

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of people who are concerned about the tobacco legislation:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be found in possession of any tobacco products; and furthermore, anyone found guilty of such an offence be subject to a fine of not more than \$100.

The people who have signed this petition are all from Wadena.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also have a petition. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nations representatives, and with other provincial governments to bring about a resolution in the Lake of the Prairies situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

The signators, Mr. Speaker, are from the communities of Bird's Point and Stockholm.

Mr. Stewart: — Thank you, Mr. Speaker. I rise this afternoon to present a petition signed by citizens concerned with this government's tobacco legislation. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

Mr. Speaker, this petition is signed by individuals all from the city of Moose Jaw.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I have a petition to present regarding the condition of our highways in the province. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 35 in the Indian Head-Milestone constituency in order to prevent injury and loss of life and to prevent the loss of economic opportunity

in the area.

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

Mr. Speaker, this petition is signed by people from Weyburn, Lampman, Francis, Odessa, and Glenavon.

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens of Saskatchewan who are concerned about the tobacco legislation. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco product; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

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

And the petition is signed by residents of Weyburn, McTaggart, and Colgate.

I so present.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here to improve Highway 42:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life, to prevent the loss of economic opportunity in the area.

As in duty bound, your petitioners will ever pray.

Signed by the citizens from Eyebrow, Brownlee, Central Butte.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. I have a petition from people who are concerned about the annual drug prescription plan. And the petition reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

As in duty bound, your petitioners will ever pray.

And, Mr. Speaker, this petition has been signed by good people from Prince Albert.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition

from citizens concerned about rising crop insurance premiums. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

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

Signed by the good citizens of the Battlefords.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. And, Mr. Speaker, it will be no surprise today I have a petition of citizens concerned about Highway No. 15. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its highway budget to address the concerns of the serious conditions of Highway 15 for Saskatchewan residents.

And the petition is signed, Mr. Speaker, by citizens from Watrous, Simpson, and Imperial.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have a petition signed by residents of the province concerned about the tobacco legislation. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend the tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

Mr. Speaker, the petition is signed by people from Spiritwood, Lloydminster, Belbutte, and Leoville.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received.

A petition concerning repairs to Highway No. 23; and

Addendums to previously tabled petitions being sessional paper no. 7, 8, 11, 18, 24, 59, and 129.

INTRODUCTION OF GUESTS

Hon. Ms. Crofford: — Thank you very much, Mr. Speaker.

Today I'd like to introduce to you and through you to all members of the Legislative Assembly, a group of hard-working public servants who have taken some time out today to learn a little more about what we do in our day-to-day jobs.

And we have people represented here from the departments of Government Relations, Agriculture, Food and Rural Revitalization, Health, Industry and Resources, Social Services, Justice, Environment, Highways and Transportation, Culture, Youth and Recreation, and Learning. And I look forward to meeting with our group later today and having a discussion about the work of the legislature. And I ask all members to join me in welcoming them today.

Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Speaker. I too would like to join with the minister in welcoming the public servants to the Legislative Chamber today. I too will be having an opportunity to meet with them after question period, around 3 o'clock I believe or 3:30, and hope to be able to answer some of the questions that perhaps weren't answered during question period. Welcome here.

Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. I consider it a privilege today to be able to introduce a school group from my community. And I'm sure the Premier will be glad because it will be the best behaviour that I've been on all year.

The students are from Hague High School. And there's 57 of them, grade 11 and 12 students, and am I glad I didn't offer to buy them chocolate sundaes, with all 57 of them. Accompanying them are teachers — the best English teacher in Saskatchewan — Margi Corbett, Scott Richardson, and a number of other individuals: Barb Braun, Val Reddekopp, Helen Wiebe, Dale Wagner, and most important of all, John the bus driver.

So would you join me in welcoming these students to . . .

Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Speaker. I would like to introduce to you and through you to the rest of the Assembly, 16 students sitting in your gallery, Mr. Speaker, from Odessa, Saskatchewan. They made the trip in from Odessa last night and spent the evening in Regina and are making a few stops around the city today. And of course the Assembly is one of them.

Their teacher, Karen Zarowny, Dave Wild, Colleen Hoffman, and Pat Muchowski are accompanying them. I had an opportunity to meet with them prior to coming into the Assembly today. And it's quite interesting, they've done a lot of work on the parliamentary system in our province. They've had some mock parliaments and I guess are here to see whether we resemble what they did there.

It was quite interesting though, they are looking for a heated question period. And I'm sure we're going to be able to accomplish that today.

I welcome them all here today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Trailtech Industries Expansion

Mr. Stewart: — Thank you, Mr. Speaker. Last Friday I attended the sod turning for a major expansion at Trailtech Industries in Gravelbourg. Trailtech started business in 1997 manufacturing and distributing light commercial flat deck trailers and ag transports into Western Canada, Ontario, and the United States.

A devastating fire in June 2000 destroyed half of Trailtech's facilities. But recently Trailtech merged with an Alberta company in June 2001 which created Montgomery Brown Group Inc. and doubled the size of the company. This plant expansion is the first major building project of Montgomery Brown at Trailtech Inc.

Trailtech employs 95 people full-time at the Gravelbourg facilities. The project consists of 21,600 square foot, made-in-Saskatchewan steel building which will be used for enhanced finishing and new product development and will require an estimated additional 20 people. The cost of the project is estimated at \$1.2 million, entirely funded by the combination of Trailtech reserves and bank financing.

This is being accomplished in Saskatchewan by Saskatchewan entrepreneurs and without one penny of government money.

Congratulations to Keith and Rosemarie Brown. You are the kind of entrepreneurs that this province needs to be successful and to grow our population by 100,000 people in 10 years.

Also congratulations to the management and staff of Trailtech and the community of Gravelbourg, all of whom made this possible.

Some Hon. Members: Hear, hear!

Tamara's House Opens

Ms. Atkinson: — Thank you. This morning I was privileged to attend the official opening of Tamara's House, the only facility of its kind in Saskatchewan and, in fact, Canada.

Tamara's is a charitable, community-based organization 11 years in the making that is dedicated to supporting the complete healing of female survivors of child sexual abuse. Women come to Tamara's House for short stays when they need support to deal with child sexual abuse.

Tamara's House is a beautiful eight-bedroom home that includes a healing centre, a sacred space, a library, bedrooms for overnight stay, and complementary care rooms. The centre is a safe place for women where they are believed and can get support from other women.

By utilizing new understandings about sexual abuse, its after-effects, and effective healing strategies including holistic

approaches, Tamara's helps survivors along the path to healing and wholeness.

Not only does Tamara's House help female survivors of child sexual abuse, but the centre works to help society break the silence and the generational cycle of child sexual abuse in an effort to make the world a safer place for children.

Mr. Speaker, I am so proud that this much needed facility has finally opened in Saskatoon. I invite all members of the House to join with me in congratulating every solitary person who was instrumental in seeing this project through to fruition.

Tamara's is a right step in the right direction for female survivors of sexual abuse that we should all be proud of and one that sets an example for the rest of the country.

On behalf of all of my colleagues in government, I want to wish all of the volunteers and everyone who has had anything to do with this historic occasion the very best in the years to come.

Some Hon. Members: Hear, hear!

Principal of the Year Award

Ms. Draude: — Mr. Speaker, it gives me great pleasure today to rise to recognize the principal of Robert Melrose Elementary School in Kelvington, Laurel Irving Piot, who has been chosen out of over 800 other principals to be awarded the provincial, Distinguished Principal of the Year Award.

In the tribute to Mrs. Irving Piot, Mrs. Kathi McLeod remarked:

There are many kinds of leadership styles. Laurel ranks right up there with the best and I'll tell you why. It is a story that spans many years and involves many things. Our school is a caring, sharing school, a kinder, gentler place where all people are respected and the needs of children are met in every possible way. The reason for this growth in achievement can be linked to our principal and friend — Laurel Irving Piot. Her list of accomplishments is long and continues to grow.

Mr. Speaker, some of these accomplishments include: implementing a band program for students in grades 4 and 5; funding a new playground; funding a computer lab; a millennium project that makes pottery tiles to become part of gigantic mural; and implementing a grassroots program entitled, Band on the Web. She also supports plays, concerts, poetry readings, musicals, and skate-a-thons to name just a few.

Mr. Speaker, Mrs. Irving Piot has not only been an inspiration to the teachers and students of the elementary school, she has also been very active in the community of Kelvington as well. She's on the provincial organization such as Sask Sport Inc., Synchro Saskatchewan, Sofia House for women, and the Canadian Legion.

I would ask this Assembly to join with me in thanking Mrs. Irving Piot for her dedication to the children of the community of Kelvington. Her work will ensure that students from this community will develop skills necessary to continue their education and eventually become contributing members of

society.

Thank you.

Some Hon. Members: Hear, hear!

(13:45)

Premier's Business Lunch

Mr. Yates: — Thank you, Mr. Speaker. Yesterday at one of Regina's fine downtown gathering places, the Premier hosted his second annual Premier's Luncheon. The second of many annual luncheons, Mr. Speaker.

Over 600 Regina business and professional people paid a very modest fee for an excellent lunch and received in return a spirited, entertaining, documented, well reasoned, and at the same time inspirational message about Saskatchewan's economic prospects for this year and the future.

No gloom, Mr. Speaker, no doom. The Premier's speech was delivered in the clear light of day, at noon in the capital city of our province of Saskatchewan — not Calgary, Alberta. And as you know what else, Mr. Speaker, his optimistic message of how our province will grow and prosper in this age of globalization made sense.

Of course if you love this province, if you admire its people, if you believe in their entrepreneurial spirit, if you understand and appreciate our natural advantages, then this is easy to be optimistic — justifiable optimism, Mr. Speaker. And this message from our Saskatchewan leader was well-received by the audience of Saskatchewan people because they appreciate straight talk almost as much as they shun mumbo-jumbo, Mr. Speaker.

Finally, Mr. Speaker, I leave this to you and other wiser people to interpret. Almost as soon as the Premier concluded his remarks about the need for rain, it began to rain. Coincidence? Perhaps. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Aboriginal Awareness Week

Ms. Julé: — Mr. Speaker, May 21 to 24 is Aboriginal Awareness Week across Canada. This week marks the time in which we recognize and celebrate the many significant contributions made by Canada's Aboriginal people and when we look forward to enhanced understanding and co-operation between Aboriginal and non-Aboriginal people in Canada, in order to capitalize on the boundless opportunities available to effect a wholesome and prosperous society for all people.

Aboriginal people are the fastest growing segment of the population in Canada, Mr. Speaker, and nowhere is that more relevant than here in Saskatchewan where it is expected that Aboriginal people will make up 30 per cent of the population within the next few decades. What that means, Mr. Speaker, is that there is a wealth of enthusiasm, energy, and experience that is literally waiting to be tapped into.

All members of the House know the important role that Aboriginal people play in Saskatchewan's future. Quite simply, Mr. Speaker, the success of the province depends largely on the success of our Aboriginal people.

Mr. Speaker, as Indian and Métis affairs critic for the opposition, I have seen first-hand the many serious issues currently facing our province's Aboriginal people. And during Aboriginal Awareness Week I encourage all residents of the province to become more aware of those issues and to recognize the many contributions made by Aboriginal people, as well as the wonderful potential that they possess — a potential that will greatly impact everyone's future.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Moose Jaw's First Annual Business Awards

Hon. Ms. Higgins: — Thank you, Mr. Speaker. It was my honour last night, along with my colleague from Moose Jaw North, to attend Moose Jaw's first annual business awards. This event, sponsored by the district chamber of commerce and the Moose Jaw REDA (regional economic development authority), presented awards to businesses who have demonstrated excellence in their fields.

The award for young entrepreneur, an award for someone under 30 who has established or expanded a business, went to a Orion Taxidermy owner, Rion White. Rion in 1999 was recognized with a world championship for his taxidermy work, and has recently expanded his Moose Jaw business from three employees to seven.

In the exports category, Prairie Berries won the award. They designed a marketing plan that successfully brought together seven Saskatchewan orchard growers in seeking larger markets for their Saskatoon berries, with the motto "working together, we are better".

Cranberry Rose was the winner of the customer service award. The Victorian setting allows patrons to enjoy personalized service in a very relaxed atmosphere.

Nutravim received the new business venture award through manufacturing high-quality Saskatchewan health products at a reasonable price.

And Tim Hortons, Mr. Speaker, one of my favourite stops, received business of the year.

Wrapture Day Spa & Salon won the award for job creation. Wrapture has increased its full-time staff from four to nine this year.

Mr. Speaker, although only these firms received awards, all of the entries should be congratulated because their success contributes to our success as a province and a good place to do business.

Some Hon. Members: Hear, hear!

**Swift Current Chamber of Commerce
Business Excellence Awards**

Mr. Wall: — Thank you, Mr. Speaker. Over the years businessmen and women in Swift Current have had to persevere. They had to compete with drought and slow periods in the oil patch. They'll tell you that they've had to constantly battle with their proximity to Medicine Hat.

And last night was no different, Mr. Speaker, as small-business people battled the wind and the cold and the snow — albeit welcome snow — to make their way to the Civic Centre in Swift Current where I had the privilege to also attend the annual Swift Current Chamber of Commerce Business Excellence Awards.

Mr. Speaker, there were 270 people gathered to celebrate the best in local business at the fourth annual awards night. This year there were 34 nominees in 8 categories.

Congratulations to Mary Taylor-Keefe and Clark Moen, who accepted the award for business of the year for T.S. Metals. The business choice award went to John Gannitsos of the Akropol Café. Wyatt Hughes of Double T Computer Services accepted the award for young entrepreneur. The customer service award went to Harry and Theresa Friesen of Professional Upholstery and Carpet Cleaning. Mike Coupland of Dooly's Billiards was named the new business of the year. Pat Perry accepted the heritage award on behalf of Creative Video. Bert and Paulette Legault of Legault Manufacturing picked up the community involvement award. And the award for property appearance went to Trudy Lacher of Yours Truly Gift Shop in Swift Current.

Once again, I'd like to congratulate all of the nominees and the award winners, and hats off to the Swift Current Chamber of Commerce for hosting another excellent SCABEX (Swift Current Achievement in Business Excellence) awards in Swift Current.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Investment in Ethanol Industry

Mr. Wall: — Mr. Speaker, two weeks ago in the Crown Corporations Committee hearings, the president of CIC (Crown Investments Corporation of Saskatchewan), Frank Hart, said no deal had been struck with Broe industries for ethanol production in the province of Saskatchewan. He also said the government had no specific plans for investing taxpayer dollars directly in the industry. In fact he said, and I quote:

... if projects can proceed without our investment, we would actually prefer to see that happen.

Yet this morning, just two weeks later, Mr. Speaker, at a press conference attended by several senior officials at CIC, the news was pretty clear. The government is close to putting in 100 million taxpayer dollars into this deal. The question to the minister responsible is this: why has the NDP (New Democratic Party) given up so quickly on producing ethanol in

Saskatchewan without government money? Why have they no faith in the private sector to develop this industry?

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. I want to thank the member for the question. And I want to begin the answer by asking him if he would care to detail the people from Crown Investments Corporation who represented that corporation at this media conference this morning?

My understanding it was a group of people from across Saskatchewan who are interested in developing ethanol in their communities — people from Shaunavon, Tisdale, Melville, Belle Plaine, along with Broe group. And I want to say, Mr. Speaker, I thought it was reports that came back to me that, of course, the Saskatchewan Party had staff there and I believe that to be the case.

I would have thought they would have brought back the comments that came as a result of this media event this morning held by people across this province, that they were very enthusiastic about the fact that there was a private sector investor willing to come to this province and commit to 60 per cent of ethanol development initiatives that these people have been working on for some time.

I ask the member opposite to name those officials. But what is important is that I ask him to tell us what he will support with respect to ethanol development.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, what the NDP keeps telling us about this particular deal is indeed that no deal has yet been struck. But at this morning's press conference there was some pretty specific information available to the media.

They talked about the size of the plants, they talked about the location of those plants. They talked, Mr. Speaker, about the amount of money that the taxpayers could be exposed to with respect to this development up to \$100 million. That is a huge expenditure of taxpayer dollars. Mr. Speaker . . .

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

Mr. Wall: — Mr. Speaker, there was talk of a MOU (memorandum of understanding) being signed. Mr. Speaker, I want to ask the minister this question: has cabinet approved this deal? Mr. Speaker, has the CIC board approved this deal or is CIC President Frank Hart running around this province, committing taxpayer dollars and doing deals without the approval of the government's cabinet?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, let me ask that member and his colleagues: why don't they support, why don't they support the people from their communities? Why don't they support the business people from Tisdale? Why don't they support the business people from Melville? Why don't they support the business people from Shaunavon? Why don't they support the business people from Moose Jaw and Regina, all of whom were there?

Mr. Speaker, let me say to the member opposite . . .

The Speaker: — Order, please. Order.

Hon. Mr. Lautermilch: — Mr. Speaker, I think it's very disturbing when you have a group of business people from across this province who hold a press conference trying to get a message across that what they have been working on is a good thing, that they have found a private sector investor who is willing to invest up to 60 per cent of ethanol development. They have also said that they are raising money in their communities in order to support that 60 per . . .

The Speaker: — Order, please. Order, please. Let's try to get it down to one person speaking at a time here — just close to it.

Hon. Mr. Lautermilch: — So, Mr. Speaker, let me say this to the people of Saskatchewan. The Saskatchewan Party can stand in this House and misrepresent the truth. They can stand in this House and speak half-truths, Mr. Speaker, which is what they do. And I want to say, Mr. Speaker, the people of Saskatchewan see right through them. This is nothing more, this is nothing less than blatant politics.

And I'll tell you that this government will support the business people . . .

The Speaker: — Member's time has elapsed. Member's time has elapsed.

Some Hon. Members: Hear, hear!

Mr. Wall: — Well, Mr. Speaker, did you note . . . Did you note, Mr. Speaker, that he didn't answer the question whether cabinet has any idea of the specifics of this deal?

But I guess these kinds of deals don't need cabinet approval from this government, Mr. Speaker. They'll just go ahead and do the deal, pay Reg Gross \$30,000 to survey the cabinet to see how they like the deal, Mr. Speaker.

Mr. Speaker, the NDP is about to enter into an exclusive deal; it appears, it appears they're about to enter into an exclusive deal with Broe industries that will require millions of taxpayers' dollars even though the company has no experience in ethanol.

The Saskatchewan Party has obtained a letter from Commercial Alcohols Inc. that was sent to CIC President Frank Hart earlier this week. Commercial Alcohols is the largest producer of ethanol in the country. They are interested in building plants in the province of Saskatchewan, and they have a concern about an exclusive deal between this government, Mr. Speaker, and any particular private company.

The question to the minister is this, Mr. Speaker. How in the world could this government sign a deal — any deal, any exclusive deal — with any company that would be a disincentive to Canada's largest ethanol manufacturer to invest in the province and grow the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, let me say to the

member opposite that no deals have been signed by Crown Investments Corporation or by this government. Mr. Speaker, there have been discussions with respect to what the proponents of investment would require and what they would desire in terms of a provincial government role.

There have been discussions with local communities in terms of how much money they'd be able to raise. The Broe group of companies, who this member stands up and maligns, who as a matter of fact have operated and are operating businesses in northern Saskatchewan — short-line railroads, Mr. Speaker — the Churchill, the Port of Churchill, Mr. Speaker.

Mr. Speaker, that member should understand of what he speaks. These people are doing business in this province. They're well respected by people like Jim Boxall. And I don't want to raise his name but, Mr. Speaker, he mentioned specifically this morning in his remarks that these are good people. And why would he partner with them? Because he trusts them; they've got the capital to make things happen. Mr. Speaker, he's not involved in politics the way that member is, a myopic view of . . .

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, the only group that we have a problem with, with respect to this deal, is this NDP government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — That's who we have the problem with. They are . . . What might . . . The spectre of what we're dealing with today is the ghost of that old potato investment, Mr. Speaker. These are all the same words we heard when the government ventured into potatoes and 28 million tax dollars later here we sit, Mr. Speaker, with a potato industry trying to recover. That's what we're concerned about on this side of the House.

Mr. Speaker, Commercial Alcohols is Canada's largest ethanol producer. And in this letter to Mr. Hart, they also attached a letter from their financial partner, RBC financial capital partners, Mr. Speaker, and that letter made it pretty clear. This company has the financial means to invest in our province and to grow the ethanol industry in our province.

So, Mr. Speaker, we'll give the minister one more chance. Why in the world would he even consider a deal with any company, whatever that company might be, that would be a disincentive to any other Canadian manufacturer or world manufacturer of ethanol from investing in the province and creating jobs in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, he can attack this government. He can attack Crown Investments Corporation, and he can attack every member of this caucus personally. He can do that.

But I tell you what he does, Mr. Speaker, as well. He attacks business people, people who are interested in advancing agriculture, value-added agriculture in communities like

Shaunavon. And where does that member stand? In communities like Tisdale. And where does that member stand? In communities like Melville. I know where our member stands.

Mr. Speaker, you can malign us, you can malign us, and you can malign American investors. You can malign investors who have brought Canadian companies into this province. You go ahead, but I tell you what. You better look in your back . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order. Order. Order. Order, order. Order. Order. Order. Order. I would ask the member in his remarks to remind himself and to remember that all remarks are to be made to the Chair and not directly to any member in the Assembly.

Drought Assistance for Livestock Producers

Ms. Harpauer: — Mr. Speaker, my question is for the Minister of Agriculture. Yesterday a much needed part . . . or the southern part of Saskatchewan got much needed moisture through the form of a blizzard, but the vast majority of farm families are still staring at dust storms of the worst drought in Saskatchewan history.

The cattle producers are facing an immediate crisis. There's no water in the creeks and dugouts. There's no grass in the tinder dry and overgrazed pastures. And there's no carry-over feed for the cattle. And so far, Mr. Speaker, there is no hope of any assistance from the provincial government.

Mr. Speaker, what immediate action is the NDP government taking to assist the Saskatchewan cattle producers who are facing devastation in their industry because of the drought that just seems to be getting worse?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I want to say to the member opposite that we implemented a number of policy changes this year and last year to assist with the livestock producers. And I want to just highlight what they are, Mr. Speaker, so that the member would know. And I could send them over to her later so that she'd be able to see what they are, Mr. Speaker.

We made adjustments, as you know, Mr. Speaker, to the crop insurance program, Mr. Speaker, so that we could provide for a forage rainfall program in Saskatchewan, Mr. Speaker. We also added in the program this year, Mr. Speaker, the tax referral portion, Mr. Speaker, so that livestock producers could set aside any tax revenues that they might have this year for future years.

And we've also listed, Mr. Speaker, the number of bales and hay that we have in the province today. And interestingly enough, Mr. Speaker, today — today, May 23 — we have more hay that's listed on our Web site than we had a year ago at this time. So there's lots of hay, Mr. Speaker, for producers across the province. The access of this, Mr. Speaker, is the issue. That's the issue.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, I fail to see how . . . I believe the tax incentive is great. But if we have to sell all our cattle, that's the issue that we're talking about here.

Mr. Speaker, the cattle producers, they need help right now and what they don't need are more excuses from the NDP government that seems happy about doing absolutely nothing.

Last week the association of agriculture producers warned that the cattle producers are preparing to sell off between 50 and 70 per cent of their herds if the drought persists and the government continues to do nothing about it.

And here's what Ryan Peterson of Peterson's Auction Market in Kelvington said, and I quote:

I am extremely concerned about the effect of the drought on the livestock industry. Farmers . . . are running out of feed, unable to put their cattle on pasture, unable to buy feed due to a shortage and coping with the lack of water in (the) dug-outs and (the) wells.

Mr. Speaker, will the minister demonstrate today that he understands the devastation that this drought is causing in our province?

What steps is the NDP government taking to address the potential of a wholesale sell-off of the cattle herd of this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I assure the member opposite that I've had a conversation with the Saskatchewan feeders association just at noon today. I've had a conversation with the Saskatchewan Stock Growers Association in this province just yesterday. So I'm fully aware of what's happening in rural Saskatchewan today in a major way.

And I want to say to the member opposite, there's a number of facts that she should make herself aware of, and I want to raise them and share them one more time.

On May 1, 2000 we had in supply about 5.8 million tonnes of hay, in the year 2000. In May 2001, we had about 9 million tonnes of hay. And on May 23 . . . or May 1 of this year, we had 14 million tonnes of hay for our producers across the province, Mr. Speaker.

I want to say as well, Mr. Speaker, that last year at this time we had the 2.325 million head of cattle. This year, Mr. Speaker, we have 2.235 million head of cattle — up 10,000 head over last year.

And it's true, Mr. Speaker, that we have a problem in Saskatchewan today in terms of the drought. And we're working closely with livestock producers to make a difference. What we won't do, Mr. Speaker, is take the plans that the members opposite have provided — which is no plan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. And I thank the Minister of Agriculture for the opportunity to say what the Saskatchewan Party plan will be. Because the NDP government's refusal to step forward, other than to have meetings and talk about it, at a time when the farm families in the livestock business are being devastated is totally unacceptable.

Today the Saskatchewan Party is calling on the government to take immediate action by committing \$10 million through the Saskatchewan Water Corporation to assist cattle producers in drought-stricken areas. Mr. Speaker, this funding would be allocated for three things: drilling new wells, digging new dugouts, and the purchase of more pumping equipment. Mr. Speaker, these three things are critical if we are to sustain the cattle industry in our province.

Will the minister support the Saskatchewan Party plan to assist the struggling livestock industry?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Interesting position that the member opposite has taken and the party opposite has taken, Mr. Speaker. Because last year when we called on the federal government to provide additional \$1.1 million for drought, the members opposite said no, we're not supporting that, Mr. Speaker.

And this year, when we went to the federal government and said we need to top up the crop insurance program, they said oh no, we're not going to assist in the topping up of the crop insurance money because you know what, it's all federal money.

Today the member opposite stands on her feet and says, you know what, you need to pump \$10 million in Saskatchewan . . . of Saskatchewan taxpayers' money, Mr. Speaker, into a program that should be owned by the federal government. This is a PFRA (Prairie Farm Rehabilitation Administration) federal/provincial . . . federal program, Mr. Speaker.

The members opposite, who have turned coat by the seams . . . by the design over there, Mr. Speaker, it appears that we now have a group of men and women who are defending the federal government in their response, as opposed to joining forces with us and making the federal government participate in water programs which belong, Mr. Speaker, to the federal government, not to the province.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, this minister better know that the cattle are in this province and the industry that's being devastated is right here in this province.

And what SaskTel is planning to do is invest \$80 million in rural Australia. But accordingly the CIC . . . SaskTel is having trouble finding a partner. So, Mr. Speaker, the Saskatchewan Party has yet another solution — don't invest the 80 millions taxpayers' dollars to provide cellphone service in Australia. Instead invest \$10 million of that money in new water infrastructure here in our province of Saskatchewan for farm

families here in Saskatchewan.

Mr. Speaker, will the NDP government finally get their priorities straight and instead of investing \$80 million in rural Australia, let's invest \$10 million right here in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I've heard a number of positions taken by that opposition party but I've never heard anything that's so real . . . unrealistic as this statement that she made.

Today in Saskatchewan, Mr. Speaker, today in Saskatchewan . . .

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

Hon. Mr. Serby: — Mr. Speaker, today in Saskatchewan we spend 5 per cent of our budget on agriculture, Mr. Speaker — 5 per cent. The national government spends less . . . or just over 1 per cent, Mr. Speaker, and the US (United States) government spends somewhere in the neighbourhood of 3.7 per cent. We spend per capita, Mr. Speaker, more money on agriculture than any other jurisdiction in Canada.

And what happens by the members opposite when we talk about agriculture? They stand up and they say we should be taking more provincial resources and we should be dumping it into the Saskatchewan economy, provincial tax dollars.

And I say to the members opposite, get on board — get on board or get out of the way.

When we talk about crop insurance, we get . . . talk about crop insurance, you say, this should be paid for by the provincial government. When we talk about paying for water projects, you say it should be by the provincial government.

The Speaker: — The member's time is up.

Some Hon. Members: Hear, hear!

Performance of New Democratic Party Government

Mr. Hillson: — Mr. Speaker, after the Devine government had to abandon its plans to privatize SaskEnergy, it was left as a government with no policy beyond stomping out fires and beating off alligators. Now with this government it's déjà vu all over again.

The minister of energy announces an ethanol policy that he says will be driven by private investment and will not pick winners and losers. He apparently doesn't know that he's about to be overruled by CIC and Points West. This province is forced to back off its despicable attempt to gouge nursing home residents.

Mr. Speaker, this province, wallowing in the worst economic stats in Canada, cannot afford a further two years of a government that can't control its civil service and is routinely overruled by CIC.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Now that the government has reached that terminal point of no return, are they finally going to start governing or are they just going to run out the clock while they cling to power?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, what has become clear to every member on this side is that governing has become much, much easier since that member took his rightful place . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — And I want to say, Mr. Speaker, what's more, that recognition has been aided by the fact that he hasn't done one single thing with the federal Liberals to help us garner some support with respect to agriculture. What has become also very clear, Mr. Speaker, the ineptness that he evidenced over here is quite clearly the same as he does over there.

I would ask that member to do this: stand back and have a look at what this province really needs from him as a member of this legislature. And that's to use his federal connections to tell those folks that we cannot support our agriculture community against Washington and the European Economic Community alone, that that is their responsibility. He can tell them that they might want to look at a national mandate for ethanol that will help us to grow our grain industry. He might want to tell them that they would have another look at Kyoto and how it will impact on our agriculture industry and how . . .

The Speaker: — The member's time has elapsed.

Mr. Hillson: — I am quite prepared to accept the verdict of my constituents. I doubt my former colleagues are quite so sanguine.

Some Hon. Members: Hear, hear!

Mr. Hillson: — The people of North Battleford are highly unlikely to vote for a Premier who said he would be there for them and then wasn't.

Jim Pankiw stands a better chance of being elected chief of the FSIN (Federation of Saskatchewan Indian Nations) than the NDP in North Battleford.

Some Hon. Members: Hear, hear!

(14:15)

Mr. Hillson: — Prior to session beginning we were told there would be major pieces of legislation before us: reform of no-fault insurance, changes to labour standards, changes to farm ownership. None of them are before us. The province turns in the worst job creation stats in Canada and the government shrugs it off.

Mr. Speaker, Oliver Cromwell said it best:

You have sat here too long for any good you have done.
Let us be done with you.

Will the government start governing, or in the alternative take Oliver Cromwell's excellent advice?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, the rooster stands up to crow again. I sometimes believe, I sometimes believe that the only reason he gets up to crow in the morning is so that he can make the sun aware of the fact that he's still around. Mr. Speaker, and the verdict of his constituents, he will face.

Mr. Speaker, he's asking for legislation to be brought forward with respect to no-fault insurance. That he shall see very shortly.

Mr. Speaker, he is asking for a farm ownership decision and legislation to that regard to be made soon. He will know that it's before a committee of this legislature and that decision will come back to this legislature and a decision will be made.

And, Mr. Speaker, you know we are in day 49 of this session. He has added nothing to this session in the first 49. I'm assuming he'll have as much to add in the next 49 . . . (inaudible interjection) . . . 46?

An Hon. Member: — Forty-six.

Hon. Mr. Lautermilch: — Sorry, 46. But we're going to be very patient. Forty-six. I stand corrected but we're going to be patient for the next 46 days to see if in fact there's a glimmer of hope that he will add something to this institution during this session of the legislature.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, before orders of the day, by leave of the Assembly to move a motion of referral.

Leave granted.

MOTION

Estimates and Supplementary Estimates Referred to the Standing Committee on Estimates

Hon. Mr. Lautermilch: — Thank you. Mr. Speaker, I move, seconded by the member from Moose Jaw North:

That the estimates for the Legislative Assembly, Vote 21, the Provincial Auditor, Vote 28, the Chief Electoral Officer, Vote 34, the Information and Privacy Commissioner, Vote 55, the Ombudsman and Children's Advocate, Vote 56, the Conflict of Interest Commissioner, Vote 57, as well as the supplementary estimates for the Ombudsman and Children's Advocate, Vote 56, be withdrawn from the Committee of Finance and referred to the Standing Committee on Estimates.

I so move.

Motion agreed to.

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

Mr. Van Mulligen: — Mr. Speaker, with leave from the members to introduce visitors.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Thank you very much, Mr. Speaker, and thank you to my colleagues.

I should like to introduce to you and through you to the members of the Assembly, a group of visitors who are seated in the west gallery. These visitors are from Queen Victoria Estates in the constituency of Regina Victoria. They're a group of seven seniors. They're accompanied by their recreation coordinator, Michelle Weber and their bus driver, Andy Lawrence.

I don't know if this is their first occasion to visit us, Mr. Speaker, but I sure would ask the members to make them feel welcome and to, in this way, ask them to come back again.

Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 49 — The Charitable Fund-raising Businesses Act

Hon. Mr. Axworthy: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move second reading of The Charitable Fund-raising Businesses Act.

Mr. Speaker, several charitable organizations approached the government in the fall of 2000 with concerns about questionable practices of some fundraising businesses. Some of the concerns raised with respect . . . Some of the concerns raised with respect to campaigns managed by fundraising businesses, Mr. Speaker, included misrepresentations by canvassers, lack of proper accounting for funds raised, and payment of door-to-door canvassers directly from donations received.

As a result, a steering committee of charitable organizations, law enforcement agencies, and Justice officials was established to consider the concerns and options to address them. Mr. Speaker, the members of the steering committee have been involved in the development of this Bill, and I and we should all appreciate the time and energy they've devoted to it.

Mr. Speaker, let me just give you a list of important community agencies represented on the steering committee who helped in the development of this Bill: The Royal Canadian Mounted Police; Regina Police Service; Association of Fundraising Professionals, the Saskatoon and Regina chapters; United Ways of Saskatoon, Regina, and Moose Jaw; Canadian National

Institute for the Blind; St. Paul's Hospital Foundation in Saskatoon; the University of Saskatchewan — and, Mr. Speaker, Mr. Jason Aebig is here and we thank him for the work that he did there — University of Regina; the Saskatchewan Lung Association, and, Mr. Speaker, we have Sharon Kremeniuk in the gallery who's here and she did great work as well; Canadian Cancer Society; SaskCulture Inc.; Heart and Stroke Foundation; Salvation Army; the Multiple Sclerosis Society; Child Find Saskatchewan; the Kidney Foundation; Saskatchewan regional Canadian Liver Foundation; and many, many others, Mr. Speaker.

And I'd also like to thank Linda Ens and Andrea Seale from the Department of Justice who are also here today for the work they did.

The steering committee conducted consultations in the fall of 2001 and a major recommendation of the steering committee was the licensing of fundraising businesses. This recommendation was overwhelmingly endorsed by those we consulted with. And, Mr. Speaker, I want to stress that most charitable fundraising in Saskatchewan is ethical. This Bill will regulate the fundraising businesses to ensure that this is the case for all.

Mr. Speaker, the Bill will require the licensing of for-profit fundraising businesses which raise funds on behalf of Saskatchewan charities. The registrar under the Act will be able to require fundraising businesses to file a bond when this is appropriate. Once the licence has been issued, the registrar will have the ability to conduct audits and investigations respecting the financial affairs of licensees.

The proposed Act will require that canvassers working for fundraising businesses wear identification cards, and these cards will include information such as the name, address, telephone number, and licence number of the fundraising business.

Mr. Speaker, this Bill also requires that the amount being paid to the fundraising business and to the canvasser be disclosed during solicitations. Further, the proposed Act will require that financial information, including the percentage of donations used for charitable purposes, be disclosed by charities upon request.

Mr. Speaker, the proposed Act will require that there be a contract between the fundraising business and the charity which addresses specific matters set out in the Act. Specific information respecting costs of the fundraising and the remuneration of the fundraising business will have to be included.

As well, Mr. Speaker, the Bill includes a provision that will allow a charity to apply to the Court of Queen's Bench to have agreements with fundraising businesses declared void as contrary to public policy. This will apply whether the agreements were entered into before or after the coming into force of the provision.

The Bill prohibits the fundraising businesses managing solicitations for charities in which they have an interest or with which they are associated.

Mr. Speaker, we're confident that this Bill will help to prevent abuses by some disreputable fundraising businesses and consequently protect not only charities but consumers in the province of Saskatchewan.

I want to thank the steering committee and the representatives who are here today for their work on this Bill, congratulate them on a job well done.

Mr. Speaker, I'm pleased to move second reading of An Act to regulate Charitable Fund-raising Businesses.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to make a few comments before adjourning debate on this question, Bill No. 49, The Charitable Fund-raising Businesses Act.

Mr. Speaker, we're quite well aware of the fact that many charitable groups in this province have over the past few years found it very difficult to raise funds, especially since the government moved in . . . introduced gambling into the province of Saskatchewan, and it's been an ongoing issue ever since.

Some of the key organizations, or many key organizations right across this province that fund local recreation and local activities have found it very difficult to raise the funds they used to raise in the past. As a result, many local charitable groups have not been able to make the contributions they have for recreational groups and programs for our young people, they haven't been able to make those commitments to them.

And on top of that, add it to the gambling we've had, as the minister has indicated, other groups and organizations have now appeared on the scene and have been abusing the privileges of the charitable fundraising and have been calling people and basically misrepresenting what the whole program is all about. And as a result, they again, that group as well, has created a bad name for charitable fundraising in the province of Saskatchewan.

And therefore, Mr. Speaker, it appears and would seem to my colleagues and I that this legislation that has been brought forward is certainly necessary because we have all had groups and individuals come to us and asking us whether or not they should respond to a request for funding from a phone call — a call that has been made via the telephone for a specific fundraising or a specific charity and they're not exactly sure whether or not their monies are going to the appropriate source or to the organizations that the charity is representing, so-called representing.

And I think we've seen in the past, many occasions, individuals that just use this form of fundraising to actually pad their pockets versus actually representing a sound charitable organization. And as a result, Mr. Speaker, what this has done, it has taken funds from well-thought-of organizations, it has taken the funding that people themselves who would dearly have loved to and give to an organization like the Heart and Stroke Foundation, for example, or the Kidney Foundation, or — and you name it, Mr. Speaker, the different organization —

MS Society.

So many organizations out there are trying to raise the funds to meet the needs of individuals. And yet as the legitimate organizations try to raise the funds to meet the requirements that are . . . and the requests that come to their desks on the daily basis, they find that every time they turn around and make a legitimate plea, people turn them off. Why? Because we have illegitimate groups out there who are abusing the system.

And so this, from what we understand of this piece of legislation, the intent is to try to gain some control so that indeed we have the legitimate charitable organizations will again be able to raise the funds that are necessary to meet the needs of the organizations they represent and to meet the needs of the public in general.

Having said that, Mr. Speaker, I believe we need to take a little more careful look at this piece of legislation before we move forward in debate on the legislation and therefore at this time I move to adjourn debate.

Debate adjourned.

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

Ms. Eagles: — Leave to introduce guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, seated in your west gallery is Mr. Allan Gray of Weyburn and his stepson George Kalman, also of Weyburn. Mr. Gray is an old friend of mine, as he is a friend of the member from Moosomin as well, and the member from Weyburn. So I ask all members to join me in welcoming Allan Gray and his stepson, George Kalman, here this afternoon.

Hon. Members: Hear, hear!

SECOND READINGS

Bill No. 44 — The Animal Products Amendment Act, 2002

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. At the end of my remarks I will move second reading of amendments to The Animal Products Act. The proposed amendments make two significant changes to The Animal Products Act. It updates the process for appointing inspectors, and an arbitration process for settling disputes between the custom feeders and individuals having cattle custom feeders.

As members may know, inspectors play an important role in our livestock industry by undertaking inspections in several sectors. For example, my department inspects livestock at markets and for export to help confirm ownership. The Canadian Food Inspection Agency inspectors are appointed as inspectors under the Act to enforce requirements of the dairy, poultry, and egg regulations. Additionally, members of the RCMP (Royal Canadian Mounted Police) are inspectors under this Act. The

existing provisions for the appointment of livestock inspectors outlined in The Animal Products Act need updating to reflect current needs for enforcement of the Act and its regulations.

(14:30)

Mr. Speaker, the proposed legislation will confirm the appointment of inspectors by the minister instead of through The Public Service Act or by the Lieutenant Governor in Council. The amendments will also facilitate appointments of qualified persons who are not employed by the government in order to deal with critical circumstances such as the control and movement of animals to prevent the spread of disease, as well as is necessary to designate the regulations to which the appointment applies because of the broad scope of the regulations under the Act.

Currently, under The Animal Products Act, the animal keeper or person who custom cares for animals for a fee has a lien on those animals. The animal keeper may detain and sell the animals to recover his fees. The animal customs care regulations 1983 provide direction on process to be followed when animals being cared for are detained or sold. Presently, there is no provision in the Act or the regulations to settle disputes on charges for custom care other than through legislation.

During recent consultations on amendments to the animal customs care regulations 1983, representatives of the producers and livestock dealer organizations requested that an arbitration process be required for settlement of disputes related to charges of . . . changes . . . charges for custom feeding animals. There was unanimous agreement for settling such disputes through legislation and . . . too time consuming and costly and that most people are reluctant to go through the courts. Mr. Speaker, the proposed amendments will establish such an arbitration procedure and consequently provide for a more cost of time effective manner for settling disputes.

There will be a 30-day period following the sale of animals under the custom care lien provisions where the auction mart operator will distribute funds from the sale as described in these amendments. This 30-day period is intended to provide additional time for possible . . . a resolution and for the owner to decline on whether the arbitration process will be invoked. The new provisions will also describe how the funds are to be distributed when there is no notice of appeal filed or if one is.

Mr. Speaker, in addition to the amendments stated, stating provisions of procedures for appeals, they will also include the establishment of authorities for creating regulations dealing with deductions of expenses by the market operator, notices of arbitration, arbitration appointments, and proceedings of the determination of which provisions of The Arbitration Act apply.

In closing, Mr. Speaker, I would like to comment . . . commit that all of these proposed amendments of The Animal Products Act will make the provisions of the Act work better for Saskatchewan livestock producers. The proposed changes to the appointment of inspectors, Mr. Speaker, will result in a more responsive process that can target enforcement needs.

Producers and livestock dealers will benefit from provisions for

arbitration, as this is less costly than litigation. Additionally, the arbitration process being proposed in these amendments is consistent with general government policy of supporting dispute resolution through more conciliatory processes such as arbitration.

I would like you to note, Mr. Speaker, that the Livestock Inspection Services Advisory Board agrees with the changes to the procedures for the appointment of inspectors and has recommended that disputes between the animal owner and the animal keeper be resolved through arbitration instead of litigation.

Mr. Speaker, the amendment . . . To the Legislative Assembly, I encourage you to adopt these amendments to The Animal Products Act. Therefore, I move that the amendments to The Animal Products Act be read a second time.

Thank you.

Mr. McMorris: — Thank you, Mr. Speaker. Bill No. 44, The Animal Products Amendment Act deals, as I was listening to the minister, in a couple of areas that on the surface look like . . . would probably be pretty good changes — one with the appointment of inspectors to better meet the need of what we need for inspectors for our cattle herds. The other one is the whole issue of custom care and when their disputes arise. And instead of going through the court system, an arbitration process looks like it's probably not a bad idea.

It's interesting though that this Bill would be introduced today, Mr. Speaker, in light of all the problems that we're having with our cattle herds throughout the province. The cattle industry is in big trouble in this province and it was reflective in the questions that were asked by our critic for Agriculture, the member from Watrous who really hit the nail on the head and said that this government really has done very little for the cattle industry.

Now this Bill . . . It's great to have a whole number of inspectors and better qualified inspectors, but, Mr. Speaker, we could be, in a year or two, having to lay most of those inspectors off as our cow-calf herd is being depleted in this province simply because we haven't had programs put in place over the last couple of years to deal with the drought situation that we're facing in this province.

You travel anywhere in the west side of this province, especially into the northern, northwest part of the province, Kindersley and north, and there is absolutely no pasture left there, very little feed left there, or anything else. And this government has done very little.

I know the member from Cypress Hills last year had talked to the Minister of Agriculture and said we're in dire straits in this part of the province. We need to have some programs put into place, because if we're fortunate and we get a rain this fall, this spring, this summer, we won't be in as rough a shape. But unfortunately we didn't get any snow through the winter. They got very little rain through the fall, very little rain through this spring, and they're in dire straits, Mr. Speaker. And the programs that really needed to be introduced are not there.

Now, Mr. Speaker, we can talk all we want about inspectors and improving the quality of inspectors. We can talk all we want about arbitration process and custom care operations. And those may all be very good issues, Mr. Speaker, but the issue that we need this government to face is the effect of the severe drought and the possible sell-off of cattle herds through this province, an industry that we need to grow and to build this province, and especially rural Saskatchewan.

It's interesting to hear the government talk so much on their ethanol plan and all the issues around that but, Mr. Speaker, the cattle industry is part of what drives that whole ethanol industry.

And so if the government is going to put all its energies into dealing with the qualifications of inspectors which are good things, but we need to look at better programs offered to cattlemen throughout the province in order to maintain the cattle herd that we have and increase the cattle herd that we need to keep this province growing.

So, Mr. Speaker, until we talk to a number of other groups regarding these two changes, although on the surface they look quite promising, we need to move to adjourn debate until that process of consultation has taken place.

Debate adjourned.

Bill No. 50 — The Department of Agriculture and Food Amendment Act, 2002

Hon. Mr. Serby: — Thank you, Mr. Speaker. At the end of my remarks I will move second reading of the amendments to The Department of Agriculture and Food Act.

Mr. Speaker, the proposed amendments are required in order to provide for the orderly administration and winding down of the activities of the Agri-Food Equity Fund in Saskatchewan Agriculture and Food and Rural Revitalization.

The fund was created in 1994 to help establish viable value-added agri-food enterprises by promoting equity investments in Saskatchewan companies. Over time the Agri-Food Equity Fund invested in more than 20 projects that have helped expand in the province's value-added sectors and create jobs for Saskatchewan people.

The emphasis of partnering with Saskatchewan companies and adding value to our primary agriculture products will not be lost, Mr. Speaker. Though the Agri-Food Equity Fund will cease to make new investments, investments in Saskatchewan value-added initiatives will still be possible through the Crown Investments Corporation.

The decision was made, Mr. Speaker, to coincide with the realignment of the government's responsibilities and the streamlining of departments and agencies announced in March of this year.

The proposed amendments to The Department of Agriculture and Food Act will provide for the orderly wind-down of the Agri-Food Equity Fund portfolio in Saskatchewan Ag and Food and Rural Revitalization. The proposed amendments will allow

for the transfer of the fund's assets and liabilities to the Ag Credit Corporation of Saskatchewan to allow more effective administration and portfolio by my departments.

Further, the amendments will allow for the transfer of the assets and liabilities from the Agricultural Credit Corporation of Saskatchewan to another department, agency, or Crown corporations where it is determined this is the best course of action to administer the assets and liabilities.

Mr. Speaker, other amendments are required to update some of the language contained in the Act and to reflect the department's new name of Agriculture, Food and Rural Revitalization.

Mr. Speaker, I now move that the amendments to The Department of Agriculture and Food Act be read a second time. Thank you.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Thank you, Mr. Speaker. I listened with interest to the minister's comments on An Act to amend The Department of Agriculture and Food Act. And it seems to be, part of it just basically a housekeeping change as far as a name change to Agriculture, Food and Rural Revitalization which would make sense to update that information and to streamline the names and to do with the department.

The one item that is of interest of course is the winding down of the Ag Food Equity Fund. And I guess there's a number of questions, Mr. Speaker, that one has to ask the minister and we will be doing that in Committee of the Whole and commenting on in adjourned debates about the history of the Ag Food Equity Fund — what was its purpose? Was it a success or a failure?

And I think those are very important questions when it comes to spending taxpayers' money, to see if it was a valuable proposition to have the fund and find out the reasons why it's being wound down and, as I said, the history of the fund.

And any time we hear the government — and particularly this government — talking about the ability to transfer funds from one department to another fund or another department, as I said here, to the Ag corporation or any other agency, department, or Crown corporation, you have to wonder . . . As we've seen the government what they did with the Wildlife Fund, they take the funds out of one department, one area to try to balance their budget. And so it just . . . one has to ask what's going on with this transfer of funds?

And so we will be keeping an eye on the government concerning this Bill and we will be asking many questions concerning this Act. And we will speak to the stakeholders concerning these changes and ask the industry what they think about the ag fund, Agri-Food Equity Fund, and whether they believe it should be wound down and what they feel, whether it's been a success or a failure.

So at this time, Mr. Speaker, I'd like to move to adjourn debate.

Debate adjourned.

**Bill No. 51 — The Farm Financial Stability
Amendment Act, 2002 (No. 2)**

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. At the conclusion of my remarks, I will move second reading of The Farm Financial Stability Act, 2002.

The first set of amendments to this Act was introduced to the members of the Assembly earlier in this session. These amendments focused on clarifying the facts that livestock purchased by the feeder/breeder/livestock association are the property of the association rather than the individual. The amendments that are being introduced today, Mr. Speaker, will deal with part 5 . . . or part 6 of the Act which governs the administration of the production association loan guarantees.

Currently, Mr. Speaker, section 6 of the Act defines the producers as the individual who is a Saskatchewan resident at least 18 years of age. The amendments we are introducing today, Mr. Speaker, will allow the corporation that operates feedlots to be eligible for membership within the association. Association membership would allow feedlots to source funding through the livestock loan guarantee program to which they currently do not have access.

Mr. Speaker, our government is committed to the expansion of the livestock production which has tremendous potential to grow in Saskatchewan. Feedlot operations have an important role to play in this growth. These amendments will recognize their critical role and give feedlots greater access to capital through the livestock loan guarantee program.

Mr. Speaker, these proposed amendments came about as a result of meetings between the government and the representative livestock associations throughout the province. They support these changes, Mr. Speaker, which are good news for the feedlot operators and for our livestock industry overall.

Mr. Speaker, these specific changes to the Act are as follows: section 41 will be amended to include a corporation within the definition of producer as well as adding a definition for feedlots; sections 45 and 50 will be revised to include feedlots as locations where producer members can grow, use, finish, or produce commodities; section 45 will be changed to clarify that guaranteed fees are not required; and section 46 to 49 will be revised to include feedlots as corporate members.

(14:45)

Section 59 will be amended to indicate that the requirements for the release of the assurance funds are prescribed according to the category producer. And section 61 will be changed to allow regulations to set forth rules for corporations to participate in a producer association, prescribe information that is required by the provincial supervisor and/or lending institution, prescribe minimum load amounts for different categories and producers and producers' associations, and prescribe the time and amount of contributions of each category of producer.

So in conclusion, Mr. Speaker, and the members of the Legislative Assembly, I encourage you to adopt the members of The Farm Financial Stability Act, and therefore I move that The Farm Financial Stability Act, 2002 be read a second time.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to respond to the second reading of The Farm Financial Stability Amendment Act, 2002.

Mr. Speaker, there's no doubt, while this Act is entitled The Farm Financial Stability Amendment Act, that agriculture today is in many cases in a state of chaos, and it's a lack . . . because of lack of leadership of this government.

And the reason we have this type of legislation, Mr. Speaker, is because the government rushed headlong into an industry and into creating an industry without taking the time to make sure that they had covered . . . crossed all the t's and dotted all the i's to make sure that there were the protections in place so that feeder associations would not be in the dilemma they are today as a result of government legislation.

And I think what it points out, Mr. Speaker, it points out the fact that every time this government gets involved in something they rush headlong without taking the time to sit back and assess the avenues that they should follow, the consultation that would be maybe appropriate to be made in order to come up with a policy that is . . . certainly works, that is viable, and that doesn't produce . . . that doesn't put producers at risk.

And, Mr. Speaker, what I have seen — certainly have seen it in my constituency and many of my colleagues have — where individuals have gotten involved in feeder associations only to find because of the lack of protection in the old legislation that financial institutions have come against their own personal property rather than the property of the feeder association that they were a member of.

And it's put a lot of families at risk and it's put a lot of families in very difficult circumstances and situations. And as a result we have this piece of legislation before us as well as the Act, 2002, No. 1, that was, as the minister indicated, brought forward earlier in the session.

And, Mr. Speaker, I can assure you that my colleagues and I have been consulting with the government. We've consulted — probably individually, I have on a number of occasions — with the minister, asking the minister to address the problems in the former feeder association legislation so that individuals who became members of these feeder co-ops would not be held at risk.

And as the minister has indicated, the current legislation before us, The Farm Financial Stability Amendment Act, 2002 appears to try and cover up some of those loopholes and areas where the original legislation really didn't protect the investors.

Mr. Speaker, as well I believe the minister indicated that they are allowing . . . will allow associate membership so that it allows these feeder associations avenues whereby they can access additional funds to make their associations viable and get them off the ground and up and running.

Mr. Speaker, when you look at businesses — and whether it's a

feeder association, whether it's a small business in a local community, whether it's a co-operative of some form or other that takes a lot of capital dollars to get up and running — and any time you start something new, Mr. Speaker, it takes capital dollars and it takes time for these associations to get their feet on the ground, well-established to the point that they start to really generate the revenue for their members so that they can start paying out their members in dividends to their membership to keep this association up and running.

And, Mr. Speaker, we need to realize that. We need to realize that a feeder co-op will not in one year be the be-all and the end-all or will it generate the types of revenue and the income that the investors believed they could have at the end of maybe a five- or ten-year period as they invest their capital funding, as they build their co-op, and as they build their facility to invest in and actually promote the cattle feeding industry in the province of Saskatchewan.

And as a result of the original pieces of legislation, some members found that there wasn't a long enough period of time to allow these co-ops to really get themselves into a positive financial picture. And as a result, on many occasions, many of the lending institutions became somewhat leery of these co-operatives because of the actions of say the individuals who were spearheading the co-operatives and the lack of real financial direction in the co-operatives.

So it's . . . it was imperative that the government come forward with some new legislation to address the problems that were in the original feeder co-ops and make sure that there was some stability brought to these feeder programs.

Because as we've seen, Mr. Speaker, many people across this province, once they looked at the concept, liked the idea, liked the concept, believed when they were investing in feeder co-ops that they had protection, that their investment was going to be protected, that their personal, private operation was not going to be affected by those co-ops. And unfortunately, as we've seen in the past little while, many of these individual investors all of a sudden found that there was no protection there. Therefore the need for The Farm Financial Stability Amendment Act, 2002, vote nos. 1 and no. 2.

Mr. Speaker, as I've indicated, my colleagues and I have had a number of calls to our offices regarding these feeder co-ops and I think it would be imperative that we take the time to review these two pieces of legislation to determine that . . . or to assess whether or not they are meeting all the needs that are out there, the problems that have arisen, and indeed that they will address the concerns so that at the end of the day we don't have to come and repair something that we didn't do a total job of in the past, as the government did originally when they brought in the feeder association co-op legislation.

And so therefore at this time, Mr. Speaker, I move to adjourn debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 30

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 30 — The Liquor Consumption Tax Amendment Act, 2002** be now read a second time.

Ms. Bakken: — Thank you, Mr. Speaker. It's my pleasure to rise today and speak to the second reading of the liquor consumption tax, Bill No. 30. The liquor consumption tax moves the tax on consumption from 7 to 10 per cent. It has been touted by this government that this is a 3 per cent increase when in fact it is a 43 per cent increase on liquor consumption.

Too often we think, Mr. Speaker, of this kind of tax as virtually a victimless tax increase and it certainly is not. It affects many people in our province, Mr. Speaker. The minister . . . I would like to quote a few lines from the minister's quotes when he was giving the second reading when he introduced the Bill, and he said, and I quote from the minister:

Mr. Speaker, the liquor consumption tax . . . has not been amended since . . . 1991, at which time it was in fact decreased from 10 per cent to 7 per cent and now it's going back up to 10 per cent. It was decreased in 1991 because the government of that day wished to harmonize (the) Saskatchewan sales tax with the GST and they lowered the tax rate in anticipation of the harmonization . . .

And he goes on to say further down, Mr. Speaker, that:

. . . the people of Saskatchewan spoke out and made it clear that they did not want to harmonize their taxes with the federal government's.

Which was all very true, Mr. Speaker, that harmonization was certainly not a popular issue. But to put these two pieces of logic together is somehow very twisted.

The minister seems to be making the assumption that because people did not want harmonization in 1991, that somehow that makes it valid for him now to raise the consumption tax up to 10 per cent, an increase of 43 per cent. Mr. Speaker, I, plus many people in this province, fail to see the logic or the connection between these two issues. This is some 10 years ago, has nothing to do with what's going on today, certainly has nothing to do with the negative effect that this tax increase is going to have on hotel owners and the people that they serve, the employees and so on, in their communities.

And so, Mr. Speaker, I find it very hard to believe that the minister would try and put these two pieces of logic together to justify this government raising the tax from 7 to 10 per cent to raise \$15.6 million in added revenue and to use this as the logic for doing that.

But, Mr. Speaker, I . . . the most important part of this is the negative impact that this liquor consumption tax is going to have on local communities. In the local communities, it's going to negatively impact the hotel and bar owners. But it is also going to negatively impact the employees of these establishments and the community as a whole.

And, Mr. Speaker, I would just like to refer to some of the concerns that the hotel and bar owners of this province have with the huge increases that they have seen since March 1. And first of all, they had an increase from the Saskatchewan Liquor and Gaming of 40 cents and this was on 12-dozen pack of beer. And then they seen an increase from the breweries of 30 cents. Then they seen the consumption tax go from 7 to 10 per cent which for their industry was a 43 per cent increase.

And they also were hit with the Bill . . . Bill 56 to do with tobacco legislation which impacted on their business as well. And they've also been hit with the increase in minimum wage which is a very direct impact on their industry.

Mr. Speaker, the people in the hotel association and that operate bars throughout this province are very frustrated with this government and being . . . and they're frustrated because they have been singled out as an industry to pay a huge price for this government's mismanagement over the years and their desperate attempt to have to find cash to balance this budget in March.

And, Mr. Speaker, we've also seen that in many cases the hotel industry is one of the largest tax contributors in their community, and with the loss of that industry it would be very detrimental to many small towns and communities in Saskatchewan.

And not only is it important from a tax . . . the taxes that it contributes and the employment that it provides, it also is a very major gathering spot in their communities. In many cases it is the only place where local people can come together and see each other, to discuss issues of their community, and to keep a bond for their community.

And, Mr. Speaker, this tax increase comes on top of a reassessment that we've seen throughout the province. And in many cases hotels across this province seen by far the largest reassessment and were hit a lot harder than many industries. And they feel that they have been very unequally set out in this regard as well.

And, Mr. Speaker, they've also been hit with an ongoing increase in utilities, power, and SaskTel, energy, and, Mr. Speaker, this is a monopoly in this province. They have no option and they feel very . . . that they've been hit very hard by the increase in utilities as well.

And, Mr. Speaker, this government's negative attitude toward private enterprise and their unwillingness to stop the attack on private business and the province's employers is totally out of control. And people in business in this province are coming to the realization that this government will do whatever it takes in order to balance their books and to meet their ends and disregard the well-being of their industries and the people that they employ.

Mr. Speaker, because of the decline in population in rural Saskatchewan, because of this government's policies, the hotel and bars in these small towns have also seen a decline in the labour pool that they have to draw from and also it is very hard for them to actually retain employers because of the smallness of the community, and they have just had a very tough struggle

in the whole issue of hiring people and in retention of employees.

And, Mr. Speaker, at this time I would just like to read from a couple of letters that we have received from people that operate hotels and bars in the province because I believe that they tell the story as well as anyone and I would just as soon give it to the legislature in their words rather than my own. And so at this time I'd like to quote from the first letter, and this letter is from a hotel owner in a small town in Saskatchewan. And I quote:

Just a small note to inform you what the Government of Saskatchewan has done to destroy my business since March 1, 2002. I am sure my views will represent the views of many hotel owners in your constituency.

On March 1, 2002, SLGA increased the cost of beer by 40 cents per dozen followed by a 30 cent increase by the breweries. On March 11, 2002, the government implemented their tobacco control legislation requiring my business to designate 30 per cent of my hotel's seating as non-smoking. Then on March 27, the Finance minister announced a 42.9 per cent increase in the liquor consumption tax.

Due to the government's assault on my business since March 1, 2002, we have been forced to raise our table prices from 2.75 to 3.25 per bottle of beer. This increase has forced our customers to boycott the business, thinking it is our increase not the government's. From a \$3.25 beer, the brewers receive \$1.25, the provincial government received 96 cents, the federal government receives 41 cents, and my lowly hotel receives 63 cents. A waiter/waitress earning \$8 per hour has to serve 13 table beer per hour just to cover his or her wages. In small town Saskatchewan you are lucky to sell five table beer per hour.

On April 20, 2002, my hotel was forced to lay off one employee earning \$8 an hour due to the lack of business brought on by the Government of Saskatchewan. Unfortunately on April 27, the hotel will lay off another employee also earning \$8 per hour due to the government's assault on the hotel industry. Finally by July 1, I expect to close the business and walk away with larger loss.

When is the Government of Saskatchewan going to wake up? When is the Saskatchewan Party going to take them to task over this issue?

And this is signed from one of the hotel association . . . or one of the hotel owners in rural Saskatchewan.

And, Mr. Speaker, I'd like to read another letter which reiterates what I've been speaking about and the assault on the hotel industry by this liquor consumption as well as other policies of this government. And the letter reads:

Every hotelier, every nightclub owner, every billiard hall owner, every lounge and licensed restaurant owner in the province of Saskatchewan has sinned. We serve alcohol. We allow smoking. We provide VLTs to the general public and, God help us, we do on occasion supply an atmosphere to socialize with friends and comrades.

We have sinned. And for our penance, we will now pay a modest 3 per cent increase in the liquor consumption tax and a modest increase on tobacco. By the way, we means you, the purveyors of all evil in this province because this modest tax increase must be passed on to the evil customers who frequent these seedy establishments.

Oh, and by the way, this is how the modest 3 per cent increase works. For every \$1,000 we used to send to the government, now we send in \$1,429. Let me just get my country calculator out here and figure that out. My God, Ethel, that seems to work out to a 42 per cent increase. Where did that Cline fellow get his calculator? Is that fellow cooking the books, Ethel?

How are we going to retire now, Henry?

We'll have to move to Alberta, Ethel, because that Cline fellow just put our rent up from \$1,800 a month to 3,800 a month.

How many percentage point is that, Henry?

Well let me see. That would depend on whose calculator you are using.

As a hotelier in the province of Saskatchewan for the past 18 years, I would like to remind the Government of Saskatchewan of a few things. There are 6,000 people employed in the hospitality industry in Saskatchewan. As an industry, we are the number one employer of women in the province and the number one employer of single mothers in the province. We are also the number one employer of visible minorities in the province. In rural Saskatchewan, we are, in many cases, the largest employer of staff in the community. As an industry, we are the highest ratepayers in every community for property taxes in the province.

Here are some other interesting points. Last year the government collected \$115 million from hotels in this province and 99 million from the lounges, nightclubs, and billiard halls through the VLT program. They also collected \$35 million in liquor consumption tax, 60 per cent of which came from the hotels of this province. This figure will now be 50 million.

Again, let me get my country calculator out. My God, Ethel, that still works out to 42.9 per cent increase in the liquor consumption tax.

In April of 2001, the government sat down with the Hotels Association of Saskatchewan to discuss ways of raising more income in the liquor and gaming industry. In November, after spending thousands of dollars, the hotel association produced a comprehensive plan that would allow licences to sell off-sale liquor at retail prices. The projections done by the hotel association indicated a profit of \$17 million in tax dollars. This plan would also allow for added services to rural Saskatchewan and employ more people in the industry. It, however, would allow hotels to compete with the government-owned liquor stores.

We as an association were told that this plan would be discussed and that a decision would be handed down in January. By the end of February, the hotel association had still received no answer. Is this sounding familiar to some?

On March 1, 2002 the government announced a 40-cent increase to a dozen beer and also a mandatory 30 per cent no smoking area in every bar and lounge in the province.

On March 25, 2002 at the annual convention of the hotel association, the CEO (chief executive officer) of the Liquor and Gaming Commission assured the executive of the hotel association that she would work with us and help solve any problems in our industry. On March 27, the government announced a modest 3 per cent hike in the liquor . . .

The Speaker: — Order. Order, please. While it's customary to accept quotations in this Assembly, usually we try to ask members to keep them to a fairly reasonable length and then make a comment or two about the relevance of the quotation. I find that the member has gone on extensively and I would ask her to bring it around to the topic.

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, I've been quoting from the hotel association, from this member. I believe that they have very relevant concerns about the detriment of this tax as well as other policies to their industry.

Mr. Speaker, the hotel association is not only concerned about the well-being of themselves as private business owners, but they're concerned about the employment in the communities that they reside in. Many of them, as this gentleman has laid out, are long-time residents of Saskatchewan, long-time business owners in the hotel association. They have an interest in keeping their communities viable.

This tax along with many other of the policies of this government are adding great burden to this industry, Mr. Speaker. And in many cases it could mean the demise of this industry in many small towns. It will be a very sad day when we see that these industries have to close.

Mr. Speaker, I would like to just wrap up my remarks by quoting from this letter, the last paragraph, which is very short, Mr. Speaker. And it says:

You have insulted our industry with your arrogance. You don't lie to us, you just don't tell us the truth. This is, as we say out here in the country, the last straw. Trouble is brewing.

Ethel, get me that calculator, I've got to start adding up how many sinful people there are left in this province. Let me punch in 60,000 to start with and then we can add in all of our sinful customers.

Henry, should we add in them elderly folk too? And how about all them there small-business folks as taxes have doubled in the past few years?

Yes, Ethel, I think we can count them in too.

And, Mr. Speaker, this letter I would like to submit is from

Claude Bellefleur who owns the Lumsden Hotel as well as the Royal Hotel in Weyburn, Saskatchewan. I think Mr. Bellefleur speaks on behalf of many hotel associations, many hotel owners, and many of their employers in the province of Saskatchewan.

And, Mr. Speaker, the government believes that they can get away with this major tax by using social arguments, Mr. Speaker, when this is clearly a tax grab by a government that was desperate for funds to balance their budget.

And, Mr. Speaker, this is very clear by the evidence that we had just a week ago, an issue that we brought up in the House about the booklet that was put out with the price list for liquor outlets in the province that received the booklet on April 1 and just two days . . . or one day later it was reprinted after the budget was released. So this clearly was a last-minute decision by this government to find much needed cash.

And, Mr. Speaker, while we are letting this go to committee today, I think it is important that we do recognize in this Assembly, like most tax increases, there is a downside to this particular one, especially to hotel owners, to the communities that depend on the hotels for their tax base, and the people in those local communities that depend on it for jobs, and also to most people in the communities that depend on these small hotels for a gathering point, a focal point for their community.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Bill No. 31

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 31 — The Tobacco Tax Amendment Act, 2002** be now read a second time.

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak to the Bill No. 31, tobacco tax amendment which is again, Mr. Speaker, as the last Bill that I spoke to about liquor consumption tax, it is to raise taxes in this province. At this . . . only this Bill, Mr. Speaker, is to raise approximately 60.5 million annually by increasing the tax on cigarettes from 8.8 cents to 16 cents and on loose tobacco from 7.7 cents to 16 cents, Mr. Speaker.

Again, Mr. Speaker, we see a government that was desperate for cash and went after another industry in our province.

Mr. Speaker, we will be letting this go to committee today, but my hope is that we will look past the fact that this . . . that we will look at the fact that this was a tax . . . a cash grab from a government that is running a deficit and was looking for dollars to balance their budget.

Mr. Speaker, we also see some positive points to this Bill, and we would hope that there will be a positive side which will be that people will either cut back their amount of smoking or completely quit.

Mr. Speaker, it was my privilege to be on the Tobacco Committee last year. And, Mr. Speaker, the Tobacco Committee was especially formed to look at two specific issues: one was the detrimental effect of second-hand smoke; and the second one was to look at youth smoking in Saskatchewan and find ways to stop youth from smoking.

And so, Mr. Speaker, I would hope that this Bill would . . . the increase in tax would help towards the decrease in youth smoking because it was much to my dismay when the legislation was brought in on the tobacco Bill that really the whole part about youth and stopping them from smoking was somehow missed in the legislation. And, Mr. Speaker, what it did however, was put the onus on business owners to somehow be the . . . be in charge of stopping youth from smoking and if they didn't, that they would be fined and that they would be reprimanded for what they were doing in legitimately selling a legal item in this province.

And so, Mr. Speaker, I would hope that this Bill will have a positive effect in that it will stop youth from smoking.

And, Mr. Speaker, in committee we will want to know how the government will track the rate of smoking in our society with this huge hike in tobacco tax and we would like to see within a year and every year thereafter how the effects of this tax have indeed helped to minimize smoking in Saskatchewan. And we especially hope that it will show that there has been a decrease in youth smoking in Saskatchewan.

And so, Mr. Speaker, at this time I would like to say that we will move this Bill 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. 35

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 35 — The Fiscal Stabilization Fund Amendment Act, 2002** be now read a second time.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to make a few comments regarding the Fiscal Stabilization Fund, Bill No. 35. And in the case of this piece of legislation, Mr. Speaker, however while the last two pieces of legislation were allowed to move to committee, this piece of legislation has a little more meat to it and it's certainly something that I believe this Assembly and my colleagues and I need to take the time to look at more closely and review before we ever allow it to move to committee.

And why do I say that, Mr. Speaker? It's because of the fact that the government is basically changing the rules in midstream.

Two years ago when the government came forward with provisions to create this Act requiring that 5 per cent of the government revenue over a four-year period be put in this so-called fund, the reason for the Act was to set up what I believe the minister called was a rainy day fund that would be available to government when situations arose that government

found themselves somewhat in a fiscal bind, that they could draw on this Fiscal Stabilization Fund to meet the expenditures or the needs of government.

(15:15)

And, Mr. Speaker, no doubt we're living at a time in this province when, if there was some real money sitting in that Fiscal Stabilization Fund, there's certainly a critical situation facing agriculture producers in this province — namely the livestock industry — in a good portion of the province, that unfortunately didn't receive the rain and the snow that the southern part received last night which will go a long ways to begin assisting the growth of rangeland and grass and supplies, water supplies, so that livestock producers can get their cattle out to grazing rather than having to spend more money to buy feed.

However, a good majority of the producers of this province are still looking for feed. They're in the process of trying to find pasture for their livestock. And in many cases, where there is some pastures, producers are finding that they don't have access to water. They lack water and, as a result, they are unable to use those facilities because of the long distances to haul water.

And as you heard this afternoon in question period, my colleagues and I came forward with a suggestion to government that they put in place or they look at a means of addressing some of the problems for the livestock sector today rather than risk the wholesale sell-off of some of the cow-calf herd in this province which we've been working so diligently to build in the province of Saskatchewan.

So, Mr. Speaker, that would . . . The problems that the livestock sector is facing right now would be a good legitimate area for this government to draw on this so-called Fiscal Stabilization Fund. And I believe it goes to the comments the minister made back on May 3. He said the amendments are quite simple really, they would allow access to money saved in previous years and help smooth out recent fiscal fluctuations.

These funds are necessary to continue to provide services to the public without imposing excessive tax increases. And certainly, Mr. Speaker, we agree with that. And my colleague, the member from Weyburn, was just talking about the fact that the previous two Bills allowed the government to actually, through taxes, raise more funds because they're starved in their General Revenue Fund to meet — with the funds that are necessary — to meet the ongoing needs of government.

The minister talked about, under the legislation as it stands, the government would be required to leave \$298 million in the savings account at the end of this fiscal year, even if there were public needs. And that's what the minister said on May 3 under the legislation that was introduced two years ago to set up the Fiscal Stabilization Fund.

Now, Mr. Speaker, that would be fine if there were actually \$298 million in the fund. That's one thing — the fact that the fiscal fund hasn't got any money.

In debate last session the member from Canora-Pelly in debate with the Minister of Finance asked the minister where the fiscal

dollars actually were sitting, this big Fiscal Stabilization Fund. If you were to access it today, where was the money? And the minister got up and said well there actually isn't . . . aren't any physical dollars there because they're supposedly being used to help pay down debt, and meet the ongoing needs of government.

So on one hand, Mr. Speaker, this government talks about changing the rules, but you have to ask yourself why would they be changing the rules about a Fiscal Stabilization Fund which doesn't have any money in it? If, indeed, as the minister said, the rules need to be changed so the government can access funds when they find themselves in a fiscal need, it would be one thing if the money was actually there for them to access.

So I guess, Mr. Speaker, all we can determine is the fact that if by changing the rules the government can continue its jiggery-pokery of balancing the books by supposedly accessing a fund that has no money, and if indeed as this piece of legislation enables the government to do so, what it does, Mr. Speaker, is basically says to the government they'll go to the . . . the Minister of Finance will go to this Fiscal Stabilization Fund; he'll tell the people of the province there's some 2 or \$300 million there, and we've got this drought on our hands so we're going to draw a little bit of money out of that fund. But the reality is they'll just be borrowing money against the fund because of the fact it doesn't exist. So one has to ask, why change the rules? Why if . . . when the fund has no money in it.

Mr. Speaker, the other problem with changing the rules is under the current rules, Mr. Speaker, what it does is requires a debate in the Legislative Assembly, and that's what the government wants to get away from. They don't want the accountability of how they're spending the taxpayers' dollars. If something comes up that they feel that they would like to invest in without having any public input and debate, that if this . . . With the changes to the Fiscal Stabilization Fund the minister and the government would just be able to access those funds right now, and basically say see . . . say to the people of Saskatchewan, see what we've done for you today; say to rural Saskatchewan, see what we have been able to do for you in this difficult times, and despite what the Minister of Agriculture would say, despite what the federal Liberal government fails to do for the province of Saskatchewan.

And, Mr. Speaker, that's something that we certainly feel is necessary. It's important that we do have the debate. It's important that we have a debate in this Assembly to determine how government is spending the money.

Now I guess basically what government's doing is going back to the late '70s of covering . . . or of hiding the debt in the Crowns, or hiding the debt someplace else, and presenting a balanced budget when the overall expenditures of government are actually in a deficit position and, as we see this year, continue to be in a deficit position. In fact, Mr. Speaker, a growing deficit in the province of Saskatchewan when the government likes to talk about fiscal restraint and responsibility.

And, Mr. Speaker, the education . . . or the Minister of Learning talks about Moody's. Well I'm not exactly sure what information Moody's gets to make their decisions on but I'm sure if they talked to the Provincial Auditor, they would come

out with a different position, Mr. Speaker.

Mr. Speaker, we certainly feel it's imperative that the people of Saskatchewan know exactly what this government is doing and know exactly which cards they're pulling from underneath the deck so that we know exactly where we're going and what the fiscal responsibilities and fiscal problems in this province are so the people of Saskatchewan know exactly what they're facing.

So we have many questions regarding the changes to this fund and we have to ask ourselves, why would the government be changing this fund right now when they were the ones who implemented the fiscal stabilization plan, when they were the ones who basically said we need to set aside for a rainy day, when they were the ones who said we need to have an accountability factor there and that's why it had to come back to the Legislative Assembly.

Now all of a sudden, there's no accountability factor because it'll be wide open. With this legislation, it just allows . . . it allows Executive Council just to make a decision. They need some money today, they need to help the Minister of Learning so they just go to the Fiscal Stabilization Fund regardless of what the public of Saskatchewan think about how they're spending the money.

So, Mr. Speaker, Mr. Speaker, we do have a number of questions. We feel it's time that we . . . this government became more open and forthright with their, with their . . . the way they manage the finances of this province. We have to question why they would change the Fiscal Stabilization Fund at this time, why they are moving in this direction to change their own legislation.

And therefore, Mr. Speaker, I believe this piece of legislation demands more thought, more debate. We need to take more time to look at it more carefully to determine and to get a better understanding of where the government is really going on . . . with . . . in regards to the Fiscal Stabilization Fund. And therefore, at this time, I move to adjourn debate.

Debate adjourned.

Bill No. 36

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 36 — The Corporation Capital Tax Amendment Act, 2002** be now read a second time.

Mr. Wiberg: — Thank you very much, Mr. Speaker. It's a pleasure to rise this afternoon to make a few comments on the changes that have been proposed by the Minister of Finance surrounding the corporation capital tax that we have in this province, one of the most arguably . . . Mr. Speaker, one of the most regressive taxes that governments use to hold businesses back from investing in a jurisdiction. And certainly the corporate capital tax in Saskatchewan is one of the most regressive in Canada. It certainly has, as we've seen over the years, certainly restricted business in Saskatchewan.

And apparently it was said, Mr. Speaker, in the budget speech and again in the Throne Speech I heard . . . understand from the

Minister of Finance that this tax was going to be looked at and addressed to some small degree. Certainly we also, we understand on this side of the House, this significantly regressive tax and its holding back of the Saskatchewan economy needs to be looked at.

Of course those of us on this side of the House, Mr. Speaker, have certainly proposed that this tax needs to be addressed radically. Investment in Saskatchewan is lagging significantly behind the rest of the country and it's taxes such as the corporate capital tax that do that, Mr. Speaker. They do restrict investment because that's what it is. It's an attack on investment. It taxes those corporations who try to bring investment into provinces such as Saskatchewan so that we can create the jobs and the wealth that is necessary to grow Saskatchewan, and grow Saskatchewan, Mr. Speaker, by 100,000 people over the next 10 years.

But what is most interesting, what is most really interesting about this, this Bill, this Bill No. 36, The Corporation Capital Tax Amendment Act, 2002, Mr. Speaker, is the wavering that is in it. It wavers significantly from the budget speech.

The budget speech spoke clearly about increasing the exemption by 50 per cent — 50 per cent, Mr. Speaker, from \$10 million for large corporations to \$15 million. And then all of a sudden, the Bill comes out and talks about it and what it talks about is not having legislation surrounding exemptions for the corporate capital tax, but regulations surrounding the corporate capital tax.

So in fact what's going to happen is that the bureaucrats in this province, those . . . the people who have been appointed into positions of power by this government, this NDP government, Mr. Speaker, are going to be making the decisions who gets the exemption to \$15 million and which corporations are going to stay at \$10 million. They're going to create a formula, Mr. Speaker, that is going to be able to deal with how corporations are going to be able to apply to this government and ask for permission to get an exemption of as high as \$15 million.

Is this how we attract investment? No, Mr. Speaker, it is not how we attract investment into this province. Corporations that are looking at moving here, probably more specifically — and we heard significant discussion on that in the House today surrounding this ethanol production, Mr. Speaker — what kind of a corporation is going to want to move here and create wealth and invest in this province when they're not sure where the taxation levels are going to be? What we see with this Bill, Mr. Speaker, is that this government is looking at creating an unfair playing field. They're going to be picking winners and losers.

One company may want to come in here and set up ethanol production. Their corporate capital tax exemption may be 15 million. This government in their wisdom would maybe decide they want to favour another company and set their corporate capital tax at 10 million. And so what it's going to create is an unlevel playing field, Mr. Speaker.

Again, a government that is quite willing to pick winners and losers. And we certainly see that in this Bill when they're going to create a formulary to decide who gets 15 million and who

gets less than that as a deduction.

And so then how do we allow corporations in Canada who are already involved in the ethanol industry interested in moving to Canada . . . or moving to Saskatchewan, Mr. Speaker, and investing, investing in this province with their own dollars rather than using taxpayer dollars to create wealth in this province and certainly to create jobs? Instead what we hear from the NDP government, Mr. Speaker, is they're saying, well come on in, come on in, we're going to invite you in but you have to play by our rules, and here is the rules.

We may tax you heavier than someone else who's already in this field of business. We may set the corporate capital tax exemption at 10 million for you. But someone that we favour, we favour very highly, maybe as an example an American corporation that has no experience — no experience, Mr. Speaker, in the ethanol industry — we're going to set their corporate capital tax exemption at 15 million.

So how does that create a level playing field? And why would anybody then want to come to Saskatchewan and invest?

Well we suggest, Mr. Speaker, that with this kind of unfairness and this uncertainty that this Bill is going to bring to businesses, large businesses, surrounding the corporate capital tax that they're going to have to pay, is that that uncertainty is going to drive away corporations from coming to Saskatchewan to invest, bring their dollars here to invest in Saskatchewan, create the jobs and create the wealth that we talk about so freely on this side of the House, where we have the opportunity to maybe create 100,000 opportunities or more people, 100,000 more people in Saskatchewan over the next 10 years.

This government talks about this tax being a tax, this corporate capital tax being a tax on wealth. Well, Mr. Speaker, nothing could be further from the truth. The fact of the matter is wealth has nothing to do with this tax. It's a tax on investment.

If you're going to come to Saskatchewan and invest in Saskatchewan, we're going to tax you. We're going to stop you from bringing your tax dollars to Saskatchewan. And that's what we see with this Bill.

(15:30)

And so by bringing a Bill that is going to be unfair to those people who want to come and invest in Saskatchewan, it's going to drive away investment as this government has done since — their name change, in their predecessor, the CCF (Co-operative Commonwealth Federation) — since 1944 and certainly most prevalently since the years of . . . the year of 1947 when they started to drive the oil industry out of this province in droves.

And so what we see then, Mr. Speaker, is because of taxes like the corporate capital tax and its variations from anywhere from 10 to \$15 million — we don't know where that's going to be, what corporations are going to be looked upon more favourably than other corporations — is that what we have here then is, why would anyone want to come and invest in Saskatchewan when they know that their investment is going to be taxed? That they know that before they create 1 cent of profit, before they

create 1 cent of profit, Mr. Speaker, that this government is going to attack their investment.

It is this kind of an attitude that drives corporate investment from Saskatchewan that wanted to come here. These corporate investment dollars wanted to come to Saskatchewan but this government is so adamant that this money does not come here that they're actually driving it to other jurisdictions.

So we see to the east and to the west, whether it's Alberta or British Columbia or Manitoba or Ontario, or even south into the United States of America, corporations are looking to invest elsewhere even though, Mr. Speaker, that they know that the province of Saskatchewan is one of the most resource rich jurisdictions in the world. One of the most resource rich jurisdictions in the world, Mr. Speaker — I can't repeat that strongly enough.

And what we have here is a government, through the type of taxation, this corporate capital tax, attacking . . . those people who come to this province and want to invest in this province and create opportunity and hope in this province and actually grow this province are being forced to go elsewhere because of the restrictions of Bills such as this one, Bill No. 36, the corporation capital tax.

And so we kind of wonder why in the budget speech the minister, the Minister of Finance, promised that he was going to raise the exemption for businesses surrounding the corporation capital tax from \$10 million to \$15 million. And then the Bill comes out and we see a changing of the mind. The Minister of Finance has changed his mind that maybe you'll get the \$15 million exemption and maybe you won't. Maybe we'll leave you at \$10 million. And it's going to be based upon a hidden formulary that we're not going to be able to get to see. It's going to be controlled outside this House, Mr. Speaker.

These kind of taxes that are so significant . . . and in fact it is quite significant because even the Minister of Finance admitted that this brings significant dollars to the Saskatchewan treasury. And it brings such significant dollars he didn't even know how much it was. He was . . . even in his speech when he introduced during the second reading The Corporation Capital Tax Amendment Act, 2002, he actually talked about it, he didn't know how much it brings. He can only give a rough estimate; it's that large of a tax. Not understanding — not understanding, Mr. Speaker — that this kind of tax is actually regressive and you can create more tax wealth, Mr. Speaker, in a province by almost eliminating this tax and allowing corporations that come here and invest dollars, create jobs.

And what will happen, Mr. Speaker, then because of the wealth that's created by more people working in this province, by the more . . . wealth that's created by these corporations and paying it through personal income tax, corporate income tax, the PST (provincial sales tax) that'll be collected on the spending by the consumers in this province as we get more consumers, the royalties that are created — whether it's in forestry or mining or the energy sector — is that they'll actually create more wealth, more wealth than the amount that the minister said is significant.

Well even though the minister said that this is a significant

amount of tax, we maintain on this side of the House that if they increased that exemption significantly more than that and even lowered the rate — lowered the rate, Mr. Speaker— of the corporate or capital tax, if they halved, even halved that, they would actually create more wealth and more tax dollars for the government and for the people of Saskatchewan to be able to provide those necessities that the people of Saskatchewan recognize are most pertinent to our way of life — health, education, infrastructure. That's how you go about doing that, Mr. Speaker, not by having significant regressive taxes such as this corporation capital tax.

And so, Mr. Speaker, as this government continues picking winners and losers, stunting the economic growth in this province, deciding that only, Mr. Speaker, only the government can grow this province, Mr. Speaker . . .

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

Hon. Mr. Belanger: — With leave to introduce guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Belanger: — Thank you very much, Mr. Speaker. We have some very special guests that have travelled a long ways to be here today to view the proceedings of the Assembly.

And I'd like to take this moment to welcome the students. There's 19 grade 7 and grade 8 students from the Birch Ridge Community School which is in Turnor Lake, Saskatchewan. And they are being accompanied by a number of teachers and chaperones. And I'll just maybe introduce the teachers and the chaperones, and they can give me a quick wave.

There is Elann McChesney, Shaeya Baliko, Trevor Poncsak . . . I think. Obviously I didn't do very well there, Mr. Speaker. And then we have the chaperones Gina Toutsaint and Jackie Oneeye, and I believe Jackie must be a relation to Joe. Joe's one of the respected elders in the North, of course.

And I'd like to take this opportunity to welcome them to the Assembly and to thank them for travelling the many, many miles from northern Saskatchewan to visit the city and the Assembly. And I'd ask all my colleagues here to help me welcome them here. Thank you.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 36 — The Corporation Capital Tax Amendment Act, 2002 (continued)

Mr. Wiberg: — Thank you, Mr. Speaker. It's certainly a pleasure this afternoon to have visitors from the North. And it's a pleasure they are able to be here at this time as we discuss

how this government has been so restrictive and has significantly impacted the regressive regime that exists in northern Saskatchewan, to prevent the economic growth that we talk about in the rest of the province.

Now what we have with this Bill, Mr. Speaker, is a government that continues to show leadership — show leadership in the loss of jobs. No one other than Saskatchewan is losing jobs at the rate that we are. We're number one in job loss; we're number one in population loss in the country. And yet the government in their wisdom continues to say that they need to pick winners and losers with Bills such as this one, Bill No. 36, that talks about picking winners and losers surrounding the corporate capital tax.

It's really unfortunate that the government cannot understand that they need to treat business on an equal and fair basis, that they're going to decide who's going to do business in this province, rather than let the marketplace decide who's going to more appropriately do business in this province.

And certainly as mentioned earlier today on several occasion, the government has decided who's going to do the ethanol production in this province. They'll decide who they're going to do business with. The marketplace is not going to decide that for us.

And as we know the business of this government has a dismal record. All we have to do, Mr. Speaker, is certainly take a look at SPUDCO (Saskatchewan Potato Utility Development Company), at the \$28 million loss there.

And now this government is picking winners and losers in the ethanol industry. They're using the corporate capital tax as one of the tools to do that. They're going to decide who's going to get the \$15 million break, and who is not going to be allowed to and they're going to have to remain at the \$10 million exemption. And that's really unfortunate, Mr. Speaker.

Mr. Speaker, there are many members on this side of the House who have lots of comments they'd like to make about this Bill, and I think it's most important that we allow them the opportunity to do that. And so, Mr. Speaker, at this time I'd like to adjourn debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund Saskatchewan Property Management Corporation Vote 53

Subvote (SP01)

The Chair: — I invite the minister to introduce his officials.

Hon. Mr. Thomson: — Thank you, Mr. Chairman. I'm pleased to be joined today by our new president of SPMC (Saskatchewan Property Management Corporation), Ray Clayton, who is sitting to my right. Next to him is Paul Radigan, the director of financial services.

On my left is Garth Rusconi; seated behind me, Phil Lambert and Debbie Koshman. Phil is the vice-president and chief information officer, Debbie is the vice-president, corporate services. Behind the bar we have Rob Madden who is the director of flight operations.

Mr. Elhard: — Thank you, Mr. Chairman. Good afternoon, Mr. Minister, and your officials. I appreciate the opportunity to discuss with you some issues and some projects that I'm familiar with and some elements of those projects that I'm not familiar with.

This afternoon I want to refer to a particular project that I had asked about in a written question to the minister concerning the new Highways building in the town of Morse. I had presented the written question to the minister some days ago and I provided . . . I appreciate the provision of this rather detailed breakdown of the cost for that particular building.

What I want to ask today, Mr. Minister, and through you to your officials, how that whole process develops. Now I know that the ministry of Highways and Transportation felt that there was a need for a new facility in that particular district of Highways. And I assume that they evaluated the wisdom of a new building and made a site selection. But can you tell me how that decision moves from the Department of Highways to SPMC?

Hon. Mr. Thomson: — Thank you, Mr. Chairman. If I might just start for the benefit of obviously the guests here in the gallery, I should just maybe say a couple of words about the department and the process we're going through this afternoon.

This is a consideration of the budget, part of the budget of the province. Specifically, this is where we go through a detailed discussion of what we spend the money in the province on.

The Property Management Corporation, of course, provides a broad range of services to the province, provincial government. It in other jurisdictions might be known as the department of supply and service or as government services or department of public works. In our case, we call it a property management corporation because it's a Treasury Board Crown.

To answer specifically the question that the member has asked, I would say that when a department is wanting us to proceed with a project they will advise us that they're wanting the project. In this particular case, Highways has said that they want to move forward with a building. They identified the site. They then tell us the specs of what they're looking for. We then moved forward and put it out to tender.

(15:45)

Mr. Elhard: — So from that very preliminary basis, Mr. Minister, does SPMC do the project management? Do they do all the tendering? Do they do the construction supervision? Do they oversee the project? Is that the ongoing role of SPMC in a facility like that?

Hon. Mr. Thomson: — In this particular case, Mr. Chairman, yes we did.

Mr. Elhard: — In a project of that nature, Mr. Minister, when the project is finally completed, SPMC maintains the, quote "ownership or management or supervision responsibilities" for that particular facility. But I assume that the Department of Highways has to pay for it on an ongoing basis.

Can you tell me how you determine what the cost will be to the Department of Highways and Transportation, in this case, on an ongoing basis, on a year-to-year basis. Do you charge that out on a certain ratio of value, percentage of value? Do you take a commercial value approach? Is it an annualized lease? How is that determination made?

Hon. Mr. Thomson: — In this particular case because the facility is a government-owned facility, there is no base cost. There's no rent assessed. There is however, of course, ongoing operating costs and those are charged to the department.

Mr. Elhard: — So I take it that there is no commercial relationship between the two departments. You don't, as a management authority, as a property management arm of the government, you don't try to make a profit off of that facility?

Hon. Mr. Thomson: — No, Mr. Chairman, we do not.

Mr. Elhard: — Mr. Chairman, through you to the minister, I looked through the details of the response you provided for us and I'm looking at the design cost and construction cost and the tendering advertising. The ad costs for the tendering are listed here as \$768.10. Can you tell me where and in what papers you advertised this particular project?

Hon. Mr. Thomson: — Mr. Chairman, I can report to the Assembly that we advertised the request for tenders on August 11 in the Regina *Leader-Post*, the Moose Jaw *Times-Herald*, and the Swift Current . . . I forget the name of the weekly paper, but in Swift Current as well.

Mr. Elhard: — Thank you, Mr. Minister. The design portion of the facility came in at 57,844.99, and that would represent about 11 or 12 per cent of the construction cost.

Can you tell me, was the design done by an outside engineering architectural firm or was that done by an in-house capability?

Hon. Mr. Thomson: — Mr. Chairman, it was done by an outside consultant.

Mr. Elhard: — Would you be willing to tell us the name of the consultant please, Mr. Minister?

Hon. Mr. Thomson: — Mr. Chairman, in this particular case it was a Saskatoon company by the name of GENESIS Architecture and Engineering Inc.

Mr. Elhard: — Mr. Chairman, through you to the minister, can the minister tell us if this particular contract was awarded to the lowest tender?

Hon. Mr. Thomson: — Yes, Mr. Chairman, it was.

Mr. Elhard: — Mr. Minister, the 57,000-dollar figure — in excess of \$57,000 — is a substantial amount of money. I don't

think it's out of line with the industry but it is a substantial amount of money. So can you tell me . . . I noticed that you classified it in your response as design, but was there additional work provided by the engineering firm? Was there contract supervision? Was there on-site construction supervision?

Hon. Mr. Thomson: — Mr. Chairman, I'm not able to say specifically in this particular case but it wouldn't be unusual for that to be this situation.

Mr. Elhard: — Mr. Minister, under the construction costs, if I might go through the detailed expenditures here, there's an item entitled mobilization. Can you indicate for us what mobilization is and what we got for \$40,712?

Hon. Mr. Thomson: — Mr. Chairman, this is generally the term that we use to refer to getting the site ready. This would include such things as moving equipment out to prepare for construction.

Mr. Elhard: — Mr. Chairman, through you to the minister, there's a considerable amount of additional subcontracted work indicated here. And I'm wondering if each of these subcontractors were achieved through advertising and whether all these subcontracts were equally tendered?

Hon. Mr. Thomson: — Mr. Chairman, the tender applies to the general contractor. They select their subcontractors.

Mr. Elhard: — So, Mr. Minister, to the best of your knowledge did the general contractor make any attempt to have these subcontracts filled through a competitive situation? Or did they just go to their favourite source and select them individually?

Hon. Mr. Thomson: — Mr. Chairman, we prefer not to interfere in the normal activity of business, and as such they would go through their normal process.

Mr. Elhard: — I must be hard of hearing, Mr. Minister, but I didn't hear your answer.

Hon. Mr. Thomson: — The answer is, is that the general contractor chose who they would normally prefer to work with.

Mr. Elhard: — Mr. Minister, were you aware that there was an opportunity for the Department of Highways to secure a building — in a different community albeit— but a used building, a vacant building that could have been modified and made adequate to the department's needs for a substantially lesser amount of money?

Hon. Mr. Thomson: — We are aware that there was a suggestion put forward by someone in another community nearby that we may be interested in a facility there. There was a site inspection done by the Department of Highways and SPMC, and the decision was to proceed with the operation with the construction in Morse.

Mr. Elhard: — Mr. Minister, when the final decision was made, was that your department's decision or was that a decision primarily of the Department of Highways?

Hon. Mr. Thomson: — Mr. Chairman, the Department of

Highways was the final decision maker on that.

Mr. Elhard: — Mr. Chairman, through you to the minister, I assume that this is an important question for the taxpayers of this province because we have here a total cost of, well, approaching \$620,000. Whereas if the decision had been made to proceed with the used building, even taking renovations into consideration, we probably could have had a perfectly suitable facility for, oh, a third, maybe less than half certainly, of the cost of this new building.

And I'm wondering if those kind of considerations aren't important enough to be weighed into this equation?

Hon. Mr. Thomson: — Mr. Chairman, we obviously take these issues into account and it was decided that the building was not appropriate.

Mr. Elhard: — Mr. Chairman, and through you to the minister, once again, earlier in our conversations here you indicated to me that the cost per year is not charged back to the Department of Highways, if I understood you correctly.

And yet in my written question to you, I asked that the minister provide the cost per year that would be charged to the Department of Highways, and the response I got is that SPMC does not release this information. Which is it? You don't charge them or you don't release the information?

Hon. Mr. Thomson: — Mr. Chairman, those two answers are not mutually exclusive.

Mr. Elhard: — Well, Mr. Minister, which is it? Do you not release the information or do you not charge the Department of Highways?

Hon. Mr. Thomson: — Mr. Chairman, both answers are accurate.

Mr. Elhard: — Those are very interesting and uninformative responses, Mr. Minister. I'd like to know then why is it that SPMC does not consider releasing lease information. It's a public body. I think the public has a right to know about the kinds of things that SPMC does charge for, and why they charge it, and how they charge it.

Hon. Mr. Thomson: — Mr. Acting Chairman, I want to advise the member that in this particular case we are not leasing the facility. This is a facility which is owned by the government. We have provided a full and a detailed answer to the member in terms of what the cost of this building was to the taxpayer. This is I think a fair accounting of what we went through and as such all I can say is that this was not a leased building and so there's no lease information to provide.

Mr. Elhard: — Can I assume from that, Mr. Minister, that you would not release lease information in another situation?

Hon. Mr. Thomson: — We generally do not release . . . in fact we do not release lease information. This is a situation that we of course work in a tight market. It is to the taxpayers' advantage that we be able to negotiate to the best deal that we can for taxpayers, and as such for us to release that kind of

information potentially distorts the competitive market.

Mr. Elhard: — Mr. Minister, can you tell me if you have a similar arrangement with the Department of Highways in several other or other jurisdictions within the province?

Hon. Mr. Thomson: — Mr. Chairman, I'm told that most of the Highways buildings are in fact owned by the government and as such this is not an unusual circumstance.

Mr. Elhard: — Mr. Deputy Chairman, through you to the minister, does SPMC play a similar role in terms of all of the equipment that the Department of Highways operates?

Hon. Mr. Thomson: — No.

Mr. Elhard: — In view of your response, does SPMC play a role as lessor in any of the equipment that the department operates?

Hon. Mr. Thomson: — No.

(16:00)

Mr. Elhard: — Does SPMC have any proprietary role in equipment that the Department of Highways operates or any other government department that would have heavy equipment?

Hon. Mr. Thomson: — I'm advised the answer is no.

Mr. Elhard: — Is the role of SPMC, in terms of equipment, then restricted to nothing more than an agency that advertises for and receives tenders and evaluates the tenders and makes the purchase?

Hon. Mr. Thomson: — Mr. Acting Chairman, SPMC serves as the purchasing agent in the case for the Department of Highways and many other governments. And so in this particular case, there's no need for us to necessarily own the equipment, but we would procure it.

Mr. Elhard: — In the case of equipment procurement, is it the policy of SPMC to accept the lowest bid?

Hon. Mr. Thomson: — In most, if not virtually all, cases, we would accept the lowest qualified bid.

Mr. Elhard: — Does SPMC, Mr. Minister, have a plan by which — or a standard or a statute — by which it decides that Saskatchewan purchased equipment dealing with Saskatchewan-based businesses is its first priority?

Hon. Mr. Thomson: — Mr. Acting Chairman, there are of course interprovincial agreements in place concerning purchasing; certainly in the case of the western provinces, we have this. We abide by those. Where we are not bound by those, certainly we work towards having Saskatchewan . . . a buy Saskatchewan policy.

Mr. Elhard: — Can I assume from your answer, Mr. Minister, that SPMC is bound by different rules than say Saskatchewan Power or SaskEnergy or the other Crown corporations?

Hon. Mr. Thomson: — That is true.

Mr. Elhard: — Mr. Minister, I understand that SPMC, on behalf of the Department of Highways, recently purchased some heavy equipment that came out of Manitoba and it wasn't necessarily the lowest priced equipment. Can you confirm that for me?

Hon. Mr. Thomson: — I would need more detail in terms of the type of equipment and the time frame that we're talking about.

Mr. Elhard: — Mr. Deputy Chairman, to the minister, unfortunately I forgot to bring the information with me, but it entails five heavy loaders. I believe they'd be a payloader type of equipment. And they were purchased probably within the last six weeks at most, maybe two months.

Hon. Mr. Thomson: — I'm sorry, Mr. Chairman, I'm not able to answer that question. I am not aware of this. We'll certainly take a look and see if we can report back at a future date.

Mr. Elhard: — When SPMC decides to purchase or tender for equipment, is it SPMC's policy to tender for new equipment as opposed to used equipment?

Hon. Mr. Thomson: — It would depend on what the departmental specs are like. That is an issue again that we facilitate — the procurement. The department would set the tendering . . . the basic tendering guideline.

Mr. Elhard: — Mr. Minister, on the issue of used equipment, when you, when you possibly tender for used equipment, as the agency that is doing the tendering, do you lay down very clear specifications? And do you insist on a warranty protection of some nature?

Hon. Mr. Thomson: — Again, Mr. Acting Chair, this would depend on what the requirements of the department are in terms of what, perhaps, what kind of a lifespan they're looking for the equipment to use, whether it's heavy equipment or otherwise.

Some of the . . . if there are specific questions, these may be better directed to the host departments that are putting out the tender requests.

Mr. Elhard: — Mr. Minister, what is the, what is the habit of SPMC now? Are you generally looking at leasing equipment versus purchasing equipment? Have you come up with a policy as an agency, as an extension of the government, in that regard?

Hon. Mr. Thomson: — Mr. Acting Chairman, we have a mix. In some cases we would still proceed with purchase. Certainly in many cases now we lease equipment as well.

Mr. Elhard: — Does the approach of SPMC depend on the life expectancy of the equipment? As you may be aware prudent financial management would indicate that in many instances now it's much more appropriate to lease and there are fewer and fewer instances where it's a better financial deal to purchase.

So can you give us some indication of where you have gone to the provisions of leasing and where you might have gone or

stayed with the provisions of buying equipment.

Hon. Mr. Thomson: — Certainly, Mr. Chairman, on the side of vehicles it would be an example of where we would . . . we have increasingly used leasing as an option. I think there has been some discussion in this Assembly about leasing options in terms of our CVA (Central Vehicle Agency) operations.

Mr. Elhard: — I would be curious to know, Mr. Minister, whether or not you can give us an indication at this point what ratio or what sort of rough percentage there might be of leased equipment and vehicles through SPMC versus the owned stock?

Hon. Mr. Thomson: — Mr. Chairman, for this coming year, 2002-2003, we're looking at a leasing ratio of about 3:1.

Mr. Elhard: — Well once again, Mr. Minister, my hearing fails me. Would you repeat the answer for me please.

Hon. Mr. Thomson: — I apologize for being so soft-spoken but such is my nature, Mr. Chairman. Again, the number we're talking about is a leasing ratio of about 3:1 in CVA.

Mr. Elhard: — We asked earlier some questions that the minister was unable to address specifically because I didn't have detailed information. Mr. Chairman, I'd like to ask the minister that if I'm able to round that information up in the next day or so, can I present it to you personally and have your assurance that you will address that?

Hon. Mr. Thomson: — I would welcome the opportunity. And, Mr. Chairman, if I might, as this is . . . we're a little bit past what we had agreed to, to adjourn. And I'd just like to thank the member for his questions and say that I look forward to returning again with the opportunity to answer more questions.

With that I would move that we report progress.

**General Revenue Fund
Social Services
Vote 36**

Subvote (SS01)

The Chair: — I invite the minister to introduce his officials.

Hon. Mr. Hagel: — Thank you very much, Mr. Chair. Many of these officials will be familiar to the members of the committee, but let me introduce them.

Seated to my immediate right is deputy minister, Bonnie Durnford; to her right is the assistant deputy minister, Shelley Hoover; and behind me is the other assistant deputy minister, Bob Wihlidal. To my left is Larry Chaykowski, executive director of housing financial operations; and behind Ms. Hoover is Don Allen, executive director of financial management.

Behind the bar are Craig Marchinko, director of social housing; Marilyn Hedlund, associate executive director income support; Debbie Grant, income security programs manager; Debra Bryck, director of child care; Richard Hazel, executive director family services; Larry Moffatt, executive director community

living; and finally Peggy Buckley, director of employment services.

Mr. Toth: — Thank you, Mr. Chair. Mr. Minister, the last time we had estimates . . . And firstly let me welcome you and your officials to the Assembly this afternoon. And sometime we may have to just do a little more extended period of time unless this is a good way for the . . . for your staff to actually get some exercise, being here for 20 minutes, sitting around for 40, or whatever the case may be. But I certainly appreciate the fact that they're prepared to come over and respond to our questions.

But last time we got into some debate about . . . and we've been discussing the fact that the annual report is indicating, you've indicated that there certainly has been a significant decrease in the number of individuals on assistance these days versus what it was even four years ago, and seven years ago, and certainly ten years ago.

(16:15)

But what's disturbing, and a thought line that we just nicely started to get into debate when we moved out of committee was the fact that despite the decreases in the number of people on assistance, and going back to Friday, May 3, *Leader-Post* article about some changes in the food bank program, the *thINK* program, a national initiative launched in Regina that past Thursday — I believe that would have been the second of May — where used ink-jet cartridges will be dropped off and will be, I believe they're dissembled and then passed on to Radio Shack stores across Canada where the cartridges are reconditioned.

The food banks will then be remunerated for each cartridge. Basically a recycling program, an avenue of raising revenue to help provide the food banks in purchasing the required foodstuffs that they need to meet the needs of their clients. And I read a couple of quotes, and I'm going to read them again, because we really didn't get into a significant discussion in this area. And the one quote I read was:

In the past year, demand has increased at the Regina & District Food Bank. Approximately 80 tons of food are handed out monthly to feed between 8,000 to 10,000 people — approximately half (of these individuals) are children.

And Mr. Barnes goes on to say:

We're not seeing a decline . . . (He does say) that we're not seeing the dramatic increases . . .

But they're still not seeing a decline. And I guess that's the issue of concern, the fact that we have the caseloads for individuals on assistance dropping significantly. On the other hand, we still see the food banks continuing to have to meet pretty well the same numbers of people monthly in regards to food hampers, as people obviously are hungry. We still have people who have needs.

And the question is, if indeed we're seeing people move off of the . . . off of assistance — and I would gather if people are moving off of assistance, they've obviously found a means

whereby they can provide for themselves that actually is much better than being on assistance — and yet at the same time we continue to see the same number, the number's not really going down at the food bank.

And I know Souls Harbour on Broad Street continues to feed between, I believe, 250 and 300 individuals an evening when they provide their meals. And as the food bank . . . Mr. Barnes indicated here:

It's a continual struggle to keep the hampers full — there's never enough food there, . . . (and) Today's initiative will give us a little extra money for milk so we (can) get some milk into some of the hampers for children who are part of a family group who are getting food from the food bank.

So while there was a positive, there's still a negative. Even the promotion that was . . . initiative that was promoted on the May 2.

So, Mr. Minister, the question is if indeed people are finding employment opportunities that . . . and these employment opportunities, I would gather, are actually giving them the ability . . . they're looking at employment versus assistance because obviously there is an avenue where they are actually making more on employment now versus being on assistance.

I know a few years back one of the major complaints — and in some cases, still is there — but the biggest complaint was there wasn't much of an incentive to . . . even if there was some employment. Because if you were able to get just part-time employment so much was reduced off of your assistance that it left you with basically nothing and left you really in a significant need. Today we do have the income assistance program to go along with employment so that at least you've got some assistance.

The other concern is the health benefits, and if you fall into an income need, even though you're employed, you at least qualify for some of the benefits, which for many families is a major problem. And that is probably one of the major, most significant factors they face in the lack of resources to provide for their families.

So, Mr. Minister, I'm wondering if you could indicate to us why we are not seeing a dramatic reduction in the food bank lineups, why food banks are continually looking to charitable groups, to businesses around the province, to individuals for the resources needed to supply their shelves so that they can meet the needs of those who are looking for their services?

Hon. Mr. Hagel: — Mr. Chair, I thank the hon. member for the question, and I also welcome the ongoing dialogue about this very important issue that confronts the province of Saskatchewan, and I think about which those of us in this province can feel some sense of satisfaction in having tackled in a very responsible and effective way.

As the hon. member correctly points out, Mr. Chair, the social assistance caseload continues to decline. As of March, Mr. Chair, as we discussed the last time before estimates, 88 consecutive months in which our social assistance caseload has gone down in the province of Saskatchewan.

And I would hazard a guess that there may not be another jurisdiction, not only in Canada but in the world, that could claim such a successful achievement in terms of the well-being of lower-income people within the jurisdiction by doing positive reinforcement or positive support kinds of initiatives.

Some places have taken their approach, trying to reduce their social assistance caseloads in different kinds of ways. And we're well aware that, in this nation, there is at least one jurisdiction not far from us who has decided that the best way to try and reduce the social assistance caseload is to give people a one-way bus ticket out of the province. Well, Mr. Chair, that's not our way here, in Saskatchewan.

We recognize the dignity that people deserve and we also recognize that there is a potential that is important to our province; that we find with our low-income citizens in Saskatchewan to be a significant part of shaping the future in Saskatchewan, responding to our employment needs. And our way of doing that has been through introducing the building independence program, as the hon. member has correctly acknowledged.

And as a result of that, we find ourselves now, since the introduction of building independence, with 6,000 fewer families receiving social assistance today than in 1998 when building independence, in its fully fledged form, was introduced. But most importantly 13,000 . . . more than 13,000 fewer kids growing up on welfare today and that is, as the member also correctly identifies, because people have been able to attach themselves to the world of employment. We've introduced policies that support that, that don't make it difficult for people to make that move to employment.

But just as importantly, Mr. Chair, there are programs that assist people by providing the supports attached to employment without having to come into the welfare system. To make my case, I just point out that in Saskatchewan in this fiscal year we forecasted there will be some 20,000 Saskatchewan families who will be receiving the benefits of building independence programs who are not social assistance recipients. And so it is the support for people to not require social assistance that's just as important as the supports for people to move from that.

So having said all of that, we come then to the question of the food bank that the hon. member raises. And I think we would all acknowledge that in Saskatchewan, the food bank here in Regina, which is the one to which he refers to in the article, is an excellent food bank. It's well administered. It's well planned. It's got an excellent . . . It's a good strong board. And it's got dedicated people. And what it has had over the period of years, Mr. Chair, is a series of growing support programs for low-income people.

And so, what was originally a notion born many years ago that the food bank was a service that provided food for people who needed it extremely, importantly, the food bank here in Regina has evolved in a steady but gradual sort of way.

In fact I was over just a few months ago to the food bank and was there to be a part of an announcement of some provincial support for child care services at the food bank. Now why is that important at the food bank? Because at first glance you'd

say how does that make sense. Do people need child care if they're just coming there to pick up food and then leave? And the answer is, of course, that if that's all that was happening there, it wouldn't be.

But what's going on at the food bank are a whole host of other kinds of support programs now — a life skills employment training, educational forums are part of what happens at the food bank. And it has become in some ways a mini-centre of support for low-income people to assist people to find independence.

So what we find now I think, Mr. Chair, are more reasons than just the access to the source of food for coming to the food bank. And it's interesting the hon. member raised the question because when I was there and spoke to the folks at the Regina Food Bank and talked about . . . at that time I think we were 85 consecutive months or so that we had reduced our social assistance caseloads.

And also I was happy to have joined one of the hon. members from Regina in actually rolling a little paint on the wall, that I think someone said to me, dub that newscast as men with rollers. At the time there was a similarly named movie that was hitting the scenes. But I divert, Mr. Chair, although I know you take particular interest in this issue, Mr. Chair.

But the point I'm making is that when talking with them, what they said to me was they said, you know, actually we can see the benefits of the lowering caseloads happening because our growth and demand is reduced, which is precisely when you interpret the news article that the hon. member refers to. If I remember correctly I think 20 to 1 over 2000, if I remember correctly, that the growth in food bank demand was up by 1 per cent, which was the smallest growth in demand that they experienced for some time.

So what they said to me is they're seeing the reduced demand at a place which is a very supportive centre for low-income people. It's a source of food but a source of other things as well. And I compliment them for that. Therefore it says to me that we should ought to be cautious about when we interpret demands for food because there's much more that goes on in that place than that, which will also influence the visits that they will have.

So I think that is perhaps a more detailed response than the hon. member was asking for, but I think we would both share — I would hope we would both share and I think we do — both share our appreciation for the kind of support programs that run out of the Regina Food Bank.

Mr. Toth: — Mr. Chair, Mr. Minister, no, I don't mind that type of response whatsoever. It allows for a more creative dialogue versus the yes and nos of the previous minister, and it actually gives the member asking questions the opportunity to get some more thoughts around the next question.

However, Mr. Minister, it still doesn't answer the question why we have 5 to 10,000 people a month. And that was the point that was brought out — 5 to 10,000 people, 80 tonnes of food monthly. Even though they said they haven't seen the increases that they had in the past, they continue to have that ongoing,

average need.

And as you indicated, certainly when I toured the food bank I thought what was very appropriate that the food bank had actually moved from a means of just distributing food but also a means of training individuals as to how to make good use of the food. And the one case, you probably are aware of it, Mr. Minister, where they have four, full-fledged kitchens that are set up right within the food bank itself so that they can train people how to cook up the food that they're been handled.

And as I understood from talking to two people, whether it's the food bank or other organizations that have handed out hampers at some time, there's a disturbing fact that part of the hampers were just disposed of because for some reason people just didn't have a good common grasp of just some of the bare essentials of how to cook and prepare a meal, which was unfortunate, and maybe in some cases didn't have the equipment as well. They may have had a stove but maybe didn't have the roaster or whatever the circumstances.

So the fact that the food bank is offering avenues whereby . . . they're looking beyond just handing people a food hamper, and I think that's good and that's excellent because I think we need to do it.

We need to look beyond that because the question arises, why are people still going to the food bank? Why are they relying on the food bank? Is it, Mr. Minister, the fact that because the food bank is there that people will take advantage of it? Is it the fact that there are people with some real legitimate needs and need the food, the food hampers that are handed out by the food bank?

(16:30)

Besides the avenues of training . . . And now training I think is a little different than just picking up a food hamper. If a person is lacking and the food bank has . . . They've moved to a process of beginning to educate and train people so that they can actually look for some legitimate work. There again, I think we would compliment the individuals, the leadership of the Regina Food Bank for providing those initiatives rather than just handing out the hampers.

But I guess the question comes back to: why do we continue to have this ongoing need? Is it because it's something that's available so people take advantage of it? What are the real reasons for the need for the food bank, for some 80 tonnes of food per month that the food bank needs to just meet the needs of the people who seek their services?

Hon. Mr. Hagel: — Mr. Chair, I thank again the hon. member for his question and the concern. I welcome very much the dialogue about how we as a government, as a representative of the people, respond to the needs of the poor in our society.

I think in responding to the hon. member's question about why the usage of food banks continues, there's probably an element of truth in all of the things that he suggests. And it's probably a question which in some ways is most accurately answered in specific kinds of ways by people who are at the food banks themselves and will have the daily contact.

But I think the fact of the matter is, Mr. Chair, that the food banks, certainly the food bank here in Regina, as we've just been discussing, has taken on a support role for low-income families. And so that would suggest that in part some of the use of the food bank is probably related to the fact that there are other helpful activities — employment related, life skills related — that go on, and that access to the support of the food bank in terms of making use of food is something that can be taken advantage of at the same time and therefore enable a family to manage their finances in a different kind of way.

I think it's fair to say, too, if you go around the province and you talk about food banks in different communities, what would be common is that the food banks will attract to the boards of them people who are involved in their communities and often in a complex and, in many ways, kind of a comprehensive kind of series of services of support to people who may be vulnerable in families.

So it's one of the things I think that's happened over the years is that perhaps there is a different sense of invasion of dignity that people will feel in taking advantage of a food bank that's there. But the important thing I think to note is that food banks and their related kinds of services have . . . they've become a source not only of conscience but of community-based political . . . No. Community-based social action, I think, is a more accurate term to support people who are in need of support or in times of transition.

And so it would be, I think for all of us, a long-term goal to see a society in which food banks are not necessary. I think all of us would wish for that. We certainly recognize that poverty is not an issue that is easily remedied nor quickly remedied. I think we can take significant pride in the leadership that has been provided by the Department of Social Services and others in tackling poverty, but we must also admit that there's a long, long way to go.

We have by no means eliminated poverty. That is a noble objective for which those of us who come and serve in these chambers should ought to aspire. We recognize always that as we deliver services, we have to do that in a combination of responsibilities as to how we take those tax dollars provided to us and distribute them to serve the people of our province.

I know the hon. member understands that. And in many ways that's the kind of discussion that goes on in estimates — is we look at delivery of services but also in balance to a combination of things.

So will food banks be here for a while? I think they will. Do I dream of a day in which food banks would not be necessary? Of course I do. And I admire others in these chambers and beyond who would share that same goal.

Do I also appreciate the kinds of other support programs that may be attached either directly to food banks or related to them in communities? Of course I welcome that as well. The government can't do it all by itself. That's obvious. We live in a day in which I think we're realistic. It's partnerships that are necessary in order to achieve important social objectives and that is completely true of course when tackling the issue of poverty and particularly child poverty.

I was reminded of that, Mr. Chair, this morning. I was in Prince Albert officially announcing the Jobs First program extension to Prince Albert. And at the announcement were some good representation from both the business community as well as the community-based organizations in Prince Albert.

And it was obvious to me as we were gathered at the Career and Employment Services centre to talk about this vehicle that we've introduced to in another way assist our low-income citizens to attach themselves to the best form of income security which is a job, that it was . . . This was in a room that brought together business people and community-based organization and government employees all together in one room recognizing that we were all of a common purpose, dedicated to a common goal. In many ways that's I think what we're talking about here today.

Mr. Toth: — Mr. Deputy Chair, Mr. Minister, we look at food banks and we look at the clientele that access the food banks and certainly . . . and even looking at Souls Harbor Mission. And I'm not exactly sure what some of the other food banks around the province are facing or what type of clientele that may be utilizing their services.

One of the concerns . . . and certainly in downtown Regina is a high number of First Nations community who seek the services of the Souls Harbor Mission. And I'm not exactly sure what the numbers might be in regards to the food bank.

You made some comments about wondering whether or not food banks are always going to be with us. I know that Christ talked about the fact that we'll always have the poor with us.

And I'm not sure, I think it's an achievable goal of finding quality employment for everyone. But since you've become minister I'm wondering, Mr. Minister, what has your department done or what focus are you moving in to see if we can't as much as possible really move people from the need for assistance into full-time employment.

I think what we're seeing is certainly opportunities are opening up where . . . I'm hearing now that in the job sector for the last number of years, certainly in our educational facilities, we've really been talking about young people going to university and getting a post-secondary education at the university level to the point that I think in some of the technical areas we're actually lacking.

I just heard an announcement on the radio the other day of a real lack of heavy-duty mechanics. Even the car industry. They're talking of the fact that because of the shortage of technicians we may find ourselves, rather than 40 or \$50 an hour for car servicing, looking up in the \$200 range because of the fact that there's the shortage and companies will be willing to pay whoever just to get . . . just to make sure they've got the staffing on hand.

So I guess what I'm asking, Mr. Minister, what avenues has your department looked at as a minister, avenues that you've given thought to that we could look at, that we could begin to move in direction? While we talk about the Jobs First, I think we need to look beyond Jobs First as far as the training.

We talked about the food banks actually promoting some kind of training initiatives to assist people. And just wondering, Mr. Minister, what your department and the discussions that you've had and some really conclusive ideas that you've been arriving at or coming forward with that you see down the road as actually really reducing the need for food banks in the province of Saskatchewan?

Hon. Mr. Hagel: — Mr. Chairman, I thank the hon. member for the question, but it's going to take a bit of time and I know the hon. member understands that when he asks the question.

The hon. member, Mr. Chair, raises what I consider one of the absolutely critical questions related to this portfolio and to this department. And it is . . . there is . . . we live in a time of opportunity, Mr. Chair.

Some would say that as we look at the times we're in that we have some serious challenges that face us in the world of employment and in one sense they'd be right. Others would say — and this is sort of the glass is half empty or half full — others would say that we live in a time of opportunity for those of us who believe in the social justice of a representative workforce. And for those I would say you're right.

The fact of the matter is, Mr. Chair, that one of the reasons that people have been leaving welfare to go to work is because there's been work to go to, to state the obvious. Jobs First is a program which wouldn't work extremely effectively if there weren't real jobs for people to move to. And there are.

Since 1996, outside of the agricultural sector, the number of jobs in this province has grown by slightly in excess of 35,000. And although we sometimes are . . . We're inclined to think here, in our province, because of the impact of the agricultural economy, that the economy is all in a slump. In fact, that's not true. Outside of the agricultural economy, the economy is doing . . . is bumping along kind of nicely, actually, which is a credit for diversification in many ways in our province.

Thirty-five thousand new jobs since 1996; a tightening labour market in this decade largely driven by the early retirement of the baby boomers provides for us an opportunity. And the opportunity then is to take advantage of the dynamics of the labour market itself where employers, I think, are now increasingly valuing loyalty, the potential for longevity in terms of relationship between the employee and the employer. And that sets an environment in which employers are now increasingly willing to look at doing something outside of the traditional practices of hiring and employment.

And so I think for those of us who support attachments to the labour market in meaningful jobs, decent jobs, jobs with a future, for people who have tended to live outside of the mainstream of employment in the past, there is opportunity that has certainly been greater than there has ever been . . . that I've known in my professional lifetime.

So simply, what are we doing? Jobs First is a pilot project we introduced in Yorkton last year and Regina that we're now expanding. I announced a couple of weeks ago we're expanding across the province. I'm encouraged by the fact that in the two pilot projects, as of March, year over year, the Yorkton social

assistance caseload dropped by some 17 per cent. Here in Regina by, I believe it's a little over 10 per cent — well above the provincial average in the drop of social assistance caseloads.

Why is that happening? I think it's because we found an effective way to connect people who are looking for the best form of income security, a job to the jobs. And the fact that these orientation sessions take place in the current employment service centres all across the province of Saskatchewan, 20 of them. State of the art, Mr. Chair — state of the art. The best in all of Canada, making use of technology for information.

And then the knowledge and the skills of people to help people counsel regarding job choices, job referrals perhaps, but career choices and the kind of supports that are there to enable people to get experience. Maybe JobStart/Future Skills through Department of Learning is a way of getting accredited job useful experience. Or maybe basic education, those sorts of things.

But also what's going on then, Mr. Chair, is that not only are we reducing the number of caseloads, what they are telling me is that within six weeks 30 to 40 per cent of the jobs first participants are working, that there's another 50 per cent that don't have subsequent contact with the department.

Now we don't know for sure whether they're working or not because they're not required to report, but I suspect that a good, substantial percentage of them are. And what we do know is that the caseloads have dropped by some 25 to 30 per cent in the pilot areas.

Together with this then, we're doing a first-step process with the workers and those who are coming into welfare, and transition planning, a new approach to social workers working in a supportive way with individuals, with their clients receiving social assistance to assist them to find the independence that they want to do.

So some of it's directly job related. Other of it is a supportive in management many times of personal affairs in order to get life circumstances in such a position that you can eventually move to the labour market if you wish. This would be, for example, in the case of some parents, for example, may not be able to realistically do a lot of work right now because of obligations, but eventually will want to. So that's happening.

In addition to that we've dedicated in this budget an additional \$1.3 million in training supports for family and for people with disabilities. And that will result in also some additional kinds of techniques — support with job coaches, for example, to assist with the performance of duties at the workplace itself, working hand in hand together with employers and the employees to help to overcome what may be some lack in some of the finer skills, the job skills or the life skills, that are necessary in order to be successfully employed.

So those are, I think, are just some quick and dirty sorts of things in terms of specific projects.

Now in addition to that, the reorganization of government I think has given us an opportunity to find some new synergies, bringing to the Department of Social Services the career and

employment service offices, 20 of them around the province, the best resources in terms of making connections to the world of employment available anywhere in Canada.

And also bringing to Social Services the Sask Housing which is also a very important part of the whole picture of stability for many, many people about which you have a basis to build your future. I'm optimistic that we'll be able, by bringing these under the same administrative umbrella, that we'll be able to do a better job of finding additional synergies.

What we've been doing is finding synergies and we're not finished yet, and we're going to be looking for more synergies to take advantage of the dynamics from the pre-employment service offices, the resources from the housing portfolio — working under the same umbrella of the social objectives of connecting people to the world of employment and to the independence that they so badly seek, as is typical of Saskatchewan people.

So it's no surprise, Mr. Chair, it's with a great deal of enthusiasm about the potential that's there for our department that was facilitated by the reorganization that was announced and came into effect on April 1.

Mr. Toth: — Mr. Deputy Chair, Mr. Minister. I thank you for that response and certainly I think . . . you made a comment about employers and I personally believe it's important that we look at businesses — manufacturing, processing — employers out there who are looking for employees and recognizing the fact that they can play an important role in the training process. I think they take a hands-on approach. It's probably a better chance that you're actually going to train individuals to meet the needs of that employer with the type of training that is essential.

One of the problems though for a lot of businesses and a lot of employees or employers is the minimum wage in this province, and we keep talking about increasing it — it just increased and another increase is coming — and everyone's treated the same. And one of the difficulties a lot of businesses face is when you're training someone they don't have a lot of those skills. And yet somebody already on the floor at that minimum wage level or barely above it and then you bring somebody on that you have to train, and the feeling is that if you were to go into another occupation, if you entered an employment opportunity, you enter at a base level and then you progressively work your way up.

I think one of the concerns is that they're expected, especially some of our smaller businesses that in many cases provide a minimum wage or barely above that, but do work themselves to a position of higher than that, that when they're trying to train people they find it somewhat difficult.

In many cases . . . I know locally, people would be more than happy to bring individuals on and train them if there was a way of recognizing that training period, and that as they become more qualified then their wage scale will begin to show that. And I think something certainly needs to be addressed in that manner as to how we work together with the business community to provide the job skills that are needed for the current employment opportunities that are out there. And I think

that needs to be looked at, Mr. Speaker, or Mr. Minister.

Mr. Minister, before I sit down though — just looking at the time, in case I may not get another chance to offer another word in the debate this afternoon — I would like to have one other question as well to your office.

And that is, over the past number of years we have basically sent over a global set of questions — and I'm not exactly sure if our office has done that this year — just basically the questions regarding the expenditures of the office, the employees, the salaries. I forget what all the numbers are.

And I was just wondering if that had been sent over. If any work had gone off. To do some follow-up on that. I thought I better ask that before I get to it. And then get to some tedious questions down the road which could be answered fairly simply by the department. We'll certainly look into that.

But I think through the Deputy Chair, Mr. Minister, one of the things we need to look at very aggressively is working with the business and the employer community to develop programs and coordinate programming and training to assist people in moving from assistance into some real quality job opportunities, because the training has now given them that opportunity to move in that direction.

And I'm not sure if your department is looking at that, the fact that you've got the . . . is it the training program now under your wing or the employment opportunities program? The avenues that we can pursue. And I'm wondering where your department is going in that regard.

Hon. Mr. Hagel: — Thanks, Mr. Chair. I'll be brief and then we're going to move to adjourn. Let me respond quickly as I can to the hon. member's questions.

Although you may be of the view, Mr. Chair, that we've had a lot of basic questions asked — in excess of 200 written questions in this session — among them is not a set of what I think referred to as global questions. So if the hon. member wants to forward them to my office, we'll be happy to respond and avoid the minutia in this discussion and enable ourselves to use our time for discussion about important social issues.

And if I can just conclude then in responding to the hon. member's question again about, as we continue the discussion about connection to the real world of work and how you do that, I come back again to the current employment service centres. And I say that because what occurs there is much more than the availability of information connecting . . . that people can have about jobs that are actually available now.

I was told a couple of months ago that in the month of March that the SaskJobs I think had 600,000 hits on the Internet for information, which means that people are certainly looking on a regular basis.

But just as importantly and in some ways more importantly in the context of our discussion here — and with a focus on those who may have a lower set of skills and wanting to build those to become attached to the world of work and to shape careers and their futures — we have got people who have got knowledge

and skills at those centres who are ready, willing, and able to provide advice to individual citizens.

And among those advice then are the ability to develop specific training plans for an individual citizen and oftentimes connected to a specific employer who has some specific skill requirements. The JobStart, Future Skills program for example can make that connection in a very specific kind of way, meet the needs of an employer. It provides supportive training through the public purse that is also credited.

The employee building assistance for people with disabilities that we cost share with the federal government is extremely valuable to overcome some of the barriers in the workplace. But also the training institutions for people who . . . with disabilities to acquire skills and knowledge and real work. Increased support for apprenticeship has been part of that.

I won't get into the great minimum wage debate, although I make it very, very clear that this Minister of Social Services will never ever permit in our province, while I am Minister of Social Services, work for welfare — not in this province. Work for real wages, work for wages — that's what it's all about. And our task is to support people to attach themselves to sustainable employment, preferably with real wages.

But it's that career employment services centres and that's why it's so valuable that the job . . . that the Jobs First program is located right there where people not only get the information related to that that we've talked about here, but also become aware of an ongoing resource, not only for day-to-day information that we used to find in Canada Manpower centres about . . . you know, on the job boards, what's available, but also the kinds of support and training programs that people can access to get themselves attached in a meaningful ongoing way.

So, Mr. Chair, that is a very, very short answer actually to a very good question. And having said all of that and recognizing the time, I am sorry that the time has come that we must move to rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 17:00.