Mr. Speaker, you will recall that the post-secondary graduate tax credit was introduced in a Bill tabled by the Minister of Post-Secondary Education and Skills Training. The amendments to The Income Tax Act allow for the credit to be deducted from the income taxes otherwise payable by recent graduates. And what that means, Mr. Speaker, effectively, is the income threshold at which a recent graduate of a post-secondary institution will begin to pay provincial income tax will go up to about \$11,000. Other people will have a tax credit of \$8,000, but new post-secondary graduates will have a tax credit of approximately \$11,000 before we start to charge income tax.

So, Mr. Speaker, this Bill does three things: it reduces the flat tax on July 1; secondly, it provides people with a sales tax credit if their household income is less than \$35,000; and

thirdly, increases the tax credit for graduates of post-secondary institutions to try to encourage them to stay in Saskatchewan which is a goal that we all have.

I'll be pleased to answer questions concerning these positive amendments to The Income Tax Act when the Bill comes before the Committee of the Whole.

And, Mr. Speaker, with that I move second reading of the Act to amend The Income Tax Act.

The Speaker: — Could I clarify with the minister please — is that Bill No. 81 or Bill No. 82?

Hon. Mr. Cline: — Mr. Speaker, that was Bill No. 81 which is the Bill that introduces the income tax — a Bill to amend The Income Tax Act. I'm sorry — that was Bill No. 82, Mr. Speaker, an Act to amend The Income Tax Act, second reading, Bill 82.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, the minister has a number of tax Bills that he'll be presenting for second reading today and I think his comments, and in all likelihood my comments, will apply equally to all four of the . . . all five of the Bills.

At the end of the day, Mr. Speaker, I think the NDP's tax philosophy can be summed up with very few words: Do you have any money? Send it in. Because that is exactly what this budget did, Mr. Speaker.

The minister talked a lot about lowering taxes, but the thing that he did do, Mr. Speaker, on budget day, was increase taxes. He talked about sometime in the future, over the next two or three years, there might be some reductions in income taxes. But the thing that he did do was he increased the PST on each and every one of us.

The minister talked about growth and opportunity. Well, Mr. Speaker, when you look at the growth and opportunity in Saskatchewan, you have to say, where is it? Why do we still have the same population in Saskatchewan today that we had in the 1920s? After 47, 48, 49 years of CCF-NDP (Co-operative Commonwealth Federation-New Democratic Party) government, our population has remained stagnant, Mr. Speaker.

The reason is, is because the members opposite have no vision on how to make a province grow, how to create growth and opportunity. They know how to take your money, Mr. Speaker, but the government, especially this socialist government, has no idea how to create wealth; how to create an economy that grows, that provides jobs for its young people, that keeps its young people at home and builds this province.

The biggest export that we've had under CCF and NDP has been our children, Mr. Speaker. They have been our largest export. They have left this province ever since this government has been elected. And it continues today, Mr. Speaker.

The minister talks about the maintenance of public services. Well I gather then that he hasn't had opportunity to visit our health care system, because that certainly isn't being maintained

the way the people have become used to health care and expect their health care to serve them.

The minister obviously hasn't been driving our highways. He must fly back and forth from Saskatoon, Mr. Speaker, because if he drove the highways of Saskatchewan he would understand that there has been no maintenance.

And, Mr. Speaker, just last week we had the teachers vote to go on strike, Mr. Speaker, again because this government has been failing to provide for services.

The minister talks about fairness. Well his idea of fairness is that everybody pays more taxes, as an example of his PST, Mr. Speaker. And it doesn't matter whether you are the least able to pay, your power bill is affected, your telephone bill is affected, your gas bill to heat your home is affected, and your fuel taxes are affected, Mr. Speaker. That's his idea of fairness — no matter whether you have the ability to pay or not, you will pay.

Mr. Speaker, there are a good many other things I could say about this particular piece of legislation but my colleagues also want to have the opportunity. I move that we adjourn debate.

Debate adjourned.

Bill No. 81 — The Income Tax Act, 2000

Hon. Mr. Cline: — Thank you, Mr. Speaker. I am pleased to rise and move second reading of Bill No. 81, that introduces The Income Tax Act, 2000.

Mr. Speaker, as I said in moving second reading of The Income Tax Amendment Act, 2000, our government is committed to a personal tax system that is simple, fair, and competitive.

Saskatchewan's personal tax system must be more responsive to the needs of Saskatchewan people as we enter the 21st Century.

The tax system must be effective in creating growth and opportunity, helping to create a stronger Saskatchewan economy for our children. The personal income tax reform contained in this Bill achieves these goals by providing a significant reduction in provincial income taxes in conjunction with a conversion to a new method for calculating income taxes.

Mr. Speaker, provincial income tax has been based in the past on federal tax. Its determination relies heavily on both the federal tax rate structure and the federal tax credits. Under tax reform provincial income tax will be based on a provincial tax structure applied to taxable income and the deduction of provincial tax credits. But it will continue to be administered on the province's behalf by the federal government through the Canada Customs and Revenue Agency commonly referred to as Revenue Canada.

Mr. Speaker, this Bill introduces the second stage of the income tax reform that we announced in this year's budget. A few moments ago I announced . . . or described the first stage of income tax reform which reduces the Saskatchewan flat tax from 2 per cent to 1 per cent effective July 1 of this year, and

provides an income tax reduction of over \$120 million in the 2000 tax year — about a \$350 per family tax saving. I'm sorry that the opposition does not support that, Mr. Speaker, but apparently they do not.

The second stage of income tax reform takes effect on January 1 next year, 2001. And that eliminates the flat tax, eliminates the debt reduction surtax, eliminates the high-income surtax, and eliminates the basic tax on federal tax.

So as of January 1, Mr. Speaker, we will be abolishing the flat tax introduced by the Conservatives in the 1980s. We will be eliminating the high-income surtax and we will be eliminating the debt-reduction surtax. And, Mr. Speaker . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — . . . the people of the province will be interested to know whether the official opposition will support us in eliminating those taxes, Mr. Speaker. That's what they're waiting to see.

Mr. Speaker, the existing tax system, the existing income tax system apparently supported by the members opposite, is very complicated. It's a complicated layer upon layer of taxes, surtaxes, like the flat tax, the debt-reduction surtax, and the high-income surtax, that we're going to abolish over the opposition of the members opposite, Mr. Speaker.

That system is very complex. We're going to replace it with a single set of lower tax rates that would be applied directly to taxable income and will result in a tax reduction for every citizen and every family in this province even without the co-operation and over the strong opposition of the opposition.

This simple calculation, Mr. Speaker, will make it easier for Saskatchewan taxpayers to understand the provincial income tax calculation and will bring about substantially lower income taxes. The new tax system will also provide distinct provincial tax credits. These credits will generally parallel the existing federal credits although it will increase, Mr. Speaker, credits that we've enjoyed thus far.

For example, the provincial basic personal and spousal exemptions will be \$8,000, significantly higher than the federal amounts. As well the provincial income tax system will add a supplement to the existing age credit so that seniors get an additional tax credit, and will introduce a new dependent-child tax credit.

The dependent-child credit allows the income tax system to provide to all Saskatchewan families universal recognition of the costs of raising children. Saskatchewan is the only jurisdiction in Canada, other than Quebec, to offer such support for families.

One of the features of the new income tax system, Mr. Speaker, is it gives the biggest tax reductions to low-income people. In fact the new provincial credits ensure that 55,000 low-income seniors, single parents, minimum wage earners, and working families will no longer pay any Saskatchewan provincial income tax.

(1445)

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And I might add, Mr. Speaker, that although we hear a lot from the opposition about tax cuts, and they don't admit that the income taxes are coming down — even though they are. And people will see it on their paycheques in July, Mr. Speaker, and they'll realize that what the opposition says is not true.

But the distinguishing feature of this set of tax cuts in the new income tax system that we're bringing about, Mr. Speaker, is it provides substantial benefits for lower income people. And I might just say for the information of the House and the public that the difference between our plan for a new tax system and the plan of the members opposite is they want income tax cuts for the wealthy, Mr. Speaker — that's what they want.

Their plan set out in the last provincial election contained large income tax for the wealthy — nothing for the seniors, nothing for the low-income people, nothing for the single parent, nothing for the minimum wage earners, Mr. Speaker. They don't like to talk about that side of the equation, and they don't like to talk about the PST tax credit that was introduced in the last Bill that people are going to get.

All they want, Mr. Speaker, is — in typical conservative fashion — tax cuts for the rich and they're very mad that we don't have tax . . . the largest and only tax cuts for the rich. And that's the reason for the vociferousness of the opposition, from the members of the opposition.

But having said that, Mr. Speaker, I want to say that the new Income Tax Act, 2000 continues some aspects of the system. One will be continuation of the Saskatchewan sales tax credit that we're introducing for low-income people over the opposition of the members' opposite and which definitely improves the fairness of the income tax system.

Mr. Speaker, the conversion to the income tax calculation which will be lower income tax rates for all Saskatchewan income tax payers is being phased in over three years in conjunction with the significant income tax reduction.

Those new tax rates and credits mean that the second stage of the government's tax reform will provide Saskatchewan residents with approximately \$190 million in new tax savings in 2001. And, Mr. Speaker, that is over and above changes to the sales tax. When the members opposite get up and say that somehow there's a tax increase because the PST has been expanded, Mr. Speaker, that's \$190 million net tax saving even taking PST expansion into account.

The members opposite don't tell the public that and they're not being completely factual with the public, Mr. Speaker. But it's my duty, it's my duty, Mr. Speaker, to report as Minister of Finance to the public that in 2001, we will see \$190 million new tax savings. Another \$50 million in 2002. And a further \$80 million in 2003 when the new system is fully implemented.

And the result of that, Mr. Speaker, is that the tax reform announced in the budget will result in an income tax reduction

of over \$440 million — \$440 million less income tax paid each and every year; \$440 million income tax cut, Mr. Speaker, when it is fully in place in 2003.

An Hon. Member: — Biggest cut ever.

Hon. Mr. Cline: — And that, as my seatmate has said, is the largest income tax cut in the history of this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And it provides an income tax cut of about \$1,000 for the average family. And the members opposite can get up on their feet and say whatever they like. But I'll say this, Mr. Speaker: the contrast between their record in the 1980s and the record of this government is that we have cut income taxes in 1995, 1996, and 1999 . . . no, 1998, Mr. Speaker. We have cut income tax.

What did they do when they were in office? They introduced the most regressive part of the income tax system, being the Saskatchewan flat tax introduced by Grant Devine with their full support, and increased three times, Mr. Speaker. And what we are doing today, among other things, is enacting that that flat tax, that regressive tax will be abolished as of January 1.

And what these members opposite will do, Mr. Speaker, is get up on their feet and yell and scream about taxes in order to obscure their own record and obscure their own opposition to progressive income tax reform which includes the abolition of the flat tax because, Mr. Speaker, all they want is a tax cut for the rich. That's all they really want, in typical fashion.

But as I said, Mr. Speaker, we're going to bring in a new tax system — over the opposition of the members opposite — which will be simple, it will fair, it will be competitive, and it will enhance progressivity for low-income people. Most importantly, it will serve Saskatchewan well in helping to build growth and opportunity in the 21st century.

And I'll be pleased, Mr. Speaker, to answer detailed questions concerning The Income Tax Act, 2000 when discussing this Bill at Committee of the Whole. And with that, I move second reading of The Income Tax Act, 2000.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. As I said earlier, the minister's comments for this Bill would be identical to the comments he had made to the previous one, and I was correct.

The minister talks about perhaps not providing all of the facts. Well, Mr. Speaker, this government's attitude towards that minister's budget was if they don't ask, don't tell. And indeed, Mr. Speaker, I can certainly understand that attitude because if I had their record, I wouldn't want to talk about it either.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Mr. Speaker, what is their record? The minister wants to go back into the past. Seven billion dollars of

debt at 24 per cent — that was the Premier's record from the 1970s, Mr. Speaker, that was the Premier's record.

They don't like to talk about that one, Mr. Speaker. Because at 24 per cent, it only takes three years to double the amount of your debt.

What else don't they want to talk about, Mr. Speaker? They don't want to talk about the downloading of the tax burden that they have placed on the municipalities of this province, not only to support their own municipal road structure, Mr. Speaker, but the downloading of the costs of education on every property taxpayer in this province, whether they are rich or poor, Mr. Speaker. They have no concern as to the ability of that taxpayer to pay; they simply download and force them to pay for it, Mr. Speaker.

And now we even see them trying to get the people living in the municipalities to fix the highways, Mr. Speaker. Again, downloading their responsibility because indeed, Mr. Speaker, this is not a responsible government — this is an irresponsible government.

They have never accepted responsibility for a single one of their actions since they were first elected in 1991, Mr. Speaker. No responsibility. It's either the previous administration's, or the federal government's responsibility, but it's not a single member on that side's responsibility for anything.

Mr. Speaker, the minister talks about a deductible of \$8,000 per spouse and brags about how great that is. Well, Mr. Speaker, our neighbour next door, their deduction is 50 per cent bigger — \$12,000. But yet theirs is great; it's going to keep people here, Mr. Speaker.

The minister talks about Saskatchewan and Quebec being similar in a certain manner. Well, Mr. Speaker, I think it's much more appropriate to compare Saskatchewan and Newfoundland with the highest taxes in Canada. That's the record, Mr. Speaker, that they don't want to talk about.

When the minister talks about his tax reduction, he's talking, Mr. Speaker, about a cup of . . . less than a cup of coffee a day in tax reduction. That's what he's talking. I think it works out to about half a cup of coffee a day in tax reductions and he wants to brag about that when our neighbours, Mr. Speaker, on either side, are in a much more competitive position than we are in growing and providing jobs for our young people.

This minister, Mr. Speaker, this government has failed the people of Saskatchewan and most particularly have failed the young people. And their tax policies reflect that, Mr. Speaker. They're not providing what this province needs to grow.

Mr. Speaker, I move adjournment of this debate.

Debate adjourned.

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

Hon. Mr. Cline: — Thank you, Mr. Speaker. I rise today to move second reading of The Education and Health Tax

Amendment Act, 2000. Mr. Speaker, this year's budget, as I indicated, introduced sweeping tax reform as part of a larger plan to reduce income taxes and position Saskatchewan for growth and opportunity in this century.

Our tax reform plan provides a \$206 million income tax this fiscal year growing to \$442 million income cut by 2003. This is the largest income tax cut in Saskatchewan's history, Mr. Speaker.

As I indicated earlier, it moves Saskatchewan from the current tax on tax system of calculating income tax to the more direct tax on income as recommended by the Personal Income Tax Review Committee.

Our tax reforms, Mr. Speaker, will abolish bracket creep because the income tax brackets will be indexed to inflation as will be the personal tax credits. So we will not be increasing taxes by not responding to inflation in the system. And that, Mr. Speaker, will provide a higher basic personal tax credit for all Saskatchewan people as well as higher credits, specifically for seniors, parents, and spouses. As a result, tax reform will take 55,000 low-income earners off the tax rolls altogether.

And I think that we're going to see, Mr. Speaker, starting in July when people look at their paycheques, if they have income tax deducted, they will see that less income tax is being deducted. And when they see that, Mr. Speaker — and that really is the proof of the pudding, seeing the paycheque with less income tax off — they'll realize that what the opposition is saying is not factual, Mr. Speaker, because they themselves will see their income tax cut.

So we get a lot of rhetoric from the members opposite. I'm sorry if they're offended when I address the record of the Devine government in increasing income taxes and bringing in the flat tax.

But I think it's my duty, Mr. Speaker, as Minister of Finance, to put these things in perspective, to report that we did have a flat tax introduced in the 1980s under the Conservatives. I think the public have the right to know that, and they have the right to know that we're abolishing the flat tax on January 1. We're reducing it on July 1 but abolishing it on January 1 over the opposition of the members opposite for some reason.

This plan that we have, Mr. Speaker, will not only abolish the flat tax but it will also remove 55,000 low-income people off of the tax rolls altogether. And as well, the tax payable on capital gains will fall to a level closer to Alberta's and well below Manitoba's.

So I was interested to hear the member opposite talk about job creation. I believe, Mr. Speaker, in the first five months of this year, Saskatchewan has led Western Canada in job creation. I believe there are 18,000 more people working in Saskatchewan today than there were a few months ago.

But whether we're first or whether we're second — I hear the members opposite disputing that — the fact of the matter is this: the fact of the matter, Mr. Speaker, is that since the budget address was delivered in this House on March 29 of this year, there are 18,000 more people working since that time than there

were at that time, Mr. Speaker.

So that when the opposition gets up and preaches their gloom and doom and their opposition to abolishing the flat tax and this, that, and the other thing, they have to bear in mind that the flat tax is a regressive tax that we want to abolish. And we have to bear in mind that in fact people are working in Saskatchewan, and in many areas they complain of a labour shortage, Mr. Speaker.

So you're kind of damned if you do and damned if you don't. When there aren't enough jobs for the people, the opposition complains. Today in some areas there aren't enough people for the jobs. They complain about that as well.

But what we're doing here, Mr. Speaker, as I indicated, and this is the third piece of legislation today we're looking at, is trying to introduce an income tax system where the taxes are simpler by getting rid of the flat tax, the high income surtax, and the debt reduction surtax where it's more fair because we get rid of the flat tax brought in by the members opposite in the 1980s. And it's more competitive because our income tax system will become closer to that of our neighbours.

And as I said earlier, Mr. Speaker, when fully implemented, the sum total of these changes is an income tax cut of \$442 million a year, Mr. Speaker. That's a thousand dollars less income tax for the average family.

And one thing that the members opposite do not refer to is the fact that in coming up with this tax plan we appointed a committee of experts, namely Dr. Jack Vicq of the University of Saskatchewan, Shelley Brown, and Charlie Baldock who are chartered accountants. And they gave us some advice on how to reform the system, and they said, and I'll quote, they said:

The committee believes that an annual personal income tax reduction of this magnitude exceeds the fiscal capacity of the province.

They said:

You can't just cut income taxes by the \$442 million a year. You also should charge the PST on more items.

And then and as part of a package people would get, Mr. Speaker, an income tax cut. So that's what this Bill does. And I would point out, Mr. Speaker, that there are nine provinces in Canada with the sales tax, and at 6 per cent, Saskatchewan's rate is the lowest of those nine.

If you go to Manitoba, it's 7 per cent; if you go to Ontario it's 8 per cent. And so at 6 per cent ours is lower, Mr. Speaker, and it's certainly lower than it was when our government took office. When we took office in 1991 it was 7 per cent. So we've gone from 7 per cent to 6 per cent, Mr. Speaker, and it will remain there.

(1500)

But we will not tax what some provinces tax. We're not taxing, for example, restaurant meals, children's clothing, electricity or natural gas, and several other items that will be taxed in other

provinces.

A final feature of this Bill, Mr. Speaker, is a formal change in name for this particular tax. The proper name, in law, is the education and health tax, but over time people have come to refer to this as the provincial sales tax, or PST. And one of the things this Bill does is to change the name to provincial sales tax, PST, in keeping with that and in keeping with the recommendations of the Gass Commission. In the early 1990s, that suggested that all taxes should be paid into the general revenue fund as this tax indeed is.

One of the other things that this Bill does, Mr. Speaker, is to introduce the Saskatchewan sales tax credit. That is effective April 1 of this year, as I indicated earlier. And what it does is to offset the effect of the expanded sales tax for low-income people, that is families earning less than \$35,000. And what it will do, Mr. Speaker, as I described earlier, is pay people a PST tax credit along with the GST tax credit.

And finally, Mr. Speaker, I'd just like to observe that the members opposite will of course characterize this as a tax grab. They will say that you can have the income tax cuts recommended by the committee without changing the PST. And all I would say to that, Mr. Speaker, is that the income tax cuts that have been described today are far in excess of the sales tax expansion. To be exact: income taxes going down by \$440 million; sales taxes by 160 million.

But as any one can see, Mr. Speaker, when you cut income taxes by 440 million and expand sales tax by 160 million, that amounts to a net tax reduction of about \$180 million a year . . . \$280 million a year, Mr. Speaker, \$280 million a year net income tax reduction.

And nobody should try to fool the public by saying that taxes aren't coming down because they certainly are. And I want to repeat, Mr. Speaker, that the net effect of that will be \$1,000 less provincial taxes for the average Saskatchewan family by the year 2003. That starts on July 1 of this year when the flat tax will be cut in half.

On January 1 coming up the flat tax will be abolished, the debt reduction surtax will be abolished, the high-income surtax will be abolished. And we will go to lower tax rates for all Saskatchewan people, Mr. Speaker; that's what we're doing. And those that are critical of that should at least deal with the facts squarely with the public and talk about the fact that income taxes are being substantially reduced and make reference to that.

And I might say that what it means is this, Mr. Speaker. In 1993 our provincial taxes, taking into account personal taxes, were the second highest in Canada. This year they are the fourth lowest in Canada, Mr. Speaker, compared to other provinces. We're making progress and at the same time balancing the budget and reducing the debt. We've gone from the second highest personal taxes to the fourth lowest in the last seven years.

And we will do more. Under the budget, we'll do much more. We're going to bring about a system that is simple, that is fair, and it's competitive. That's what the budget was all about, and

Bill No. 84 allows us to pursue our goal of a simple, fair, and competitive tax regime for Saskatchewan people.

I'll certainly be pleased to answer questions from the members opposite when we go into Committee of the Whole.

And with that, Mr. Speaker, I would move second reading of The Education and Health Tax Amendment Act, 2000.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Well again, Mr. Speaker, the minister is a little foggy on his facts perhaps.

The minister perhaps needs to be . . . it clarified to him that the members on this side of the House have never been in government, have never formed government. But we're certainly looking forward to doing that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Mr. Speaker, Saskatchewan does have a record though of being the second highest taxed province in Canada — second highest taxed province because of the members opposite, Mr. Speaker. They're the ones responsible for the tax increases that we have had for the last nine years. And we have yet, Mr. Speaker, we have yet to see a tax reduction from this budget.

Mr. Speaker, what's happening on the federal scene though may have some application to what's happening in the province. The federal government is talking about lowering their tax base — the rate that they charge. If that was to happen, Mr. Speaker, that would mean the provincial base would also lower. And heaven forbid that the Minister of Finance should have to forgo those monies.

So in this budget he starts to change things so that he doesn't have to follow the federal tax reductions so that he can do whatever he wants at his time frame, which is very minimal reductions, Mr. Speaker. Very minimal. A rate, if it happens — because it hasn't happened yet — if it should happen, would amount to half a cup of coffee for each taxpayer in Saskatchewan. A half a cup of coffee.

Mr. Speaker, the minister talks about \$440 million a year in tax reduction some time in the future — some time in the future. Sort of like the promise they made of \$2.5 billion for highways, Mr. Speaker.

Well at some point in the future the province will have spent \$2.5 billion on highways. But who knows how long it might take — 15 years, 20 years, 25 years. No one knows. And the same with the tax reductions from this government. The taxpayers today in this province may not live long enough to see that. Perhaps their children will, but I'm not sure if the current taxpayers ever will.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — The minister likes to also forget about what his previous administration left for debt in this province. Almost \$7 billion at astronomical interest rates — astronomical

interest rates. His mentor, Mr. Speaker, Mr. Blakeney, ran off to New York and borrowed money at 18 per cent to buy holes in the ground, Mr. Speaker, that were of no additional value to the people of Saskatchewan.

An Hon. Member: — Didn't create one job. Not one job.

Mr. D'Autremont: — Didn't create one job, as my colleague says.

The minister further goes on to brag about the number of jobs created in Saskatchewan. Mr. Speaker, in the nine years they have been government, they have in total — in total — only managed to match what Alberta has created in jobs in one year, Mr. Speaker, and they have created many more jobs over those remaining eight years, Mr. Speaker. The minister is so far behind in job creation that he's being lapped and thinks he's ahead, Mr. Speaker.

He talks about the Vicq report. Well the Vicq report was very interesting because it says, lower the PST. Very clearly. Lower the PST to 5 per cent and then you can expand the base.

But the minister was a little quick in his reading. He missed the lower part and went to strictly expand the PST, Mr. Speaker — very, very selective reading on the part of the minister. The same as his income tax cuts, Mr. Speaker — very, very selective for sometime in the future.

Well, Mr. Speaker, sometime in the future we will continue this debate. I move adjournment of debate.

Debate adjourned.

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

Hon. Mr. Cline: — Thank you. Thank you very much, Mr. Speaker. I'm pleased to rise and move second reading of the Bill that introduces The Income Tax Consequential Amendment Act, 2000. This Bill, Mr. Speaker, provides for consequential amendments to The Income Tax Act, 2000 and The Post-Secondary Graduate Tax Credit Act.

Mr. Speaker, as I have described earlier to members, in order to implement the personal income tax reform announced in the budget, The Income Tax Act, 2000 is replacing The Income Tax Act.

The Post-Secondary Graduate Tax Credit Act, which provides a tax credit to be deducted against the income taxes otherwise payable by recent graduates, currently refers to The Income Tax Act. References to The Income Tax Act, 2000 must now be added to The Post-Secondary Graduate Tax Credit Act. The amendments contained in this Bill will do that.

Mr. Speaker, the provincial corporate income tax system currently provides an investment tax credit for qualifying manufacturing and processing equipment. This credit is linked to the amount of education and health tax that has been paid on the assets. This credit is continued in the new Income Tax Act, 2000, which contains necessary references to The Education and Health Tax Act.

With the change in the name of The Education and Health Tax Act, the income tax legislation must now refer to the new name, The Provincial Sales Tax Act. The amendments contained in this Bill will make the necessary changes.

Now as you can see, Mr. Speaker, these are really housekeeping amendments simply changing the names of various pieces of legislation in legislation that refers to those Acts. I'll be pleased to answer questions concerning the amendments purposed in this Act when discussing this Bill at Committee of the Whole. And with that, Mr. Speaker, I move second reading of The Income Tax Consequential Amendment Act, 2000.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, I think the word, ditto, would apply in this particular case in response to the minister's comments.

So to the applause of my colleagues on the opposite side of the floor, I move adjournment of debate.

Debate adjourned.

Bill No. 85 — The Post-Secondary Graduate Tax Credit Act

Hon. Mr. Hagel: — Thank you very much, Mr. Speaker. It is my pleasure to outline the key provisions of the proposed new Act, The Post-Secondary Graduate Tax Credit, to the members of the House.

And if I could begin with a little background, Mr. Speaker, it is this government's policy to promote the widest possible access to quality post-secondary education and skills training for all Saskatchewan people.

To that end, we have consulted with Saskatchewan people this year on how best to improve financial access to post-secondary education. These public meetings were held all over Saskatchewan and in my judgement, Mr. Speaker, were very successful.

I particularly appreciated the attendance by many of the members of the Legislative Assembly at the meetings in their areas, and I also appreciated the attention and interest of opposition members, most notably the member for Last Mountain-Touchwood. We all heard some good ideas from many people as we attended those meetings.

(1515)

One thing we heard very clearly is that we must reward success. We heard that Saskatchewan people want increased support for students and their families. We also heard clearly, that enhanced financial access must be done in a financially prudent way in the taxpayers' interest. One of the most effective ways we can do just that, Mr. Speaker, is through the proposed graduate tax credit.

Mr. Speaker, this graduate tax credit adds more than \$3,100 to the amount that post-secondary graduates can earn before they begin to pay Saskatchewan tax. That, Mr. Speaker, is attractive,

particularly in the context of the tax changes just outlined by my colleague, the Minister of Finance.

So again, Mr. Speaker, I repeat that the graduate tax credit adds more than \$3,100 to the amount that post-secondary grads can earn before they begin to pay Saskatchewan tax. The credit is worth up to \$350 off the tax bill of graduates working in Saskatchewan.

Well, Mr. Speaker, everyone who graduates from eligible post-secondary programs, beginning in January 2000, will be eligible for this one-time provincial credit. They do not have to claim it immediately. The credit can be carried forward to up to four years after graduation.

Mr. Speaker, this unique graduate tax credit, the first of its kind in Canada I might add, is just one more reason Saskatchewan is one of the best places in Canada to be a student.

Saskatchewan offers a wide range of high quality post-secondary programs. For those who need and use financial assistance, Saskatchewan's debt forgiveness policies are among the most generous in the country.

As noted in the Throne Speech, Mr. Speaker, everyone in Saskatchewan knows that higher education and job training are key to ensuring a bright future for our children in the 21st century economy.

The provincial budget supports the important priority we have placed on higher education. The graduate tax credit is one initiative of several supporting this government's priority on education, Mr. Speaker. It is rewarding students for success, a recognition of achievement that many people in Saskatchewan requested.

Well, Mr. Speaker, it is important to understand that post-secondary graduates are choosing to stay and work in Saskatchewan. And while many find success elsewhere in Canada, many graduates from other provinces find their success in this province.

And, Mr. Speaker, the most recent Statistics Canada employment survey of post-secondary graduates shows that two years after graduation Saskatchewan has a net gain of 4 per cent graduates — 4 per cent more graduates, Mr. Speaker — 4 per cent more Canadian graduates working in Saskatchewan than we graduated in Saskatchewan.

Mr. Speaker, that is a record about which we should all feel pleased and proud.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Well, Mr. Speaker, in the free flow of Canada's most educated and best trained, Saskatchewan is a winner. This government is building on that kind of success, building for the future by increasing the budget for higher education and placing a priority on access to post-secondary education and skills training.

As Chair of the Ministers of Education Council Canada, I am very proud of our ability to educate Canadians. This is, Mr.

Speaker, one of the cornerstones of democracy, and I know that of all people you particularly will appreciate the significance of higher learning in the sustaining of democracy in our province and our nation, and a key reason why Saskatchewan and Canada enjoy the highest quality of life anywhere in the world.

When Saskatchewan post-secondary graduates look at their student debt, they are looking at mostly federal debt where there is little forgiveness. Saskatchewan has long been rewarding success through its student debt forgiveness policies.

Now when graduates look at establishing themselves in the workplace, they will be able to increase their earnings by more than \$3,100 before they begin to pay Saskatchewan tax.

Well, Mr. Speaker, post-secondary education and student financial assistance have become part of the national agenda through the work of the Council of Ministers of Education, Canada. I have the honour to chair the CMEC for the next two years and to represent Saskatchewan's interest in this national forum. I'm proud that Saskatchewan is able to lead that agenda by example, Mr. Speaker.

Mr. Speaker, implementing this new tax credit requires the introduction of new legislation. The Post-Secondary Graduate Tax Credit Act provides the authority for the introduction of the new tax credit. The Bill stipulates that application procedures and forms as well as specific program eligibility criteria will be prescribed in the new regulations.

I want to point out, Mr. Speaker, that apprentices are eligible as are those taking any courses of more than six months duration. I will be pleased to discuss the specific clauses of the Bill in more detail during Committee of the Whole.

In closing, Mr. Speaker, let me simply say that this government is listening to the people of Saskatchewan. This Act recognizes the need to support students and their families and be fiscally responsible to taxpayers. We're supporting success in post-secondary education and skills training through this innovative approach.

It's not a stretch at all, Mr. Speaker, to say that we are in the future business in higher education. This proposed legislation facilitates that most important investment. I am proud to move second reading of Bill No. 85, The Post-Secondary Graduate Tax Credit Act.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Well, Mr. Speaker, I agree that in general in Saskatchewan our students get a good quality education, and that's very important, Mr. Speaker, when they go outside of this province looking for jobs because they can't find those good quality jobs in this province under this administration.

The minister talks about a tax credit for tuitions of \$350, Mr. Speaker, which amounts to about \$3 million a year, \$3 million a year — a significant amount of money, Mr. Speaker, but is substantially less than what their campaign promises, their campaign promises promised.

Mr. Speaker, the NDP promise was \$20 million a year. The Liberals, the co-partners in the coalition, Mr. Speaker, promised \$30 million a year. But the \$3 million that the minister is giving is close to another number, Mr. Speaker, that I think is equally important and relevant to students and that's the federal millennium scholarship which turns over \$10 million, Mr. Speaker, in theory, to students in this province.

Unfortunately though, Mr. Speaker, the minister and his government have taken that entire amount of money away from the students and simply absorbed it into their own budgets. The students, Mr. Speaker, do not get a single red cent — red cent, Mr. Speaker — out of that millennium scholarship fund. It does directly to the coffers of the NDP government.

So while the minister may want to sound generous in returning \$3 million, why doesn't he also return, Mr. Speaker, the other \$7 million that he's taking out of the students' pockets, Mr. Speaker.

Mr. Speaker, the government talks, the minister talks about his support for education. Well what about Convocation Hall at the U of S (University of Saskatchewan)? It's ready to fall down, Mr. Speaker. It's a heritage building and if something isn't done about it in the next year or two, it will be demolished.

So, Mr. Speaker, this government is taking money out of the pockets of students while trying to claim a benefit with returning a small portion of that. I think that is unconscionable, Mr. Speaker. That millennium scholarship fund belongs to the students and should be there for the benefit of the students, not for the benefits of the NDP government, Mr. Speaker.

I move adjournment of debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 55

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 55 — The Land Titles Act, 2000** be now read a second time.

Mr. Wall: — Thank you, thank you, Mr. Speaker. There are four Bills before us today in adjourned debates that are all component parts of the government's so-called LAND (Land Titles Automated Network Development) project, and rather than add to the comments of my colleagues on each of these Bills separately, Mr. Speaker, I should like to take this opportunity to indicate that we'll have some very specific questions for all of those Bills and the LAND project in general in Committee of the Whole.

But I think, Mr. Speaker, on a general note, it's worth looking at the so-called LAND project of this government.

Mr. Speaker, in order to execute this particular LAND project that basically computerizes our entire land titles system, the government had a number of options to pursue in terms of the

best way to do that. Not surprisingly, Mr. Speaker, amongst all of the options, the government has clung to the option of creating still another Crown corporation in the province of Saskatchewan — a Crown corporation, Mr. Speaker.

One more, one more late addition to the family of Crown corporations, a family that was created by a taxpayer-funded NDP shopping spree in the 1970s and early '80s. Mr. Speaker, a dysfunctional family that included the purchase of, as the member for Cannington has pointed out, basically holes in the ground, potash mines, jobs that already existed in our province.

It included existing forestry operations and even salt mines, Mr. Speaker. The family of Crown corporations included even salt mines. It's like a very disturbing flashback, Mr. Speaker, to the 1970s, a time in this province when members opposite and members of their party went on a taxpayer-funded shopping spree that forever put this province at a fiscal and economic disadvantage.

Mr. Speaker, and now we have another Crown corporation in the province of Saskatchewan as a result of the LAND project that this Bill relates to and that the three other Bills that I mentioned relate to.

So how's it working so far, Mr. Speaker? How's this latest Crown corporation episode working in the province of Saskatchewan? Well in 1997 in the budget the provincial government estimated that the LAND project, this new Crown corporation, would cost taxpayers about \$20 million. A year later in 1998 the Bill was up to \$31.5 million, Mr. Speaker, for this latest foray, this latest socialist intervention into the economy of the province.

And now, Mr. Speaker, we find out that the bill for this LAND project which this Bill, the land titles Bill, deals directly with, is somewhere between 45 and \$50 million of taxpayers' money, Mr. Speaker. That's about a \$30 million overexpenditure from what was budgeted for this LAND project — a \$30 million waste by the members opposite.

And as we look at these four Bills, Mr. Speaker, and consider this LAND project and this new Crown corporation, this latest addition to the family, we can't help but wonder, how many potholes would \$30 million fix today on Saskatchewan highways, Mr. Speaker?

Some Hon. Members: Hear, hear!

Mr. Wall: — How could our health care in the province be improved with 30 million more dollars that have been wasted on this LAND project, on the establishment of still another Crown corporation?

Mr. Speaker, how many drugs like Aricept could be added to the *Formulary* in this province for \$30 million of taxpayers' money?

These are the important questions that people are asking today as they look at this LAND project, and these are the questions that we're looking at as well, Mr. Speaker. And we'll be asking them in detail in Committee of the Whole for all four Bills that are related to this project.

And so with that I will conclude the adjourned debates, Mr. Speaker.

The Speaker: — I would like to clarify with the hon. member that you moved this Bill to committee?

Thank you.

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

Bill No. 57

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 57 — The Land Surveys Act, 2000** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, we've had ample time we feel to have talked on this Bill, but at this point we'd like to move to committee because we have a number of questions to ask there.

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

Bill No. 58

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 58 — The Condominium Property Amendment Act, 2000** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. The same goes for this Bill, Mr. Speaker. We've had we think a number of occasions to talk on this Bill but again we will have concerns in committee.

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

Bill No. 56

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 56 — The Land Titles Consequential Amendment Act, 2000/Loi de 2000 apportant des modifications corrélatives à la loi intitulée The Land Titles Act, 2000** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I think this Bill we are going to have a number of questions that we need clarified in committee, but we feel that we have spoke on this Bill to this point, and checked with concerned citizens out there who have a number of questions. At this time we'd like to pass it on to committee.

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

Bill No. 79

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Crofford that **Bill No. 79 — The**

Saskatchewan Centre of the Arts Act, 2000 be now read a second time.

Mr. McMorris: — Thank you, Mr. Speaker. Bill 79, The Saskatchewan Centre of the Arts Act, 2000, there are a number of things that we want to deal with in Committee of the Whole.

Before it gets to that point though, I do want to say a little bit about it regarding the Centre of the Arts and all the fine work that has been done there and the fine entertainment that has been brought to this city, and including the province, because of the facility of the Centre of the Arts.

Over the years, it has become well-renowned and known for its catering and convention facilities, along with different performances such as *The Phantom of the Opera* and *Cats* and *Tommy* and *Jesus Christ Superstar* — and upcoming events such as *Annie* and *Beauty and the Beast*.

So it really is a, it's a real showcase for our city of Regina, and it's really done some fine work.

Just a couple of things that I want to talk about. It's indicated that this government . . . It's interesting that this government has noted how important it is, in this piece of legislation, that local control be given to the people in that area. And that's certainly what this Act is looking to do is to give more local control or direct control to the board of the centre.

I believe that in the past the board consisted of about 50 members and they're looking at gearing it down to around 12, which we certainly do think would be a lot easier to control and to work with. I can't imagine trying to get 50 board members in and making any decision regarding that.

As far as giving the board some more control — it's a real good idea. They can hopefully become more self-sufficient again; and accountability is also an option when you get into that giving them more control.

Of course, we can't help but wonder why the legislation allowed for such a big board in the first place. And we're wondering why after 30 years that they're moving towards a smaller board. But we do agree with it.

The terms of the board also are being changed. They're moving from four one-year terms to three three-year term . . . to three three-year terms which should allow more continued continuity within the board which is something that is a very good idea.

The board will also be allowed to create its own bylaws so that policy decisions can be implemented. More responsibility and authority will also be given to the board especially as it pertains to the hiring and supervising of staff and the executive director. They are standard business practices but one that should perhaps be exercised with caution. We'd hate to see that the centre become too self-governed and become a bureaucracy amongst itself. So there are potential dangers.

In the age of cutbacks, downsizing, and layoffs, there are little doubt that the cash crunch has been felt by many, many businesses, and no doubt the centre has felt these also. So we would have seen that the . . . first-hand, since entertainment is

often one of the first areas to be affected, that they have seen some of the crunches.

Thirty-year legislation that has been given the Centre of the Arts . . . didn't give the Centre of the Arts much wiggle room when it came to looking at other options of seeking financial support. So this is one area that will be of interest.

Bill No. 79 addresses this very important issue as it allows the centre to provide its continued viability and sustainability. Financial support can now be sought from a number of sources and the board can do . . . can be allowed to make investments which prior was unable to.

But I would make sure that the board does . . . seeks proper financial advice when it goes to this — and not provincial government after some of the fiascos that this provincial government has been through such as a SPUDCO (Saskatchewan Potato Utility Development Company) or situations like that.

One issue that might need further clarification on is perhaps the Bill's recognition that the Centre of the Arts is an agent of the Crown and as such can sue or be sued. It's unlike the Workers' Compensation Board. And I find it interesting that the WCB (Workers' Compensation Board) can't be sued but the Centre of the Arts can be. So there's an area there that we would like further clarification on.

Overall we're encouraged with the direction that Bill 79 takes. This will serve to strengthen and clarify the centre's existence as an entertainment showcase here in the province.

There are a couple of areas, as I mentioned before, that we'd like to address in further detail but of course we'll do that in Committee of the Whole. So I move to the Committee of the Whole.

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

Bill No. 69

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Serby that **Bill No. 69 — The Urban Municipality Amendment Act, 2000** be now read a second time.

Mr. McMorris: — Thank you, Mr. Speaker. Bill 69, The Urban Municipality Amendment Act, 2000, in general principle we agree with. We agree with the thrust of this legislation.

However, whenever we speak about municipal legislation, whether it's urban or rural, red flags go up after the past three or four months that we have been through with the provincial government and dealing with rural amalgamation or . . . not rural amalgamation but municipal amalgamation. So any time we get into an area like that certainly red flags go up.

With the introduction of nearly every new piece of legislation this year that had anything to do with local government, our phones have been ringing off the hook. And we've been hearing lots and lots of concern on this one as well.

Normally we get very few calls on something like this, but with the Garcea report and the Stabler reports and the movement that this government seems to have in its mind as far as amalgamation of local governments, we've seen a lot of concern.

We do support much of the thrust of this Bill, such as getting rid of the business tax. And that's an area that we've talked about many, many times. We campaigned on that very issue of eliminating the business tax because it is good for business; it will create business; it's good for the province.

Imposing a base tax. And there's been more and more talk of that, of allowing municipal governments to have the option of a base tax if they think that is the direction that their municipality would go. And as said many, many times, as the government closest to the people, they're the ones that probably should know which direction to go in that level.

Both will go far in making our business community stronger, which of course makes our province stronger.

I think with that, that covers most of the areas that we wanted to talk on. We'll be dealing much greater with it in Committee of the Whole, and many more questions on this piece of legislation in Committee of the Whole. So I move it to Committee of the Whole.

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

Bill No. 68

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Serby that **Bill No. 68 — The Rural Municipality Amendment Act, 2000** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my colleague from Indian Head-Milestone has really touched on a number of the issues that are in all of these municipal Bills.

And I think he also touched to a degree on the distrust for this government when you see a municipal Bill brought forward. I think all the people in Saskatchewan, especially in rural Saskatchewan, are very concerned about what the government is up to now, and this year with forced amalgamation I think bore that suspicion out and may still be down the road. We aren't really all that sure of that.

I thought maybe when we saw a municipal Bill come forward this year, maybe actually what the government was finally doing was actually removing the impediments to block volunteer amalgamation, Mr. Speaker, which actually, if the Minister of Municipal Government really cared what he was doing and for that matter knew what he was doing, that's probably what he would have done first rather than to stir up a hornet's nest by coming around and saying, I, I, I will force amalgamation on all of you.

And you have to once again, Mr. Speaker, forgive people in this province for not trusting this government. They were elected in '91, didn't mention a word about hospital closures, and in the

next breath I believe they closed 52, then 53, and then it went on to close the Plains with one of the more ridiculous moves this government has made.

So, Mr. Speaker, my colleague from Indian Head-Milestone has touched on a number of the areas that may have had concern, but I think in essence we really agree with a lot of the things in this Bill, although we will have some questions when it goes to committee.

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

Bill No. 67

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Serby that **Bill No. 67 — The Northern Municipalities Amendment Act, 2000** be now read a second time.

Mr. Bjornerud: — Thank you, Mr. Speaker. We're so eager, Mr. Speaker, that all of us want to get up and talk on this Bill. But having talked about it a number of times in the past, we're probably all of us could get our chances to ask questions at committee.

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

Bill No. 50

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 50 — The Interpretation Amendment Act, 2000/Loi de 2000 modifiant la Loi d'interprétation de 1995** be now read a second time.

Mr. Wall: — Thank you, Mr. Speaker. A number of my colleagues have done a fine job of articulating some concerns and questions that we'll have on this Bill and we'll be asking a lot of those questions in committee.

And I would move that this Bill be moved to committee at this time.

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

Bill No. 51

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 51 — The Interpretation Act Consequential Amendment Act, 2000** be now read a second time.

Mr. Wall: — Thank you, Mr. Speaker. Bill 51 is really attendant to Bill 50 and so the same would apply. And that is that we do have a number of questions for this Bill in committee and we will allow it to move to that stage at this time.

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

Bill No. 59

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Crofford that **Bill No. 59 — The Construction Industry Labour Relations Amendment Act, 2000** be now read a second time.

Ms. Draude: — Thank you, Mr. Speaker. I'm delighted to stand to speak on this Bill again today because a number of people from my constituency have agreed that this Bill is going to have a large impact on our area.

Doepker Industry also was — I was looking at the replies and some of the comments the government has been making about this Labour Relations Board, saying how wonderful it is for not only for their company but for other companies in this province — and they definitely are objecting to the government's stance on this.

We've had an opportunity to meet with many of the other manufacturers, implement manufacturers who will be expressing their concerns to this government in the near future when it comes to understanding what's happening in business.

So, Mr. Speaker, I would at this moment take my seat.

(1545)

Mr. Kwiatkowski: — Thank you, Mr. Speaker. It's my pleasure to enter into debate on the construction and labour relations Act — Bill No. 59. And I guess the way I would start is well, well, well. We went from forced amalgamation to forced unionization. And I guess it's just very typical of what people have come to expect from this government, Mr. Speaker.

Since 1983 the government has allowed construction firms to operate both union and non-union arms. This practice of double breasting has been in place, Mr. Speaker, now almost 20 years. And in those 20 years there hasn't been a single strike in the construction industry — not one, Mr. Speaker.

So the rationalization here is a little difficult to follow. If things were so difficult and if there were so many problems out there with respect to labour and labour organizations, why had there not been a strike in almost 20 years? What is it that has caused the government to decide that at this point they need to bring this legislation in?

Well, Mr. Speaker, there are a couple of very good reasons, the first of which is that we know the NDP did not like the original legislation. This is a way for them now to discontinue the practice of spinoffs. This is a way for them, as some of my colleagues have mentioned, to pay off their big union friends, Mr. Speaker.

Something that's been in place for over 20 years that hasn't resulted in a single strike in the construction industry is now going to be virtually rewritten overnight. I don't think this government understands the chaos that they're going to cause in the construction industry. The chaos will include, Mr. Speaker, people leaving this province — businesses, construction companies leaving this province, fewer jobs for our children, fewer jobs in the future.

Interestingly enough, we even have the editorialists, Mr. Speaker, who don't understand the need for this type of draconian legislation. And I'll just read one quote from a column by Murray Mandryk, and I quote:

But if the problem in the non-union shops is as severe as Crofford suggests, severe enough to legislate an end to them, one might think the minister would be obligated to present evidence backing her concerns.

Well, she didn't. And she didn't just like they didn't present any evidence that forced municipal amalgamation was going to accomplish what they thought it would.

This is a blatant, blatant effort to pay off the unions that surprisingly enough, Mr. Speaker, still support this government after all that they have suffered at the hands of this government.

Interestingly enough, even the unions themselves agree that this is forced unionization. The united brotherhood of carpenters of America wrote a letter to its members bragging that this will now give them the ability to force several of the large contractors to work totally union.

Typically we don't get union . . . unions and employers agreeing a lot on, Mr. Speaker, but they have. This government has, and it's done this in a couple of . . . on a couple of occasions in the past, they have that uncanny ability to unite people with competing interests in terms of their interpretation of what it is that they do. And across the board apparently we have unions and we have employers agreeing that this is, in fact, forced unionization.

The Leader-Post, Mr. Speaker, very much agrees with that consensus as well. I'll quote an article from *The Leader-Post* that . . . as follows:

The effect will be to create new union shops even if workers in these firms would rather remain independent of union status. As a result, many will become union members by decree instead of having the right to vote for union status.

So there we have it, Mr. Speaker. Nothing short of a draconian piece of legislation that will force people, even those who value the right to choice, the right to choose, force them to do what this government wants them to do.

Now the government in its arguments in support of this legislation talks about this will create harmony, labour harmony. Well we know from previous experience, Mr. Speaker, particularly in the health care field, whereafter they interfered with labour, there wasn't a great deal of harmony. And if that's the kind of harmony that they're referring to, Mr. Speaker, I don't think we really need it.

Another argument that they will use is that this promotes a fair wage policy. And yet it has been proven over and over and over again, Mr. Speaker, that in fact a lot of the salaries paid in open shops are better salaries than what they are in the union shops. In some situations we have apprentices who are far better off, far better off in the open shops, Mr. Speaker.

The government also will tell you that this is a way of stopping companies from getting around the spirit of the rules governing unions. And yet if that was the case, Mr. Speaker, if we had people out there, firms out there blatantly ignoring the rules or blatantly disregarding the rules, wouldn't you think that we would have had a complaint, at least one, to the Labour Relations Board in the last 20 years? But no, we haven't.

So obviously the degree of dissatisfaction and the number of people skirting the rules out there has been grossly exaggerated by the government.

To get back to one of my earlier points, Mr. Speaker, I think we really have to understand why it is that the government feels it's necessary to go to the degree that they have with this piece of legislation. And quite frankly, it is . . . this is a payoff, Mr. Speaker — \$300,000 from various unions in the last provincial election.

A good sum of this money, Mr. Speaker, came from the construction trades. So this is a tit for tat, favour for favour, without any regard to the consequences that it'll have on the businesses in Saskatchewan, construction firms, and on the people that they employ.

Now there should be some very, very clear distinctions made here, Mr. Speaker. This payoff is to the union leadership. This payoff . . . these are to the people who are, who are . . .

The Speaker: — Order. Order, please. I would just ask the hon. member to kindly choose his words a little more judiciously.

Mr. Kwiatkowski: — Thank you, Mr. Speaker. The point I was trying to make, Mr. Speaker, is that in the long term this legislation will have no direct benefit to those workers who value the right of choice. Those are the people who in the end will be harmed by this legislation. Their right and their ability to be able to make their decisions about whether they want to belong to a union or not will definitely be compromised with this legislation.

Now it's interesting, Mr. Speaker, that we've got a couple of different things happening here. We've got a Bill that the government wants to pass in order that they can accomplish their forced unionization in this province, giving very little regard as to how that will affect the construction firms and the employers and the employees as I've indicated.

But yet, at the same time, Mr. Speaker, this legislation would not affect out-of-province companies. So consequently these out-of-province companies will be able to come into this province and they will have an unfair advantage over companies that were forced to unionize in this province. And we will lose even more jobs, Mr. Speaker, as a result of this legislation.

I think if we were to sum up the difficulty that we have with this particular piece of legislation, Mr. Speaker, it would be that it takes away completely the right of the individual to determine whether they want to be a part of a union or not.

We have talked about and called for an enhanced democratic process around certification — secret ballots, things that will

guarantee and respect the rights of workers to make their own decisions. This piece of legislation, Mr. Speaker, takes that completely away from them.

And I guess what's really interesting to note as well, Mr. Speaker, is that the government has put themselves in the position of doing something that the unions themselves could not do. They themselves could not force or convince all of these employees to become members of their unions, so now they've come to this government, and this government will in fact do what it is that they're asking them to do.

Mr. Speaker, we still have a number of issues that we would like to further explore with respect to this particular legislation. We would ask that we get a little more time to do that. So at this point I would like to adjourn debate.

Debate adjourned.

Bill No. 42

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 42 — The Cattle Marketing Deductions Amendment Act, 2000** be now read a second time.

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, we have a number of questions and concerns about the piece of legislation before us, Bill No. 42, surrounding cattle marketing and check-offs, and the whole area of that is an issue obviously with producers, cattle producers, in the province.

We feel that those questions and concerns can be addressed in committee, and we'll be allowing the Bill to proceed further.

And, Mr. Speaker, I would want to move the following motion as well:

That we go to item number 5, Bill No. 231, The Fire-fighter Protection from Liability Act.

Mr. Speaker, I'd move that now.

The division bells rang from 4 p.m. until 4:08 p.m.

Motion negatived on the following recorded division.

Yeas — 19

Heppner	Julé	Draude
Boyd	Gantefoer	Peters
Eagles	Wall	Bakken
Bjornerud	D'Autremont	McMorris
Weekes	Harpauer	Wiberg
Hart	Allchurch	Stewart
Kwiatkowski		

Nays — 28

Trew	Hagel	Van Mulligen
MacKinnon	Lingenfelter	Melenchuk
Cline	Atkinson	Lautermilch
Thomson	Lorje	Serby

Belanger	Nilson	Crofford
Hillson	Kowalsky	Hamilton
Prebble	Jones	Higgins
Yates	Harper	Axworthy
Junor	Kasperski	Wartman
Addley		

The Speaker: — The question before the Assembly is that Bill No. 42, The Cattle Marketing Deductions Amendment Act, 2000 be now read a second time.

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

COMMITTEE OF FINANCE

General Revenue Fund Saskatchewan Research Council Vote 35

The Chair: — Before I call the first subvote I'll invite the minister responsible for the Research Council to introduce his officials.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. To my right is the president and CEO of the Saskatchewan Research Council, Jim Hutchinson; and to my left, Lisa Wallace, who is director of corporate performance branch within the department.

Subvote (SR01)

Ms. Draude: — Thank you very much, Mr. Deputy Chair, Mr. Minister, and welcome to your officials. It's been a year since I've had an opportunity to speak to you about the Research Council. And this year it's kind of interesting. I see that we have a Bill coming up for Research Council for the first time I believe since I was elected.

But before we get into that, we have an opportunity to discuss the last year in review for the Research Council, and one of the more interesting things I read in the annual return was the corporate performance branch. Maybe you can give me some indication of how that area of the Research Council is operating.

(1615)

Hon. Mr. Lautermilch: — Mr. Chairman, I'm very glad the member has asked that question. The corporate performance branch is new to the Research Council, and the goal was certainly to enhance the abilities, the performance of our staff, so that we can serve industry and the people of Saskatchewan in a more positive way.

Some of it deals with training of course, and surveying the performance of the different areas within the corporation. And I think it's fair to say that . . . and the president tells me that they are very happy with the branch and how it's been performing thus far.

I think the bottom line is the corporation is there to serve industry, to serve the people of Saskatchewan in terms of enhancing technology and development of research, and

through that, economic development opportunities for Saskatchewan. So as we can enhance the abilities of the employees within the corporation to serve those needs, that is always a positive move.

Ms. Draude: — Thank you, Mr. Minister. Is this branch . . . is this located in the Saskatoon office? How many employees are there in that and what is their goal for this year then?

Hon. Mr. Lautermilch: — Mr. Chairman, there are five employees within the branch. It is located in the Research Council's offices. And I am told that the goal for this year is one of understanding how . . . the improvement and performance of the people within the department. I'm not sure that Ms. Wallace would describe it in that way, but that's my simple way of describing it for you.

Ms. Draude: — Mr. Chair, Mr. Minister, one of the issues that we've been hearing about lately in the news is the water quality in rural Saskatchewan. And I think . . . I believe Mr. Hans Peterson was discussing the problems, the concerns that he may have and that people may be experiencing in our areas.

Can you maybe update us and tell us what the Research Council has been looking into and what work they've been doing in that area?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, to answer the question, within the Research Council, we still provide analytical services for individuals.

Mr. Peterson, who used to work within the corporation, has left the Research Council and is working . . . and we still work very closely with him in terms of providing to municipalities, analysis and the kind of information that would ensure that we have a safe quality of water. And the Research Council sees this as very much a priority and a very important component of our work.

The safety of people's drinking water is of paramount importance not only within the Research Council, but the other arms of government who have responsibilities in that area. But basically, upon request, we do analytical research or analytical analysis of water samples.

Ms. Draude: — Mr. Chair, Mr. Minister, has Sask Water asked you to work with them at any of the water treatment plants in this province?

Hon. Mr. Lautermilch: — Mr. Chairman, that is a role that the Saskatchewan Water Corporation does on its own. They have their own research. They have their own in-house capacity, so we're not working with them in that respect.

Ms. Draude: — Thank you. Mr. Minister, then you haven't been contacted by Sask Water to do an overall project on the quality of water in rural Saskatchewan after the outbreak in Ontario that caused a lot of fear in that province?

Hon. Mr. Lautermilch: — Mr. Chairman, we work with Sask Water in terms of dealing with reservoirs, what kind of a resource is there, and doing an analysis of sort of, you know, a larger source reservoir.

The Department of Health is responsible for the analysis of existing water systems and water treatment plants. That's not the responsibility of the Research Council. But we work in areas where we are requested from Sask Water. I might say we have a very positive working relationship with them in that regard.

Ms. Draude: — Mr. Chair, Mr. Minister, I understand that the Research Council wouldn't initiate a project like this, but I was . . . we were just wondering if this is something that the other department had contacted the Research Council to begin some work on.

Mr. Minister, the government's contribution to SRC (Saskatchewan Research Council) is going up by 7.5 per cent this year. And can you give us an idea of where that increase will be going to?

Hon. Mr. Lautermilch: — Mr. Chairman, this is as a result of the Petroleum Research Centre that's been established here in Regina. And what the increase is for is rent and for moving expenses to the new facility that's located on the U of R (University of Regina) campus grounds, as the member will know.

This is quite a large undertaking that's been jointly put together by the Department of Energy and Mines, the Research Council, the U of R, and the federal government. It's very much . . . we recognize the costs of the transition in moving the Research Council to that facility, but very important in terms of the future of heavy oil and the understanding of that resource in the province.

Ms. Draude: — Thank you, Mr. Minister. The Petroleum Research Centre, I believe SRC has about \$1.5 million invested in it from what I understand. And I was just wondering what rent you are paying now in this new centre.

Hon. Mr. Lautermilch: — Mr. Chairman, the rent for the space as it relates to the Research Council's expenditure will be \$900,000 per year.

Ms. Draude: — Mr. Minister, can you compare that to what they were paying in the old facility?

Hon. Mr. Lautermilch: — The rent in the old facility was \$330,000, so it is quite a difference. But then again we're moving into new space. The ability to do the kind of work that the Research Council is required to do and will be required to do under this new program, is very much responsible for the difference.

Ms. Draude: — Mr. Chair, Mr. Minister, then the new Bill is brought forward that's going to allow the Research Council to do lending and do different work that will . . . the work that will be done in that facility, is that's what you're indicating.

Hon. Mr. Lautermilch: — No, the new Bill and as it relates to the Petroleum Research Centre, those are two separate and non-related items. We will be discussing the changes to the Act as it relates to investment, frankly, in terms of the Research Council's ability to be involved in, I guess, turning some of the knowledge and some of the understanding that we have

developed there into a form of equity if the situation arises.

But that has really nothing to do with the rent; it has nothing to do with the Petroleum Research Centre at all.

Ms. Draude: — Mr. Minister, the work that's being done in the Petroleum Research Centre then, is there a large increase in the number of contracts that are . . . been awarded in the last year and that you're seeing in the future? They will be . . . that work will be done within that centre.

Hon. Mr. Lautermilch: — It's a multi-faceted kind of an arrangement that works there. The Department of Energy and Mines has a research incentive program that was part of our budget cycle. What we're looking for, frankly, is an investment by private industry, partnering with the Research Council and partnering with government entities in terms of research as it relates to heavy oil.

So there can be a combination of different financing arrangements to have a project work. This is certainly not our intention to have it government funded totally through the Research Council or the Department of Energy and Mines. What we're looking for really here, is a partnership.

In terms of the numbers of contracts and the work that has been approved and that will be approved, I would want to say that there are a number of areas — there are a number of discussions ongoing. The research centre is relatively new. The facility is just being built as you will know.

And so we are just in a process of working as a board — and I guess when I refer to we, I'm referring to the Board of Directors of PTRC (Petroleum Technology Research Centre) — in discussions with industry to determine what kinds of projects they would want to be involved in. And the Research Council of course brings some existing work from their activities in heavy oil.

And R&D (research and development) and technology has been available for many years. They've been very much leaders in heavy oil technology and will continue to be. But as this process unfolds, I can't say that I could give you today a long list of new projects that have been signed at this point, but we're certainly working towards some.

Ms. Draude: — Mr. Chair, Mr. Minister, last year when we spoke we talked about the areas of growth within the Research Council and we know that there's many different facets of the council. And I believe last year we talked about agri-biotechnology as being one of the larger areas. This year has there been a continuous growth in that area, or what area of the Research Council has seen the largest growth in last year?

(1630)

Hon. Mr. Lautermilch: — Mr. Chairman, I think if I could, we've talked of one of the areas where the Research Council will be growing — the Petroleum Research Centre here in Regina. There are other areas that this sort of growth transition is taking place. There's a new pipe flow technology centre that has been developed in Saskatoon. This is working with slurries as it relates to uranium mining, perhaps the heavy oil — tar

sands kinds of oil. So there's certainly some growth in that area with respect to biotechnology.

We've opened, I think it was in March, last March, the new fermentation plant which I think has some very, very great potential. And as well GenServ Laboratories that deal with plant genetics as the member will probably be aware of having been a member on the board. These are not brand new items but certainly these are areas where we feel there is a lot of potential for growth for the council.

Ms. Draude: — Mr. Chair, and Mr. Minister, can you tell us what area the council has seen the most private contracts where they're actually making the most money, if we were to say it in those words?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm told by the officials that the . . . I think the biggest area in terms of private sector investment would be in the pipe flow technology centre because it is such a broad, varied group of people that they're doing work for. They're doing work, as I've indicated a little earlier, for the oil sands; they do work with potash companies, the potash sectors, with uranium, heavy oil, pump manufacturers. And all of these people have an interest in ensuring the success of development of that knowledge in that area.

The geo-chem lab has increased in revenue flow from 600,000 last year to about 1.2 million this year, so that's a fair large amount of growth.

But I should say, just as a general principle, what we are attempting to do is, more and more, make the Research Council responsive to industry's needs so that they can attract the kind of investment and development of the technology, and utilizing our resources and our knowledge base within the Research Council to attract that investment.

It varies, as you will know, from industry to industry in terms of what cash flow are there, what their technology requirements are. So it's kind of a static and a moving target to a degree.

But I think fair to say that we see a lot of potential in terms of the pipe flow technology centre, the laboratories, analytical chem lab, Bova-Can, and the other areas that I know you're quite familiar with. There are still, in terms of technology, on that side some very positive growth opportunities we believe.

Ms. Draude: — Mr. Chair, Mr. Minister, thank you. Obviously the Research Council and your department must consider the Petroleum Technology Research Centre as one where there's going to be a considerable amount of growth or else you wouldn't have gone into a facility where the rent cost was considerably more. So I'm sure that's one area that is an open area of growth for you.

I think it was two years ago we were discussing the Research Council, and at that time you were excited about the benefits of the 15 per cent royalty tax credit that the government had introduced. And the same year they'd introduced the 15 per cent R&D tax credit that could be added to the federal tax credit, and you thought that you were going to see a blossoming of technology in research and development.

Can you give us an idea if that has happened? I asked you this question last year and you told me it was too soon to know. So I'm hoping this year it's not still too soon.

Hon. Mr. Lautermilch: — Mr. Chairman, one of the . . . I think one of the areas that we have been having difficulty with, if you go back to last year, the beginning of the year, the first quarter, certainly the price of oil was very much depressed — 11, \$12 a barrel.

What industry has been telling us, and I think it's quite clear if you follow the stock markets, you'll find that the equity markets have not been investing very heavily in the whole resource sector whether it's oil, gas, or potash. The price of oil certainly has had and has taken a very dramatic upturn; oil now, you know, is \$32, \$30 a barrel. So for a while there certainly was a bit of a cash flow squeeze.

But I think some of the areas that have been attracting private sector investment would be . . . and the example I think I would want to use is the Weyburn Pan-Canadian CO₂ (carbon dioxide) project which is attracting investment not only from industry, from government through the program, but there's international investment being attracted to monitoring that particular project because it's such a large-scale project, and we need to know from the get-go I guess just how CO₂ interacts in that kind of an environment when it's injected into that pool.

So that is one area I think that I could point to as being very successful in terms of the R&D incentive project because that will be very much part of what finances that monitoring project.

I've talked with people from the United States, from Dakota Gasification who supply the natural gas, Senator Schafer, the Governor of North Dakota, who is very much interested in the project and its success. So I think you'll see that these kinds of studies, these kinds of initiatives are not only going to attract industry investment here in Canada, but I think it's attracting interest from other governments around the world as well.

It's a very big-scale project, but it's certainly one that I think the R&D project has fit into very well — the incentive project. And I think that the future will show that it's a very relatively small investment in terms of the amount of return that we're going to get from the knowledge that we'll get on that project.

Ms. Draude: — Mr. Chair. Thank you, Mr. Minister. Mr. Minister, the CO₂ project in that area is one that we've discussed for a number of years, and so I'm sort of reading from your answer that as yet you're still not real excited about the return that's come on the tax credits and the royalty taxes. But I guess there's always hope. But I'm sure if somebody can do it, the actual research centre itself will be able to benefit from it.

Mr. Minister, can you give us an idea of how much money the research centre gained from royalties last year?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm told that the amount that we've received in royalties is something like \$7,500. It's really minimal. And that's from TecMark branch of the Research Council, which is what I think we'll be talking about just in a very short period of time. Because what we are wanting to do is take advantage of some of the expertise within

the corporation, either in perhaps a small equity position or an agreement on royalties for what we're able to share with industry.

Because right now we haven't got the opportunity to be able to take advantage of I guess, frankly, the worth of the company. They work basically on an hourly rate on a fee-for-service basis and it may be that there are some instances where a small equity investment, it'll return either profits on that equity or some form of royalties. But the amount is very, very small.

Ms. Draude: — Mr. Chair, Mr. Minister, I just have one last question. When I was looking at the annual return, page 30 under investments, it says investments which are recorded at cost have a market value of zero in 1999. But what I was questioning, why there was \$1,148,577 on March 31, 1998. Could you tell me why there was a difference?

Hon. Mr. Lautermilch: — Mr. Chairman, I would ask the member if it would be okay if we get back to her with an answer to her question. As you can see, we have some people away sick today so we're very short-staffed here. But we will undertake, in writing, an answer to your question within the next few days.

Ms. Draude: — Thank you very much, Mr. Minister.

Subvote (SR01) agreed to.

Vote 35 agreed to.

The committee reported progress.

(1645)

COMMITTEE OF THE WHOLE

Bill No. 76 — The Research Council Amendment Act, 2000

The Chair: — Before I call clause 1, I'll invite the minister responsible to introduce his officials.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. There's really not much change since the last time we were before the committee. Mr. Hutchinson is back and Ms. Wallace is back as well.

Clause 1

Ms. Draude: — Thank you very much, Mr. Chairman, and Mr. Minister, and welcome again to your officials. And I apologize, I didn't thank you when you were here under Committee of the Whole; I knew you'd be back again.

And I know that you also know that I'm excited and interested in what's happening over at the Research Council. And this Bill, although it sounds really interesting, I think the minister scared many of us over here on this side of the House when he gave us some explanatory notes about this Bill, because he refers to it as having the same level of approval as SOCO and talks about SOCO in many instances when he's talking about this Bill.

Mr. Minister, we are wondering if this will give the SRC the power to invest in projects through loans and equity? And we're wondering in what way there will be a difference between SRC and SOCO, and if there's going to be any overlap of the mandate between the two of them?

Hon. Mr. Lautermilch: — Thank you. Mr. Chairman, I think — and it's explained to me by my officials — that yes, the Acts are very much similar . . . to SOCO. And I think part of it was the fact that it was expedient to draft it quite similar.

Certainly no intention to duplicate what SOCO is doing at all. Really what we're looking for is the ability to turn the work that we do into some form of equity. And it's certainly not that we want to set up a parallel lending institution to SOCO, that's just not where it is.

I guess the easiest example and the easy way to describe it . . . and for me it would be easy to do right now. I was out at shopping with my family just the other day and we were buying refills for an E-Zee Wrap 1000, and you will know all about that because I think you were on the board when that work was done. Well at that time, the Research Council did the work, designed the prototype, put it together, but never had the legislative authority other than to work on a by-hour basis.

Now sometimes . . . That was a very successful project. It turned into sales of millions of dollars and a very good project.

What this component of that Bill would do would be allow, rather than working on a hourly basis, the corporation to invest their time in the form of equity.

And many times we have clients that will come to the Research Council, have difficulties, and they've got an idea, good thoughts, and really want to move on a project — don't have the capital. This would allow the Research Council to invest their knowledge and their people in terms of . . . rather than . . . a charge on the hour basis would take an equity portion of an initiative.

Ms. Draude: — Mr. Minister, then the projects that you would perhaps supply equity for or invest money in will be projects that the Research Council has done some background work on, perhaps some R&D or some . . . or they may have been a client of the SRC at the time the project was developed. Am I understanding that correctly?

Hon. Mr. Lautermilch: — All right, Mr. Chairman, I think the other example that I might want to use is: as the Research Council people were monitoring deep-water wells, they had an idea and thought about perhaps how do we monitor these, and how do we monitor the quality? They developed a prototype, patented it, and it's now actually an entity that can be . . . and can have some commercial applications.

Now in this case it may be partnered . . . you know, possible to partner with this monitoring technology, partner with someone else to commercialize, and to bring it into an entity that will create some positive cash flow for the corporation. It's knowledge that's there, why not commercialize it?

It came as a result of work that they had been doing, so it would

make sense to look at the possibility of commercializing perhaps with a private sector partner. In terms of the equity for work done, that I guess is another possibility as opposed to say a fee charge. But certainly the work would be done or has been done within the Research Council itself.

Ms. Draude: — Mr. Chair, Mr. Minister, we've had many concerns expressed that perhaps that this was just another SOCO; that we have another opportunity for the government to decide who's going to get taxpayers' dollars invested in their project.

Mr. Minister, can you give me some assurances that this is . . . the money that's going to be invested is not the \$8 million that is put into the Research Council through the taxpayers' dollars to the General Revenue Fund. And indeed it is money that is from the private sector clients and the people that are doing work and hiring the Research Council to do work. So I guess maybe that's the assurance that we need, that it's not going to be the taxpayers' dollars at risk but more the money that is brought into the Research Council itself.

Hon. Mr. Lautermilch: — Mr. Chairman, there are, I think, written into this Bill a number of areas that will assure that funds, knowledge, would be used appropriately. Investments require board approval, and the board in turn would be looking for a ministerial approval. So the approval process is one that really is quite open.

As you will know, the board is appointed of a cross-section of people from Saskatchewan — urban, rural, north, south — some with a bit of expertise in different areas of work that the Research Council does. So from that perspective there is an approval process that will ensure the public funds, if any, are invested wisely.

I would just say that of the \$8 million, there are times right now where say, with the oil sector as an example; work would be done that would impact, hopefully positively, the whole industry where industry will put up some funds, some private capital, where Research Council would put up some public funds, and then work together on a project to enhance the technology in that particular area.

Without this portion within the Act if there's some technologies that present themselves during that, there is no ability to recapture any royalties from the knowledge that's gained. It's just gone. So this will help us then to capture that.

And if there are royalties gained as a result of some of these initiatives, it would allow that money to be reinvested within the corporation and hopefully we could move to a situation, if we were lucky, where the amount that the province is putting towards the Research Council's annual allocation might in fact even decrease.

So it's just an attempt to try and capture on opportunities that may present themselves in the course of operations of the corporation.

Ms. Draude: — Mr. Chair, Mr. Minister, I felt good when I heard you say that it was going to require board approval, and then your added assurance that it was going to require

minister's approval didn't give me that much more feeling of satisfaction. I'm sure it's the board and the people that are working at the Research Council that the people of Saskatchewan can have some faith in.

And so I'm . . . I know after our discussions today that we will be wondering, will there be limits placed on the SRC as far as what it can invest money in or will it be a decision left entirely up to the board?

Hon. Mr. Lautermilch: — Mr. Chairman, the . . . like the duties of the council are laid out in legislation, and these investments would have to be consistent with those duties, so it's tied, you know, within legislation.

I think, you know, there are some areas where boards will make, I think, some policy decisions within the framework of the Act. And that may vary from board to board. And it may vary from year to year. But with respect to this . . . these changes, this is very much tied to the duties of the council.

Ms. Draude: — Mr. Chair, Mr. Minister, I know that at times in the past there's been individuals that wanted to invest in Saskatchewan, showing that they had faith in the province, and they tried to do so through the Research Council.

Is that . . . will this allow more people to invest in the province? Is it going to open the doors for people to be able to see Saskatchewan as a viable place for growth without any interference from the government, meaning that they can do it directly through the Research Council and not have any hands-on from the government directly?

Hon. Mr. Lautermilch: — Mr. Chairman, I think it's fair to say that the Research Council has operated relatively independent from government and from the day to day operations. There has been a role for a minister who is responsible for the Research Council as a member of the board, but certainly not chairing the board, in my experience.

As well, the Research Council still has the requirement to report through a minister to this legislature, which very much makes it accountable for the public dollars that are allocated to it and that it spends.

In terms of policy, this government's policy has been to understand and know the Research Council as a vehicle to expand economic development opportunities. And that's certainly where we're headed.

(1700)

Ms. Draude: — Mr. Minister, I just have one other question. And first of all, I must comment that I know that the SRC is an independent, free-standing item and that's probably why we do have a lot of faith in it in this province.

Mr. Minister, we're just . . . I want confirmation that the Provincial Auditor will have the same right of access to the books of this part of the SRC, meaning that it can audit all the work that's going on and the money that's invested in it, much as it does with the SRC at this time.

Hon. Mr. Lautermilch: — The amendments to this legislation just allows for some, I guess some extra advice. The Provincial Auditor still performs a review of the Research Council. We still report to the legislature. And it's very similar to other Crown corporations in that regard.

What it will do though is allow the Research Council the opportunity to expand services that will be available to it.

Ms. Draude: — Mr. Minister, I don't have any further questions but I do hope that in a year or so from now we can see that this Bill has made some positive changes to the SRC, and that we'll be able to see that investment and research in this province will grow because of it.

So I will be looking forward to seeing what's happening and we're monitoring. Thank you.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

Hon. Mr. Lautermilch: — Mr. Chairman, I want to thank the member for her thoughtful questions and my staff for their assistance. And I would like to move the committee report the Bill without amendment.

The committee agreed to report the Bill.

The Chair: — It now being past 5 o'clock the committee will recess until 7 p.m. this evening.

The Assembly recessed until 7 p.m.