

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens of northeast Saskatchewan who are concerned about the condition of Highway No. 23 west from Junction 9 to the town of Weekes. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway 23 in order to avoid serious injury and property damage.

And as in duty bound, your petitioners ever pray.

This petition is signed by citizens of Hudson Bay and Kelvington.

I so present, Mr. Speaker.

**Mr. Heppner:** — Thank you, Mr. Speaker. I consider it a rare privilege today to present petitions that have been put together by the grade 5 class at Valley Manor School in Martensville. They took a particular topic and put a lot of work into it. They collected 556 signatures. And I would like to read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately enact a law that would enforce all bicycle riders, in-line skaters, and skateboarders to wear an approved safety helmet.

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

I so present, Mr. Speaker, on behalf of those students.

**Some Hon. Members:** Hear, hear!

**Ms. Draude:** — Thank you, Mr. Speaker. I'm really pleased to present a petition today 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 would be subject to a fine of not more than \$100.

The people that have signed this petition are from Wadena and Hendon.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. This afternoon I rise on behalf of citizens who continue to express a concern about the high cost of prescription drugs. The prayer reads as follows:

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.

Signatures on this petition this afternoon, Mr. Speaker, are from the great community of Melfort, and I'm pleased to present on their behalf.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I have a petition today to do with the overfishing at Lake of the Prairies. 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 communities, Mr. Speaker, involved are Dalmeny, Langenburg, Martensville, and Marchwell.

**Ms. Bakken:** — 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 products; 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, Sedley, and Trossachs.

I so present.

**Mr. Brkich:** — Thank you, Mr. Speaker. I have a petition here dealing with tobacco offences:

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; furthermore, anyone found guilty of such an offence will be subject to a fine of not more than \$100.

As in duty bound, your petitioners will ever pray.

Signed by the citizens from Hawarden and Kenaston.

I so present.

**Mr. Weekes:** — Thank you, Mr. Speaker. I have a petition for adequate, reasonably priced telephone service from the citizens

in Emerald Lake. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to modify the exorbitant rates of telephone hookup to these cabins and provide reliable cellular telephone coverage.

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

Signed by the citizens of Prince Albert, Warman, Martensville, and Saskatoon.

I so present.

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, 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 this petition, Mr. Speaker, is signed by the residents of Simpson, Imperial, and Liberty.

I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition signed by citizens of my constituency. And it's regarding the tobacco legislation that was put forth:

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 not more than \$100.

And the signatures on this, Mr. Speaker, on this petition, Mr. Speaker, are from Mildred, Chitek Lake, Spiritwood, and Shell Lake.

I so present.

**Mr. Peters:** — Thank you, Mr. Speaker. I have a petition with 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, Rabbit Lake, and Mayfair.

I so present.

## READING AND RECEIVING PETITIONS

**Deputy Clerk:** — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional paper nos. 7, 11, 23, 24, 32, 59, 132, and sessional paper no. 147.

## PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

### Standing Committee on Estimates

**Mr. Addley:** — Thank you, Mr. Speaker. Mr. Speaker, as Chair of the Standing Committee on Estimates, I present the third report of the said committee which is as follows. Your committee considered the estimates of the Legislative Assembly and adopted the following resolutions.

Main Estimates, 2002-2003. Resolved that there be granted to Her Majesty for the twelve months ending March 31, 2002, the following sums: for Provincial Auditor, \$5,602,000; for Ombudsman and Children's Advocate, \$2,651,000; for Information and Privacy Commissioner, \$105,000; for Conflict of Interest Commissioner, \$122,000; for Legislative Assembly, \$5,977,000.

Resolved that towards making good the supply granted to Her Majesty on account of certain charges and expenses of the public service for the fiscal year ending March 31, 2003, the sum of \$12,046,000 be granted out of the General Revenue Fund.

Supplementary Estimates, 2001-2002. Resolved that there be granted to Her Majesty for the twelve months ending March 31, 2002 the following sums: for Ombudsman and Children's Advocate, \$55,000.

Resolved that towards making good the supply granted to Her Majesty on account of certain charges and expenses of the public service for the fiscal year ending March 31, 2002, the sum of \$55,000 be granted out of the General Revenue Fund.

Your committee recommends that upon concurrence of its report by the Assembly, the sums as reported and approved shall be included in the next Appropriation Bill for consideration by the Legislative Assembly.

Signed by Mr. Viktor Kaczkowski, Committee Clerk, and myself as Committee Chair.

Therefore, moved by the member for Saskatoon Sutherland, seconded by the member for Watrous:

That the third report of the Standing Committee on Estimates be now concurred in.

Motion agreed to.

## NOTICES OF MOTIONS AND QUESTIONS

**Mr. Brkich:** — Thank you, Mr. Speaker. I give notice I shall

on day no. 56 ask the government the following question:

To the Minister of CIC: what is the total amount of money that CIC has placed with private venture capital companies' funds for investment; what is the current market value of these investments?

Also on day 56:

To the Minister of CIC: for the year 2002 to date, how much money has the Crown Investments Corporation placed with private venture capital companies for investment; what venture capital companies and/or funds received money for investment; what amount did each receive and what is the current market value of those investments, plus questions for a number of other years . . .

I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 56 ask the government the following question:

To the Minister of Industry and Resources: what entity is responsible for the payment of legal fees incurred in the defence of lawsuits launched against the Saskatchewan Government Growth Fund Management Corporation and its eight funds; what entities have suits against . . . outstanding against the SGGF and its funds; and for each lawsuit how much has been spent to date on the defence?

And I have another question. I shall give notice on day no. 56 and ask the government the following question:

To the Minister of Industry and Resources: is Mr. Gary Benson, the president of SGGF, paid by SGGF Management Corporation and/or any of its eight funds; if so, what is the total compensation for the year 2002?

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 56 ask the government the following question:

To the Minister of Industry and Resources: what was the total compensation paid by SGGF Management Corporation and/or any of its eight funds to Mr. Gary Benson in the year 2001?

And I have similar questions, Mr. Speaker, for the years 1996 to 2000 inclusive.

**Mr. Wakefield:** — Thank you, Mr. Speaker. I give notice that I shall on day 56 ask the government the following question:

To the Minister of Industry and Resources: how many parties approached the Saskatchewan Government Growth Fund for capital investment in 2001; how many such applications were approved; how many were denied?

Mr. Speaker, I have similar questions for the years 1998, 1999, and the year 2000.

**Mr. Hillson:** — Thank you, Mr. Speaker. A pleasure for me this afternoon to introduce to you and seated in your gallery, Ann Belobaba from Vancouver Island. Ann is here for the convocation of her son, Drew, who graduated from the College of Law in Saskatoon yesterday.

She tells me that the family has Saskatchewan roots; one of her ancestors is the Hon. George Scott, an early Speaker of this House and a great Liberal. She informs me that the family were all Liberals in Saskatchewan. Since then, as the family has moved progressively west, I have to report they've moved progressively to the right but we know at least they've got good Saskatchewan roots.

I'd ask all members to join me in welcoming Ann Belobaba to the House this afternoon.

**Hon. Members:** Hear, hear!

**Hon. Ms. Crofford:** — Thank you very much, Mr. Speaker. I rise today to introduce to you and through you to members of the Assembly quite a few very important guests and, Mr. Speaker, they are here for a Conference of Canadian Protocol Officials, exploring the role that protocol plays in modern democracy.

And I'm going to ask each of them to stand as I introduce them. Now this is a little bit lengthy so if I start fast talking here, just . . . I apologize in advance.

But representing Canada from the Office of the Governor General at Rideau Hall, Lieutenant-General (ret'd) James Gervais, Deputy Secretary, Chancellery; Ms. Michèle Lévesque, Deputy Secretary, Policy, Program and Protocol Branch.

From the Department of Foreign Affairs and International Trade: Mr. Richard Kohler, Chief of Protocol; Ms. Caroline Chrétien, Deputy Chief of Protocol and Director of Diplomatic Corps Services Division; Mr. Claude Boucher, Senior Coordinator, Federal Provincial Relations.

From the Department of Canadian Heritage: Ms. Micheline Ouellette-Rogers, Director, Canadian Identity; Mr. Kevin MacLeod, Manager, State Ceremonial and Protocol.

From the Department of National Defence, Mr. Serge Bernier, Director, History and Heritage; from the Department of Public Works & Government Services, Mr. Gerry Wharton, Manager, Ceremonial and Protocol Services.

And from the Parliament of Canada, International & Inter-Parliamentary Affairs, Ms. Claire Poulin, Director General and Chief of Protocol.

Representing Ontario, from the Ministry of Economic Development and Trade, Mr. Roy Norton, Executive Director of International Relations and Chief of Protocol; Ms. Ishbel Halliday, Coordinator, Delegations and Special Events. From the Ministry of Citizenship, Ms. Nanda Casucci-Byrne, Manager, Ontario Honours and Awards.

#### INTRODUCTION OF GUESTS

(13:45)

Representing Quebec, from the Ministère des Relations internationales, M. Pierre Loisel, Chef adjoint du Protocole.

Representing New Brunswick from the Department of Intergovernmental Affairs, Ms. Anne Reynolds, Chief of Protocol.

Representing Nova Scotia from the Department of Tourism and Culture, Ms. Colleen MacDonald, director of protocol.

Representing Manitoba from the Executive Council, Mr. Dwight MacAulay, Chief of Protocol, Ms. Karen Bryk, Senior Protocol Officer.

Representing British Columbia from the Intergovernmental Relations Secretariat, Mr. Marc-Andre Ouellette, Director of Protocol and Events, Ms. Heidi Elliott, Coordinator of Order of British Columbia.

Representing Alberta from the Executive Council, Ms. Betty Anne Spinks, Chief of Protocol.

Representing the Northwest Territories from the Department of the Executive, Ms. Carmen Moore, Protocol Officer, Ms. Kathy Bentley, Policy Advisor.

Representing Nunavut from the Ministry of the Executive and Intergovernmental Affairs, Ms. Annette Bourgeois, Press Secretary and Protocol Coordinator, Ms. Margaret Nowdlak, Protocol Officer.

And finally representing our province of Saskatchewan from the Provincial Secretary Division of the Department of Government Relations and Aboriginal Affairs, Mr. Michael Jackson (Conference Chair), Executive Director, Government House and Chief of Protocol, Ms. Irene Bauer (Conference Coordinator), Deputy Chief of Protocol, Ms. Gwen Jacobson, Protocol Officer, Ms. Liz Hugel, Protocol Officer, Ms. Debbie Saum, Executive Assistant to the Deputy Provincial Secretary.

I'm sure that all members will want to join me in welcoming them here today. Thank you very much, Mr. Speaker.

**Hon. Members:** Hear, hear!

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the loyal opposition, I would like to join the Provincial Secretary in welcoming our guests here that are here attending the Conference of Canadian Protocol Officials. We hope you enjoy the proceedings today and we hope you enjoy your stay in our province and we wish you all a safe journey back home. Thank you.

**Hon. Members:** Hear, hear!

**Mr. Addley:** — Thank you very much, Mr. Speaker. Mr. Speaker, today is a very special day for me today. In fact, I'm wearing my special tie. In the west gallery are my parents, Angus and Glenna Addley, and my niece, Sarah. And why it's such a special day is three years ago my niece was diagnosed with leukemia, and after a two-year plus very hard battle with leukemia, she is winning that battle and she's very much an inspiration to all of us in our family and those that know her.

And I just want to thank the hon. members for all their thoughts and prayers that have been conveyed to me and to her and to my family as well.

My parent's other grandchildren have all been able to be here to be introduced, and unfortunately, Sarah was not able to make the trip. Today she has, so I would ask all hon. members to welcome my hero, Sarah.

Thank you very much.

**Hon. Members:** Hear, hear!

**Ms. Draude:** — Thank you, Mr. Speaker. To you and through to the Assembly, I'd like to introduce students from my constituency. Wadena is the home of the Shorebird Festival and Pamela Wallin and also 22 great grade 4 students in the east gallery.

They are accompanied today by their teachers, Tracy Ziola and Ms. Shay Strukoff, and also chaperones, Linda Kuras, Karen Paquachan, Jean Pauls, Linda Weber, Cheryl Melnyk, Shelley Mayer, Connie Rothlander, Claudia Linde, Crystal Scheller, Judy MacDonald, Jeannine Snell, Maureen McClymont, and Jay Lorenzen.

And I'm looking forward to having lunch with you later on.

**Hon. Members:** Hear, hear!

**Mr. Harper:** — Thank you, Speaker. Mr. Speaker, I'd like to introduce to you and through you to all the members of the House, a group of 23 grade 5 and 6 students from the M. J. Coldwell School in my riding and they're sitting in your west gallery, Mr. Speaker.

They are accompanied here today by Charmaine Stouse, their teacher. The group has just got here so they're invited to take in some of the proceedings of the House, then tour the legislature. Then I'll have the opportunity to catch up to them later for a photo and a visit.

And, Mr. Speaker, as we all know, the youth of today are the leaders of tomorrow. And I can assure you, Mr. Speaker, that when the students of M. J. Coldwell School become our society leaders, we'll be in very good hands.

I ask all the members to offer a very warm welcome.

**Hon. Members:** Hear, hear!

**Mr. Wall:** — Thank you, Mr. Speaker. It's a honour to introduce to you and through you to my colleagues in this Assembly two people that are very special to me, as well, in your gallery. My mom and dad have joined us today. They are John and Alice Wall. Mr. Speaker, most of what I count as valuable in my life I owe either indirectly or directly to them. And so I'm grateful they could be here today.

My father retired last year, I think it was, from being in business since he was about 16, I think. And my mom's also recently retired, affording them the chance to travel around and do this.

In addition to that, Mr. Speaker, my father is serving his third term on the Swift Current City Council, and my mom has been recently elected to . . . elected for the first time to the school board. I've cautioned both of them; I said given our political involvement, we'll run the risk of being compared perhaps to some sort of Mennonite version of the Kennedy's, Mr. Speaker, minus all the . . . minus the dancing of course. But they are very special to me and I just ask all members to join me in welcoming them to the Legislative Assembly here today.

**Hon. Members:** Hear, hear!

### STATEMENTS BY MEMBERS

#### Pamela Wallin to Receive Honorary Degree

**Mr. McCall:** — Thank you, Mr. Speaker. This week, the University of Saskatchewan and the University of Regina are holding convocation ceremonies for their graduating students. In addition to recognizing the graduates, convocation also provides an opportunity to bestow honours upon individuals who have contributed to Saskatchewan, Canada, and the world.

This year, the University of Regina is presenting an honorary degree to trailblazing journalist Pamela Wallin. Ms. Wallin hails from Wadena and graduated from the University of Regina with an honours degree in psychology and political science. She will be honoured for her advancement of women's issues and for her contribution to and success in the world of journalism.

Among other distinguishing achievements, Ms. Wallin was the first female bureau chief on Parliament Hill. She currently hosts and produces *Pamela Wallin's Talk TV* and the Pamela Wallin Cultural Weekends. She is the president of her own production company and she has also authored a number of best-selling books, the latest of which is entitled *Speaking of Success: Collected Wisdom, Insights and Reflections*.

Amongst her numerous awards, she was the first recipient of the United Nations UNIFEM (United Nations Development Fund for Women) Canada Award for outstanding contributions to the advancement of women. She is a member of the Saskatchewan Order of Merit and she is the namesake for Pamela Wallin Way in her hometown of Wadena.

Mr. Speaker, I know from following her work and from having had the honour of meeting Ms. Wallin that she is very proud of her Saskatchewan roots almost as much as we, in Saskatchewan, are proud of her.

I would like this Assembly to join me in congratulating Pamela Wallin on her Honorary Doctor of Laws from the University of Regina. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### Walkerton Inquiry

**Mr. Hillson:** — Thank you, Mr. Speaker. This week, Mr. Justice Dennis O'Connor released the final report of the Walkerton Inquiry. The most interesting finding was that Ontario residents could be guaranteed safe water for an annual

household charge of \$19. I believe Saskatchewan residents would gladly pay this amount if it was going to ensure our communities have modern systems and qualified operators.

So far, the Saskatchewan government's response to the water crisis has been to threaten prosecution of municipal officials who operate substandard official . . . substandard systems because they can't afford to upgrade. We all know that the threat of criminal charges for municipal leaders is an inadequate response.

A Sask Water report estimated that the cost of upgrading the province's water systems will be \$300 million.

We all know the Canada-Saskatchewan Infrastructure Program is inadequate. We need to identify water quality as a national priority, and yes it will take money. We need a dedicated charge that goes directly into funding water system upgrades. This would be a far more constructive approach to the water crisis than to threaten municipal officials with jail.

Twenty dollars per citizen to ensure drinking water is a drop in the bucket. Thank you.

#### Announcement of New Seniors' Housing Development in Regina

**Mr. Van Mulligen:** — Mr. Speaker, this morning I was delighted to be able to attend the announcement of an exciting new development for Regina. The Regina Lutheran Care Society today announced a unique \$20 million housing development offering supportive living for seniors. The project, called Broadway Terrace, will offer enriched independent living in 123 suites plus a 15-bed personal care home. Construction is scheduled to begin next month with completion by the summer of 2003.

Some of the features that make Broadway Terrace unique in Regina's seniors' housing market include use of the life-lease model, a basic meal program which is covered by monthly rent, and the inclusion of a personal care home within the building giving residents access to additional care within their supportive community.

The building design includes a central atrium that will provide natural light throughout the 11-story building. Of course the building will be wheelchair accessible.

Broadway Terrace is open to residents 55 years of age or older from all denominations and cultural backgrounds.

Mr. Speaker, Regina Lutheran Care Society was founded in 1960 when a group of interested Lutherans recognized the need for a nursing home for the aged in Regina. It has operated a long-term care home since 1964 and later added a housing complex.

I am pleased to see the care society's building on this strong foundation of service and is continuing to meet the needs of seniors in Regina and especially the development of housing that offers a nurturing and supportive environment.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### Fetal Alcohol Syndrome/Fetal Alcohol Effect Programs

**Ms. Draude:** — Thank you, Mr. Speaker. I'm pleased to rise today in the legislature to discuss a very serious issue for many Saskatchewan people. Fetal alcohol syndrome, or FAS, and fetal alcohol effects, or FAE, is 100 per cent preventable yet every year in this province hundreds of children are diagnosed or born with these conditions. This neurological disease is caused solely by the consumption of alcohol during pregnancy which causes damage to the brain. Those affected can't process information in a typical manner, often leading to behavioural problems.

This disorder can have devastating consequences not only for those affected but also for their families. Mr. Speaker, there are programs starting to address some of the needs of FAS and FAE sufferers but much, much more needs to be done.

In addition to programs aimed at prevention, programs aimed at early intervention for children with FAS need support. Part of promoting the seriousness of this issue to the people of Saskatchewan is official government recognition of FAS.

With that in mind, Mr. Speaker, this afternoon I will be introducing to this legislature, Bill No. 203, An Act to Recognize Fetal Alcohol Syndrome Day in Saskatchewan. This Act would officially name September 9, Fetal Alcohol Syndrome Day in this province in perpetuity.

Our best hope for the prevention of FAS and FAE is increased public awareness. And it is my hope, Mr. Speaker, that this legislation would serve that purpose. I urge all members of this House to support this Bill and support all efforts to combat FAS in Saskatchewan.

**Some Hon. Members:** Hear, hear!

### "Saskatchewan Books Go Public" Campaign

**Hon. Mr. Nilson:** — Mr. Speaker, as you know, I'm quite proud to be the MLA (Member of the Legislative Assembly) with the most extreme case of writer's block in the Assembly. In just a few blocks in Regina Lakeview constituency, not far from here, reside authors Siggins, Mitchell, Bowen, Warren, Gault, Lohans, Birdsell, and Holmstrum. This collection of authors makes me proud, and makes Saskatchewan nationally recognized. But I have to admit that distinguished as they are, my block is just part of an excellent literary tradition in Saskatchewan that goes back at least to 1905.

To make the public more aware of this important aspect of our culture and our history, the Saskatchewan Publishers Group is today launching a media campaign called "Saskatchewan Books Go Public". The campaign is designed to spread the word about the incredible talent in Saskatchewan and to encourage all of us to buy and read Saskatchewan. After all, Mr. Speaker, there are over 15,000 available Saskatchewan book titles, enough to occupy more than a few summers.

The campaign includes highway billboards, newspaper advertisements, weekly book reviews, a weekly radio program

on Regina's new community FM radio station CJTR, a new Web site, a yearly newsletter called *Papercuts*, and finally a poster-sized Saskatchewan book map.

Good marketing, good tourism, good reading, Mr. Speaker. This is an admirable project with many hands and many supporters, and I congratulate them all.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### New Members for the Saskatchewan Party

**Ms. Julé:** — Mr. Speaker, over 600 new members have joined the Saskatchewan Party in the constituency of Saskatoon Southeast and they're eagerly looking forward to nomination contests next week.

Two high-profile candidates, Don Morgan and Kevin Waugh are seeking the Saskatchewan Party nominations and they have been actively signing up new members over the last few weeks.

Mr. Speaker, both of these candidates would make excellent MLAs and we are confident that one of them will join us here in this Legislative Assembly after the next election.

(14:00)

Mr. Speaker, strong membership sales in Saskatoon Southeast indicate that more and more people endorse the Saskatchewan Party's plan to grow the province by 100,000 people in 10 years. These people are tired of the NDP (New Democratic Party) government and they want a change. They know that no change in government means no growth. These people understand that where you've been is not half as important as where you're going. They support the Saskatchewan Party's vision and they support the Saskatchewan Party's plan to achieve that vision. They know that winners make goals and losers make excuses.

The members from this side of the House wish both Mr. Waugh and Mr. Morgan success because we know that whoever wins the nomination seat in Saskatoon Southeast will join us in the very near future in this Legislative Assembly as a Saskatchewan Party government. Thank you.

**Some Hon. Members:** Hear, hear!

### Saskatoon Internet Company Joins TR Labs

**Mr. Forbes:** — Thank you, Mr. Speaker. Great accomplishments usually come from co-operation and collaboration. A recent example can be found in Saskatoon where Itracks, a Saskatoon-based company, has joined *TRLabs*. Itracks is a leading provider of Internet market research software and data collection services for the market research industry. The company works with many of the world's largest market research companies. Itracks joined *TRLabs* to advance their product and service offerings by leveraging *TRLabs'* expertise and *TRLabs'* partner network.

*TRLabs* is Canada's leading research consortium in the

information and communications technology. Based on industry, university, and government collaboration, *TRLabs* operates five laboratories in Western Canada — two of which are in Saskatchewan — where university professors, graduate students, industrial sponsors, and staff researchers work together to conduct applied research.

Industry sets the direction of the program while universities contribute professors and students who develop the original research projects. Tim McNeil, executive vice-president, information systems for Itracks, says that his company's new relationships with *TRLabs* is central to Itracks product development strategy. Co-operation and collaboration become the key element in surviving the most competitive of market environments — the Internet, Mr. Speaker. This is a very valuable lesson for us all to learn. Thank you.

**Some Hon. Members:** Hear, hear!

### ORAL QUESTIONS

#### Response to United States Farm Subsidies

**Mr. Hermanson:** — Thank you, Mr. Speaker. Today *The Globe and Mail* is reporting that the federal government is considering a short-term compensation package of several hundred million dollars for Canadian farmers. This is a step in the right direction. And according to *The Globe and Mail* though, it appears to fall quite short of the \$1.3 billion which is the number that the federal government itself identified as the impact of the US (United States) farm Bill on Saskatchewan . . . on Canadian producers.

We have been assured that this government is working on the issue. So I ask the Premier, what details does the government have about this federal farm package?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Serby:** — Thank you very much, Mr. Speaker. I want to say to the member opposite that we have had a . . . my office has had a conversation with the Department of Agriculture and the ministry. And we're told that the federal Agriculture department and the ministry are working at putting a package together for Canada.

I want to say to the House and to the member opposite, we're extremely pleased today that the member of the opposition party is still onside as we work away to bring federal dollars, Mr. Speaker, to Saskatchewan and to Canada, Mr. Speaker. Because on this side of the House, Mr. Speaker, we've been working on this piece for the better part of a year.

We've been talking about the importance of not only good agricultural policy for Canada and for Saskatchewan, we've been talking about additional money that we require for trade injury. And we've also been talking, Mr. Speaker, about the importance of getting additional money for drought. And to see the Leader of the Opposition still onside, Mr. Speaker, on day 10 after we've been talking about this, is a wonderful event for this House and the people of Saskatchewan to recognize, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — Thank you, Mr. Speaker. And I'd like to thank the Deputy Premier for the compliments, though we do know we are doing a very good job on this side of the House and polls are telling us that.

But, Mr. Speaker, on a serious matter, Saskatchewan farm families are looking for answers. And today's story actually raises more questions than answers. How much money is Ottawa looking at? How much will Saskatchewan's share be, or is it going to be fully funded by the federal government? How will it be paid out? When will it be paid out? Is Ottawa insisting that it be cost shared with the provinces or are they negotiating?

Mr. Speaker, can the Premier or the Deputy Premier answer any of those questions today?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Serby:** — I listened carefully to the Leader of the Opposition's question. And I note in his comments and his question to me, he asks, Mr. Speaker, what is the provincial government's share going to be. What's the provincial government's share going to be, Mr. Speaker?

And as I said a couple of days ago, already, Mr. Speaker, there's a chink in the armour. The member from Watrous a couple of days ago said, Mr. Speaker, that we should be paying 10 million full dollars out of Saskatchewan taxpayers to subsidize the federal government, Mr. Speaker. And today, the Leader of the Opposition stands up in the House when we're talking about trade injury and he's already suggesting, Mr. Speaker, that there should be provincial taxpayers' money into subsidizing trade injury.

And I say to the member opposite, you need to stay on . . .

**The Speaker:** — Order, order.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — The member will make all his remarks through the Chair, please.

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, we're not trying to make this a political battle. Mr. Speaker, we're talking about a federal government whose cabinet is very close to making a decision. The province is running out of any time to have any input and say into what that decision is.

Mr. Speaker, it is crunch time. We need \$1.3 billion this year and we need a long-term commitment to continue this level of funding as long as the US farm Bill is in place.

The Saskatchewan Party has made it clear, Mr. Speaker, and I will reiterate it today in case the Deputy Premier is not listening, that Ottawa must bear this responsibility. It is a federal responsibility not to be cost shared by the Saskatchewan taxpayers. I've said it 100 times; I don't know why the Deputy Premier can't get it through his head.

Mr. Speaker, what is the government doing to make this case to

Ottawa? I haven't heard one solid response from the Deputy Premier that any progress has been made. What steps is this government taking on behalf of farm families in Saskatchewan to ensure that the federal government comes through and prevents Saskatchewan taxpayers from having to pay an excessive bill?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Serby:** — Well, Mr. Speaker, I say to the House and to the member opposite, the Leader of the Opposition, there's no question about where this government has been, and this ministry and this department has been on agriculture for the past year, Mr. Speaker. We've been leading the parade, Mr. Speaker.

What we've been saying is we've been saying we need trade injury, Mr. Speaker, of which now, collectively, we think we're going to get trade injury. We've been saying that we need drought assistance for the last year and a half, Mr. Speaker. We've been saying that we need a new agricultural policy framework in Canada. And I say, Mr. Speaker . . . Of which we've been leading, by the way, Mr. Speaker.

And I say to the member opposite, I asked you way back in January of this year, I asked your critic of Agriculture, where are you, sir, on your agricultural . . .

**The Speaker:** — Order. I would ask, once again, the Deputy Premier to address all his questions through the Chair.

**Hon. Mr. Serby:** — Thank you, Mr. Speaker. And I asked the member from Kindersley and I asked the Leader of the Opposition back this year, early this year, where is your agriculture . . .

**The Speaker:** — I just want to take a little time, I want to take a little time so that the member has a chance to collect his thoughts and direct his questions to the Chair.

**Hon. Mr. Serby:** — Mr. Speaker, I ask the member opposite and the Leader of the Opposition: where is the Saskatchewan Party policy direction on agriculture? Mr. Speaker, today I've not seen one, one word — not heard one word from the Saskatchewan people about what the Saskatchewan Party agriculture policy is, not one word.

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

**Some Hon. Members:** Hear, hear!

### SaskTel Business Activities

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for SaskTel. Mr. Speaker, in March SaskTel through SecurTek, one of its subsidiaries, announced that it was creating a new business venture called SafetyNet. This venture would supply senior citizens with personal alarm devices and monitoring services. The personal alarm devices notify the monitoring company if a senior needs help.

Well, Mr. Speaker, these types of security devices have been

around for many years, but now SaskTel is getting into this business.

Mr. Speaker, this is yet another example of SaskTel getting into an industry, starting a business that competes directly with businesses already doing this sort of thing in the province of Saskatchewan.

Mr. Speaker, why does the minister responsible for SaskTel continue to approve, continue to approve actions and new ventures by SaskTel that compete directly with existing businesses in the province of Saskatchewan?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Thank you very much, Mr. Speaker. Well in a few short minutes already the member was not exactly accurate. He identified himself as the Kennedy that did the dancing, I don't know what he's doing up here asking questions, Mr. Speaker.

Mr. Speaker, I would, I would say to that member, Mr. Speaker, that SaskTel is in partnership with the private sector when it delivers this service, Mr. Speaker. The seniors in the community of Saskatoon, I know, in a number of conversations that I had, appreciate this service.

SaskTel through SecurTek has partnered with many different companies here in Saskatchewan. It's also partnered with private sector companies outside of Saskatchewan to bring revenues back to Saskatchewan. And what it has done, Mr. Speaker, is ensured jobs here in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, Brad Brickner is the president of VS Response Systems of Regina. This company is privately owned and operated and has been providing this service here for a number of years. They have a partner as well in their venture, and their partner is the Regina Health District EMS (emergency medical services), Mr. Speaker, who monitor the devices and immediately respond to the seniors' calls for help.

VS Response System serves seniors across the city, and is proud of the years of service it has provided to this community. But now Mr. Brickner is very concerned — very concerned that he will be competing directly with his very own government through SaskTel. He called the minister to express his concern.

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

**Mr. Wall:** — He's concerned at the prospect of competing with his own Crown, so he put a call into the minister's office. But the response he got back, Mr. Speaker, was a letter from the president of his competition, Mr. Don Ching, the president of SaskTel.

To the minister, to the minister: why didn't he take the time to respond directly to Mr. Brickner and why does he insist through the Crowns on competing directly against Saskatchewan businesses in the province of Saskatchewan?



**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. Well I know I'll get a round of applause when I read this quote from the opposition, but I think the answer really strikes at the very, the very heart of where the opposition is going here. I look in *The Leader-Post* of May 15, 2002 and I quote from that member, Mr. Speaker. He says that:

A Saskatchewan Party government would also end the practice of Crowns competing with private companies, he added.

Mr. Speaker, but listen. Let's really understand what this means, Mr. Speaker. With SaskTel, Mr. Speaker, they offer Internet services. So does the private sector, Mr. Speaker. They offer cell service, Mr. Speaker. So does the private sector, Mr. Speaker. I look at SGI (Saskatchewan Government Insurance) who has been in competition for years, Mr. Speaker. I look at SaskEnergy, who is in competition with CEG (Constellation Energy Group Inc.).

I've now listed off three of our major Crowns who he says, Mr. Speaker, he would not allow competition. What does it mean? It means those three companies are gone, Mr. Speaker. That's what it means. That's what it means.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Mr. Speaker, we're asking on behalf of Mr. Brickner and others in this industry for a direct response to the . . .

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

**Mr. Wall:** — . . . for a direct response to these people as to why they would use their . . .

**The Speaker:** — Order, order. I'd ask members to . . . I'd ask members to stay in order.

**Mr. Wall:** — Mr. Speaker, we're asking them for a direct response to these businesses as to why they would use the Crown corporations to compete directly against Saskatchewan business now in the senior citizens personal alarm monitoring industry, Mr. Speaker. By his answers, it's clear, Mr. Speaker, this government has fallen and it can't get up, Mr. Speaker.

Mr. Speaker, here's the partnership that they have with the Regina Health District. Here's the partnership that they have. This particular company, Mr. Speaker, pays the Regina Health District for each and every client, each and every client that they have that they provide services for. So by getting into this business, this government, Mr. Speaker, is now competing not only against this business, but against the Regina Health District.

(14:15)

Would the minister please inform the Assembly if he approves, if he personally approves of that, of his Crown corporation not only competing against Saskatchewan businesses, but against the Regina Health District?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Well, Mr. Speaker, in trying to respond to that question, as a subscriber to Access Cable myself, Mr. Speaker, in the last monthly bill I got — I just pulled this out — I see in cable service that I receive, on the front cover, Mr. Speaker, I see a cell phone, Mr. Speaker, is what I see on the front of my bill. A cell phone, Mr. Speaker. That says to me . . . And they're partnering with Rogers AT&T, Mr. Speaker. That's who they are partnering with.

So that member would have us clear the way so that SaskTel couldn't partner with any private sector, but allow a company and a corporation like Rogers and AT&T to come here in Saskatchewan, offer cell service, Mr. Speaker, take the profits and revenues outside of Saskatchewan. What sense does that make?

**Some Hon. Members:** Hear, hear!

### Saskatchewan Government Growth Fund

**Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Saskatchewan Government Growth Fund.

Yesterday Saskatchewan taxpayers heard that yet another scandal involving the NDP government. This time it turns out that the SGGF (Saskatchewan Government Growth Fund Ltd.) lent more than \$50 million to two leasing companies, one of which is owned by John Johns, a former member of the SGGF board of directors. Another leasing company is owned by Roy Lloyd who serves as a financial adviser to the SGGF. The two leasing companies, Cajon Leasing and R & R Leasing, used the money to buy cars and computers and other equipment which they have leased to the NDP government.

Mr. Speaker, immigrant investor monies managed by SGGF are supposed to be used to invest in small- and medium-sized Saskatchewan businesses. Why is the Saskatchewan Government Growth Fund funneling millions of dollars into untendered leasing contracts so the NDP can use the money to buy government cars and computers?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Thomson:** — Thank you very much, Mr. Speaker. I want to pick up where we left off yesterday and correct a misinterpretation I'm sure the member didn't mean to leave.

He said yesterday there were not tenders put out on these contracts or on these vehicles we bought. Simply incorrect. I want to let people know that SPMC (Saskatchewan Property Management Corporation) tendered. I want to make this very clear — SPMC tendered.

Now to the question today. I'm quite prepared to pick up where we are now and talk about this. Let's understand the reason why these companies are set up the way they are. They're set up the way they are because the immigrant investor funds require certain requirements. They require it to be through these corporations. We go through the corporations. The auditor audits the corporations. We've used the funds appropriately.

They've been used in . . . (inaudible) . . . of the taxpayers. And the members opposite should apologize for accusing us of anything else.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, the mandate of the Saskatchewan government . . .

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

**Mr. Krawetz:** — Mr. Speaker, the mandate of the Saskatchewan Government Growth Fund is to provide investment capital for small- and medium-sized Saskatchewan businesses. The goal is to encourage new job creation and diversify the Saskatchewan economy. But the NDP government used \$50 million from these investment funds to purchase government cars, computers, and buildings.

Mr. Speaker, how does leasing cars to the government help grow Saskatchewan? How many new jobs were created as a result of the NDP government using \$50 million from the SGGF to finance the acquisition of government cars and computers?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Thomson:** — Mr. Speaker, I want to be very clear about . . . I think the members opposite are playing a bit of a shell game here. I think that they should be very upfront and honest about what the SGGF is there for.

The SGGF is there to make investments and to make secure investments on behalf of these immigrant investors. This is not like the 1980s, Mr. Speaker. I want to make this very clear. This is not like the 1980s. There is a requirement for us to make sure that they're secure investments. This is part of what we're doing.

I also want to say, Mr. Speaker, and be very clear about this, this investment growth fund has invested in some 59 different Saskatchewan businesses — now they single out 2 — 59 different businesses, \$195 million worth of investment. This is part of what we have this growth fund there to do and part of it is to invest in secure leases and that's what we've used it for. And that's perfectly appropriate and the members opposite should understand that and they should make that very clear in their question.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, the summary of the SGGF III to VIII inclusive, indicate that 45 per cent went to those very companies that the minister talked about; 55 per cent of the monies went to the two leasing companies — 55 per cent, Mr. Speaker. What did they spend the money on? They bought leased cars and computers and buildings. Untendered contracts, Mr. Speaker, so the taxpayer has no idea whether the government was taken to the cleaners or not.

Mr. Speaker, it's time for the NDP government to come clean. Will the minister table a list of all the cars, computers, furniture, surveillance cameras, buildings, and everything else the NDP

government acquired, along with copies of the \$50 million worth of leasing contracts they signed with R & R Leasing and Cajon Leasing so that the taxpayers, for themselves, can figure out where all the money went?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Thomson:** — Thank you, Mr. Speaker. Let me say this again for the member so that when he makes his apology after . . .

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

**Hon. Mr. Thomson:** — Thank you very much, Mr. Speaker. Now I hope the member opposite writes this down so that when he apologizes after the question period he can be very clear about this.

These items were tendered. In many cases these items went to tender; not only for the cars, they went to tender with . . . through the Crowns. Where we've used it, we've made sure there's value.

But I know why the members opposite have a problem understanding how the fund is used now as opposed to when it was in the '80s. The difference is, Mr. Speaker, that when we put out a tender, we make sure we get the goods that we paid for and that is a big difference from the way that those guys would operate things.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, given the, given the mass of political scandals plaguing the federal government these days, the federal Liberal government, Jean Chrétien can hardly be considered the best judge . . .

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

**Mr. Krawetz:** — Mr. Speaker, even Jean Chrétien and the federal Liberal government recognize that the NDP's use of \$50 million for lease is inappropriate and it stinks. The Provincial Auditor of the province of Saskatchewan thinks that the NDP deal also stinks. Mr. Speaker, most of the people in Saskatchewan think the same way.

It's time for the government to come clean. Release a list of everything the NDP government acquired with the \$50 million from the SGGF and release the copies of all the leasing contracts the government has signed with R & R Leasing and Cajon Leasing.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Thomson:** — Mr. Speaker, let me be very clear about how this works. The funds that were from the immigrant investors were invested in secure lease arrangements. We tendered. We have gone to other leasing arrangements. We have tendered for that.

And do you know what we found? We found that when we put them out for tender, the SGGF money still came in at a better cost for taxpayers.

I want to say that the members opposite should understand that this is to the benefit of taxpayers. Yesterday there were some rather interesting accusations made in the rotunda about the way the SGGF was managed.

Let me tell you this, Mr. Speaker. What we are making sure is happening here is that these funds are used in a secure fashion for the benefit of Saskatchewan people, that we are protecting the money that the immigrant investors have put into this province, and that they are being used for our best interest.

And to hear that party opposite stand up and accuse us of being like the federal Liberals, let me tell you this. I have not stayed in any chalet, Mr. Speaker, but I do in my other department run a hotel that several other members, former colleagues of theirs are currently guests in. And I think we need to understand that is not something we are going to be . . . (inaudible) . . . on this side.

**Some Hon. Members:** Hear, hear!

### Health Action Plan

**Mr. Hillson:** — Mr. Speaker, the government has finally introduced its legislation from the health action plan. But outside of the bureaucratic shuffling of the health districts into the new larger regions, the health action plan is a lot of plan and not much action.

People had hoped that the government was serious about reducing waiting lists, installing CT (computerized tomography) scans in regional hospitals, and about reducing ambulance fees. But there's nothing in the legislation introduced yesterday that will do anything to deal with the fundamental problems of three-year waiting lists for hip replacements, and patients going out of province and paying \$1,000 so they don't have to wait one year for an MRI (magnetic resonance imaging).

We're getting the new health regions. Everything else in the action plan is a wish list.

When is the government going to deal with the fundamental real issues of health crisis in this province?

**Hon. Mr. Nilson:** — Mr. Speaker, it's curious that the member opposite has not been around and heard about the various things that we are doing that implements our health plan, that has us move forward together with the people of this province.

We have now the surgical registry established. The people have met the surgeons and other senior administrators. They are tackling the wait list issues. We have the Quality Council legislation introduced. We have new health research foundation legislation introduced in this House. We have The Regional Health Services Act, which was introduced yesterday.

Mr. Speaker, we are going to continue to work with the people right across the province to make sure that we have a system that works very well for everybody.

**Some Hon. Members:** Hear, hear!

**Mr. Hillson:** — But, Mr. Speaker, that's the whole point. The waiting lists are going up, not down. So we're getting the new health regions — that's all we're getting.

City residents are guaranteed that if they have to be transferred from one hospital to another or from the nursing home to the hospital, there is no charge. Rural residents are routinely charged hundreds and even thousands of dollars for the same service.

EMTs (emergency medical technician) in the city are paid an average of \$3 more than they are in the country. This makes it very difficult for rural districts to keep qualified staff. The government said they were going to deal with these issues. They promised it in a health action plan. The NDP promised it in its 1999 election campaign. But as I found, waiting for the NDP to make good on its promises is like the old Freddy Fender hit song, "Wasted Days and Wasted Nights."

When will the government move on its promise to have standard ambulance charges across the province that do not discriminate against rural residents, rural patients, and rural workers? Or does the government really think that the new health regions will get this province out of its last-place standing in health care in Canada?

**Hon. Mr. Nilson:** — Mr. Speaker, I was very pleased last week to introduce The Paramedics Act to deal with a number of the issues around emergency medical services. We put in a half a million dollars to train more of the emergency medical technicians to be part of the whole emergency medical system. We have a new airplane that's providing service across the province.

I think maybe the more appropriate member for that . . . more appropriate song — and I won't sing it but I'll say it — is "Hit the Road, Jack." Go to Ottawa and get some money from Ottawa.

**Some Hon. Members:** Hear, hear!

### INTRODUCTION OF BILLS

#### Bill No. 203 – The Fetal Alcohol Syndrome Awareness Day Act

**Ms. Draude:** — Mr. Speaker, I move Bill No. 203, The Fetal Alcohol Syndrome Awareness Day Act be introduced and read the first time.

**Some Hon. Members:** Hear, hear!

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

(14:30)

#### Bill No. 62 — The Health Statutes Consequential Amendments Act, 2002/Loi de 2002 apportant des modifications corrélatives à certaines lois sur la santé

**Hon. Mr. Nilson:** — Mr. Speaker, I move that Bill No. 62, The Health Statutes Consequential Amendments Act, 2002 be now

introduced and read the first time.

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

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

**Hon. Mr. Serby:** — Before orders of the day, Mr. Speaker, I ask leave of the Assembly to move a statement of condolence in regards to the untimely passing of Mr. Carl Block.

Leave granted.

### CONDOLENCES

**Hon. Mr. Serby:** — Thank you very much, Mr. Speaker, and I appreciate the leave of the Assembly.

Mr. Speaker, it is with deep regret that I rise today in regards to the passing of Mr. Carl Block on May 28, 2002. Mr. Block was killed in a light plane crash at the Great Sand Hills on Tuesday.

Mr. Block was a rancher and a prominent individual within the Saskatchewan and the Canadian cattle industry. He served numerous organizations across the province in various capacities.

Mr. Block was active in the Saskatchewan Stock Growers Association, serving as president for the years 1995 to 1996. Within the Canadian Cattlemen's Association, Mr. Block served as a director from 1993 through to March of 2002. Mr. Block also served as Chair of the Animal Health & Meat Inspection Committee from 1996 through 2001, the Animal Health Research Committee from 1995 to 1997, and foreign trade from 1995 to 1997 and again from 2000 to 2002.

Mr. Block was also the past chairman of the Canadian Cattlemen's Quality Starts Here from 1997 to 1998. And most recently, Mr. Speaker, he was on the board of directors for the national checkoff and was the current chairman of the Canadian Animal Health Coalition.

Mr. Block was the principal leader in the establishment of the national cattle identification program that continues . . . and continued to serve as a director for the Canadian Cattle Identification Agency of which he was chairman from 1998 to 2001.

Mr. Block believed that animal health and product safety were important industry issues and was appointed to the International Trade Advisory Committee and Sectoral Advisory Groups of International Trade, ITAC and SAGIT, and has made a prominent contribution, Mr. Speaker, in the area of animal health internationally.

Mr. Speaker, Carl was a great contributor to the beef cattle industry and generously gave of his time to issues he viewed as important. He was concerned for maintaining the development of a strong cattle industry that allowed producers to get a good return for their efforts.

Carl believed trade to be an important issue, especially those factors such as animal health, product safety, offshore products

which affected trade. Carl recognized that these issues had the greatest potential to either enhance or disrupt our market producer returns and have long-term effects on the health of Saskatchewan and the Canadian beef industry.

In addition to the many, many organizations to which Carl was an integral part, Mr. Speaker, he along with his wife Pat also operated their own cow-calf and backgrounding operation in Abbey, Saskatchewan.

Mr. Speaker, I ask this afternoon that all members join with me in expressing our deepest sympathy to Carl's wife Pat, their four children, Jennifer, Mary Jane, Neil, and Kristina, and to their three grandchildren.

Thank you very much, Mr. Speaker.

**Mr. Elhard:** — With leave, Mr. Speaker, to respond to the minister's statement of condolence.

Leave granted.

**Mr. Elhard:** — Thank you, Mr. Speaker. And thank you, Mr. Minister, for your respectful tribute to Carl Block. Mr. Speaker, I'm honoured to rise today to respond on behalf of members from the opposition.

Mr. Block was indeed a well-known and well-respected figure in the Canadian cattle industry. As the Minister of Agriculture, Food and Rural Revitalization has indicated, throughout his life Mr. Block was an active member of a number of organizations throughout the province and across the country including the Saskatchewan Stock Growers Association, the Canadian Cattlemen's Association, The Animal Health & Meat Inspection Committee, the Canadian Animal Health Coalition, and the Canadian Cattle Identification Agency.

Mr. Speaker, in many of these organizations, Mr. Block not only was an active member but also served in various capacities ranging from Chair to director or president. It was here that Mr. Block's natural leadership skills and thorough knowledge of the cattle industry were acknowledged and highly regarded.

Mr. Block's dedication to maintaining and developing a strong cattle industry was undoubtedly one of the main factors that led him to becoming involved in so many organizations. His involvement led to numerous significant contributions over the years.

In addition to his outside interests and activities, Mr. Block and his wife, Pat ran a cow-calf and backgrounding operation on their ranch in the Great Sand Hills.

On behalf of the official opposition, our deepest condolences are extended to Carl's wife, Pat, along with their four children, Jennifer, Mary Jane, Neil, and Kristina, and their three grandchildren. It is our sincere hope that they find comfort in their memories of their life with a truly dedicated man and a wonderful individual, and that they are able to gather strength from those around them during this most difficult time. Our thoughts and prayers are with the family.

Thank you, Mr. Speaker.

**Hon. Mr. Lautermilch:** — Mr. Speaker, leave to introduce a motion.

Leave granted.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I move seconded by the member from Cypress Hills:

That the statement just made in regards to the untimely passing of Mr. Carl Block be communicated to the Block family on behalf of this Assembly by Mr. Speaker.

I so move.

Motion agreed to.

## ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker, I'm extremely pleased today to stand on behalf of the government and respond to written questions no. 239 through 242 inclusive.

**The Speaker:** — Responses for 239 to 242 inclusive are being . . . have been tabled.

## GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### Motions for Interim Supply

**The Chair:** — I invite the Minister of Finance to introduce his officials.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. Sitting to my left is Mr. Ron Styles, who is the deputy minister of Finance; and to my right is Mr. Kirk McGregor, who is the assistant deputy minister of taxation and intergovernmental affairs; and behind me is Mr. Glen Veikle, the assistant deputy minister of the treasury board branch. Behind Mr. Styles is Mr. Terry Paton, who is the Provincial Comptroller; and behind Mr. McGregor is Mr. Dennis Polowyk, who is the assistant deputy minister of the treasury and debt management division.

I'd like to move resolution no. 1:

That a sum not exceeding \$462,208,000 be granted to Her Majesty on account for the 12 months ending March 31, 2003.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. And welcome to you, Mr. Minister, this afternoon and to all your officials.

The time that we'll spend on interim supply, Mr. Minister, I don't think is going to be too long this afternoon with your request for a one-twelfth supply. We understand that we're very close to the month of June. And as we move forward into the fiscal year, we know that there are a need to move forward with ensuring that various agencies and departments, of course, have their funding.

A few items that we need to clarify this afternoon, Mr. Minister. But before I get into some specific questions, one of my colleagues wishes to address a very specific question, so we'll begin with him first.

**Mr. Brkich:** — Mr. Chairman, my question deals with the Sask Water end of the budget. There was a program announced, I believe at the beginning of the month with reduced pumping rates and rental rates. With that money, how much do you feel will be . . . the budget will need to cover the reduced rates in the program that was announced at the beginning of May?

(14:45)

**Hon. Mr. Cline:** — Mr. Chair, no we do not have an answer to that question. That question should appropriately be addressed to the minister in charge of the Saskatchewan Water Corporation in those estimates.

**Mr. Brkich:** — Well thank you, Mr. Chairman. The only reason I'm asking is because obviously it's going to affect the whole budget — Sask Water's budget — so much money then halfway through they announced this program. So I was just wondering if that's going to throw out the whole budget figures for the year.

But another question dealing with Sask Water I'll ask: is any of the money going towards new programs coming up for the month of June for well digging or dugout digging or movement of water to address the drought for the cattle producers out there?

**Hon. Mr. Cline:** — Mr. Chair, those questions would be appropriate for the estimates of the Saskatchewan Water Corporation. Those are detailed questions that pertain to that corporation.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Minister, not specific questions regarding the executive branch of government but a couple of questions in the area of lending and investing which is the bottom portion of the form that you've circulated. I want to thank you for providing us with that information.

Two questions, Mr. Minister. First of all in that area you note that a share of investment is necessary for the Department of Learning. Could you indicate what kinds of things will be happening in the Department of Learning as far as the capital needed, the monies needed for that department for the month of June?

**Hon. Mr. Cline:** — With respect to the Department of Learning, Mr. Chair, the \$66 million estimated is having to do with the student loan fund. And the amount shown, the one-twelfth interim supply, would be the estimated costs with respect to student loans for that month.

**Mr. Krawetz:** — Thank you very much, Mr. Minister. Mr. Chair, to the minister, one of the categories that we've had some debate on in this Legislative Assembly is the newly created corporation that is dealing with the education infrastructure financing.

And in the budget, Mr. Minister, you've indicated that there's almost \$90 million that will be anticipated as far as an expenditure. I note that for the month of June you're not planning on any additional costs, neither did you have some for the months of April and May.

Mr. Minister, can you indicate what is happening with the capital program at post-secondary institutions, I guess specifically the University of Regina, the University of Saskatchewan; are they anticipating announcements in this area?

And then the other question of course is regarding the kindergarten to grade 12 schools. The process that is in place is usually boards of education are notified quite quickly in the spring that they are successful in moving forward a capital project. Does this mean that with no request for monies that this program is going to be delayed into the fall?

**Hon. Mr. Cline:** — I think what this means, Mr. Chair, is simply that the projects are not so far along that money has to be released during the month of June.

Projects may be approved either for post-secondary institutions or K to 12 at some point. I'm not sure if they're quite at the point where they've actually approved the projects, but the money does not have to be paid out because they haven't actually started doing any work. And so we don't need to ask the legislature for interim supply, in other words, money to spend in June, because we won't have any bills to pay.

With respect to the approval of projects, all I can say about the post-secondary sector would be that they would be in discussions, the two universities, with the Department of Learning at the present time. And with respect to the K to 12 system, the system that normally operates for the approval of capital projects would be operating in the same way as it usually does as far as I'm aware.

But we simply don't anticipate that we will actually be spending any money in June so we're not asking the legislature to allow us to do that. We think that any projects that are approved will come on stream in the sense of having to actually pay people later on in the year, and we'll wait, hopefully, until the entire budget is approved before asking for interim supply or . . . yes, before asking for actual money to spend.

**Mr. Krawetz:** — Thank you for that explanation, Mr. Minister. Mr. Minister, could you clarify the expenditure that I've just mentioned which is the proposed expenditure of over \$89 million in the Education Infrastructure Financing Corporation.

Could you indicate what additional expenses the Department of Finance, or the treasurer, or the people of Saskatchewan will incur as you borrow that additional money and allow it to be used by the school boards of the province, the post-secondary educational institutions? How will the costs of that borrowing . . . will it be applied directly to the taxpayers in a total sense, or will it be assigned directly to the projects?

**Hon. Mr. Cline:** — Other than the interest costs on the money that is being borrowed, we don't expect there to be very much in the way of costs. Whatever there is will be quite minimal.

Institutions which access financing through the corporation, that is the Education Infrastructure Financing Corporation, will have to pay interest on that money and . . . so that will be a cost to them. And they will expect, I'm sure, to receive the cost of that interest from the General Revenue Fund on an annual basis.

So in that sense that will be a cost to the General Revenue Fund each year. That is, the cost of interest on the money that will be borrowed this year.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, this question may be better asked of the Minister of Learning, but you've indicated that the interest cost on the project will be charged from the General Revenue Fund. I'm wondering if you could explain . . . School boards' shares of projects vary, percentage varies from one school board to another based on ability to pay.

At the same time now we're talking about interest that is accumulating on that entire amount. Both the government's portion and the school board's portion is now put together, and that entire amount as I understand it is now financed by the corporation. How will you break down the cost of interest to both the board for its share and the government for its portion of the interest cost on the total bill?

**Hon. Mr. Cline:** — With respect to the share that will be borne by the local authority, whether a school board or the university, they will . . . for their share that they've always had to put in, that will operate in the same way that it always has. They will either have the money or borrow the money and pay interest on their share.

With respect to the share that comes from the province, they will borrow that amount from the corporation. That amount will also bear interest. So in that sense, they will have to pay that interest as well. But with respect to that new interest that they pay, they will expect to be reimbursed by the province. So that in the first instance, they will bear the cost but they will expect that cost really to be borne out of the General Revenue Fund.

**Mr. Krawetz:** — Okay, Mr. Minister. Thank you. If I understand you correctly, let's use the situation where a school board — and I'll use a school board first, Mr. Minister, not the post-secondary institution — a school board has a \$1 million project and 60 per cent is being funded by the board and 40 per cent by the government, but the board does not have 60 per cent of the money sitting in a fund. So the old process of course was they would go through debentures and they would finance that.

Is that now going to be financed separately as well or will they be able to finance their share, 60 per cent share, the government's 40 per cent share entirely in one block through the Education Financing Corporation?

**Hon. Mr. Cline:** — The answer is no. With respect to their share, that would be treated as it always has been. So if they have the cash, fine. If they borrow it, fine. But they have to come up with that money.

With respect to the provincial share, they will access that money through the corporation and, in that sense, they may have to pay higher interest because they'll be paying interest on

the entire amount. Then they will expect us to reimburse them for their additional interest cost on the amount that they will borrow from the corporation.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, has your department or the Department of Learning communicated this type of information to all boards? Are all boards understanding the situation and, in that way, do they . . . have they . . . are they waiting for projects to be approved or are they waiting for information from your department regarding how they can be financed?

**Hon. Mr. Cline:** — Well I don't know if they would be waiting for information from my department. But I would say that certainly it has been communicated to school boards from the Department of Learning if not the Department of Finance, how this would work.

And in answer to the part of the question, would everyone understand that? — I've learned that it's not wise to say yes, everyone would understand it, because I've learned often people don't understand things that may have been communicated.

So there has been communication as to how this would work. There may be some people that either did not receive communication or see the communication, or who do not understand what has been communicated. But certainly what I'm saying is consistent with what the Department of Finance and the Department of Learning would have communicated to the various parties.

**Mr. Krawetz:** — Thank you, Mr. Minister. And, Mr. Minister, we understand that some communication, you're right, has occurred. But it seems that officials at the various post-secondary levels, at the school board levels, maybe had more questions than the information that they were provided.

And I think that I can only stress that, you know, improved communication and continued communication take place. Since this is a new venture I think not only do we want the people of Saskatchewan to understand what's going on, but we also want to make sure that those people making decisions and making choices also understand.

Mr. Minister, just to indicate a couple of other questions in the area of revenue. And you've indicated of course that today we're talking about one-twelfth expenditure for expenses incurred. We're nearly two-twelfths or one-sixth of the way through the year, tomorrow being May 31. And we're going to be into June very quickly, and that means a quarter of the government's fiscal year.

In your document on the budget you indicated values that you were using on various commodities, ranging from the interest rate to the Canadian dollar to potash to gas, oil, the like. Has your department — officials in your department — raised any concerns about the projected numbers that you used to determine what the revenue would be for the upcoming fiscal year?

**Hon. Mr. Cline:** — No, the department has not raised concerns. The department officials advised me, Mr. Chair, that

it is too early in the year. There are some positive indicators such as the price of oil is higher than we projected, the price of natural gas. But it is early in the year.

We have not had any concerns expressed to us that we will not meet our targets. We are quite confident that we will in fact meet our targets. But as I have said to the member before, it really is only after the first quarter is over and then probably at least a month after that, that you can put together estimates of how you're actually doing because it takes that long for people to remit their sales tax returns and so on.

(15:00)

**Mr. Krawetz:** — Thank you for that, Mr. Minister, and we do believe that maybe stability has returned to the world and to Canada as well.

Mr. Minister, one of the other important sources of revenue of course for the province of Saskatchewan in its budget is transfers from the Government of Canada. Mr. Minister, last year the estimate for equalization payments was 377 million and you ended up the year with 492 million or thereabouts. And this year you're projecting 530 million.

Is there any discussions with the federal government regarding not only the equalization payments but the Canada Health and Social Transfer and all of the other transfers that occur from the federal government? Are we looking at additional monies coming to Saskatchewan from the federal Liberal government?

**Hon. Mr. Cline:** — Well certainly in answer to the part of the question — that is, are there discussions with the federal government? — there are ongoing and continuous discussions with the federal government not only between Saskatchewan and Ottawa but all of the provinces and Ottawa, because we of course are always saying to the federal government that we feel that they should be more supportive of the health care system, for example. We feel they should be more supportive of the highways system. The post-secondary education system could certainly use more support and there are always discussions about equalization.

So we have discussed these matters with the federal government. I've met with Paul Martin, along with my provincial counterparts, and also talked to him on the telephone. Of course, we've always . . . or also expressed concern about the agriculture situation. In addition to the Minister of Agriculture and the Premier talking to federal officials about that, I've certainly taken the opportunity to, when personally present with Paul Martin, raise that matter as well and also talked to him about it by telephone.

So in answer to the part of the question, are we raising these issues with the federal government, the answer is yes.

In answer to the part of the question, do we have any sense that with respect to equalization or Canada Health and Social Transfer (CHST), will we get more money this year? There is certainly no guarantee of that, no indication of it, and I'm not sure I would be all that optimistic for new money this year.

I'll leave the agriculture situation aside because that's been

discussed already in the legislature today and the member knows as much about that situation as I would.

But on the others, there have been some signals from the federal government lately that they feel that they should give us a little more money for health care, but nothing in terms of how much. And from what Paul Martin has told me, I don't believe they would be sending anything in this current fiscal year.

If they do anything I think the first time we'd see any new money would probably be next year. But I must say that's a statement that's quite speculative in nature, because there's certainly no commitment but there's been an indication that perhaps they do realize they should be doing somewhat more.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, you've indicated that your projections are difficult to talk about at this time as far as getting an understanding of where revenue sources are because we're just a short two months into the year. So you're talking more on the basis of a quarterly report.

Similar contact here regarding the federal government regarding equalization, and I know you've given an explanation in this House — a good one — about how equalization payments are determined and the formula; and it's a complicated issue.

Does that kind of information come to you on a quarterly basis from the federal government so that you have an understanding about how Saskatchewan is doing relative to the other provinces, and how the equalization payment will be affected on a quarterly basis? Do you get that information at least quarterly?

**Hon. Mr. Cline:** — I'm advised, Mr. Chair, that the officials at the Department of Finance receive information from the federal government on an irregular basis throughout the year, but also on a continual basis throughout the year. So that a number of times each year, as the federal government is able to update its economic information, that information is then passed on to the provinces.

And the updates that may occur throughout the year aren't necessarily just in relation to the current year but may be in relation to past years as well, as they continually update what may have happened three years ago and two years ago and as they estimate what may be happening this year.

So the answer is: they receive continual updates throughout the year at irregular intervals, but they are talking to the federal government several times throughout the year as to what their estimates are looking like.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Chair, to the minister, one final area that I'd like to get a bit of explanation on. In your budget, you've indicated that the government's budget relies quite heavily on the profits from Saskatchewan Liquor and Gaming Authority. In fact, you're looking at for this year, a \$332 million anticipated revenue from SLGA (Saskatchewan Liquor and Gaming Authority).

Mr. Minister, over the last while we've heard about new contracts being signed with the Native community in terms of moving in the area of gaming, as far as a new gaming contract.

Do you suspect that the numbers, the number that you've provided, which is 332 million, how that will be affected by the gaming contracts that the government has just signed.

**Hon. Mr. Cline:** — We have in our estimated revenue, factored in the assumption that we would have a new agreement with the First Nations with respect to the four casinos that they operate. And so the fact that the agreement has been signed will not alter our estimate.

We had estimated that . . . you know, from our point of view, at the time of the budget we thought an agreement would be signed. We had an idea of where we wanted the dollar figures to end up. We knew what our negotiating position was with respect to costs, and that is the number we put into the budget, which is consistent with the agreement that was in fact subsequently signed with the Federation of Saskatchewan Indian Nations.

Motion agreed to.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. I move resolution no. 2:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 2003, the sum of \$462,208,000 be granted out of the General Revenue Fund.

And I so move.

And while that's being taken up, Mr. Chair, I want to thank the opposition for their co-operation in moving the interim supply Bill along, and also the officials for their assistance here today.

Motion agreed to.

The committee reported progress.

#### FIRST AND SECOND READING OF RESOLUTIONS

**Hon. Mr. Cline:** — Mr. Speaker, I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

#### APPROPRIATION BILL

**Hon. Mr. Cline:** — Mr. Speaker, by leave of the Assembly I move:

That Bill No. 64, An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2003, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

**Hon. Mr. Cline:** — Mr. Speaker, by leave of the Assembly and under rule 55(2), I move that the Bill be now read a second and



third time.

Motion agreed to and, by leave the Assembly, the Bill read a second and third time and passed under its title.

(15:15)

## COMMITTEE OF THE WHOLE

### Bill No. 17 — The Public Employees Pension Plan Amendment Act, 2002

#### Clause 1

**The Chair:** — I invite the Minister of Finance to introduce his officials.

**Hon. Mr. Cline:** — Well thank you, Mr. Chair. With me today is Mr. Brian Smith, who's the executive director of the Public Employees Benefits Agency.

**Mr. Wakefield:** — Thank you, Mr. Chair. And welcome to your official, Mr. Minister.

This Bill No. 17 is probably the shortest piece of legislation I have witnessed in my short time here. Just a couple of questions though if I could. The essence, I understand, is to change the age from 55 back to 50. And I'm wondering, is that just a previous oversight or is that a change of policy that has been . . . come . . . has come forward since it was first introduced?

**Hon. Mr. Cline:** — That's correct, Mr. Chair. We made a change last year, I believe, to allow the members of the plan to access their funds at age 50. But we neglected to make the change for the spouse of a member who might be separated from the member and entitled to some of those funds. And we had left in the legislation a situation where the spouse of a member would have to wait until 55 to access his or her funds, but the member would be able to access them at 50.

So we simply . . . It doesn't change anyone's substantive rights in the sense a spouse will only be entitled by way of court order or separation agreement. But if the spouse is so entitled to receive funds out of the pension, we believe that just as the member could access those funds at age 50, so should the spouse have the same right. And we neglected to include that in the change last year, which we should have done, and so we're changing it this year to rectify the situation.

**Mr. Wakefield:** — Thank you, Mr. Minister. Just for clarification then, on the record, could you just quickly review again the circumstances in which a spouse would be able to access this retirement fund?

**Hon. Mr. Cline:** — Yes. It would be if you had a member of the pension plan and that member became subject to a marital breakdown so that he or she was separated or divorced from his or her husband or wife, then a judge could decide that the spouse was entitled to a certain portion of the pension plan. Or as is quite commonly the case, the parties could agree on that — to split the pension plan. And it is in that situation of marital breakdown with a court order or a separation agreement, that a spouse would be entitled to access those funds.

If you had a member of the plan who was happily married and their spouse at age 50 simply went and asked for part of the funds, he or she wouldn't be entitled to them. He or she would have to have a court order or a separation agreement which said that he or she was entitled to get those funds.

**Mr. Wakefield:** — Yes, thank you, and I think that kind of focuses exactly the kind of situation that needs to be in place. Now it would be hard to tell from . . . into the future how many people this might apply to. But could you give us an estimate of the frequency that you think this might occur?

**Hon. Mr. Cline:** — It's actually a relatively small number of people. There are about 30,000 active and 9,000 retired members of the plan. But the number of situations where marriages have broken down I'm sure is reasonably high because the divorce rate is fairly high in society. But the number where they agree, or the court orders that the spouse should get part of the pension is not all that high.

In 1998-99 it was 39 cases, in '99-2000 it was 52 cases, in 2000-2001 it was 49 cases, and in 2001-2002 it was 31 cases where we were notified that there was a marital breakdown and either a court order or a separation agreement entitling a spouse to access some pension funds.

So it's a relatively small number of cases, but very significant to those spouses that may have gone through a marital breakdown and have to rely on part of that pension.

**Mr. Wakefield:** — I'm not sure, Mr. Minister, if this really applies but if a spouse under those conditions is eligible for the pension, is the pension payable on a regular basis or is it withdrawn to that person in a lump sum? I guess I'm thinking here of the tax implications of this pension.

**Hon. Mr. Cline:** — The answer is, Mr. Chair, that the spouse would be able to do any of the same things that the member could do. And as the member will know, the . . . When a person retires and wants to take their pension, they could agree that they're going to get it paid on a monthly basis or they could take a lump sum and invest that in a RRIF (Registered Retirement Income Fund), and whatever rights that they would have, the spouse would also have. It would almost be as though you had two separate pension plan members and each one of them would be entitled to take out their portion.

And they might do different things too. One might decide to leave the money in until he or she was age 65, I suppose; and one might decide to take the money out at any time between the ages of 50 and 65. One might want simply to set up some kind of monthly payment for the rest of their estimated life and one might want to withdraw it all as a lump and invest it in the ways that they're now allowed to do.

But either of them would have the same options. And their options would be the same as any other members of the pension plan. The only difference really would be that in this situation, because there has been a marital breakdown, what would otherwise be one pension plan now would see the money divided into two names. And each of those people could come along at the time that was best for them and appropriate for them and arrange to take their money out, either monthly or all

at once.

**Mr. Wakefield:** — Mr. Chair, I know it's a small number and you indicated that it's not a large . . . it shouldn't make a large impact.

Will there be an impact on the administrative responsibilities of the people that are administering the fund? And will there be an impact — I guess, significant impact — on the fund itself in terms of the ability to pay those . . . the pension?

**Hon. Mr. Cline:** — It would almost be an insignificant impact actually because the change, you know, would really just allow any of those, out of approximately 40 or 50 people, to access the pension now at age 50 instead of 55. So it really, out of the thousands and thousands of people that are dealt with each year by the Public Employees Benefits Agency and the thousands of inquiries they have, this additional feature would really not make much difference at all to their lives and it would be quite insignificant in terms of the administration of the plan.

**Mr. Wakefield:** — Thanks, Mr. Minister. When you go through a marital breakup and there is this provision for the spouse to access this at the same . . . pension at the same age, anything that we can do to make it easier for that transition would be useful.

I'm wondering, is this kind of pension available . . . or the structure, is it similar in other provinces, do you know? Often we have to be competitive with other provinces and I'm wondering if this is rather an innovation that is peculiar to Saskatchewan.

**Hon. Mr. Cline:** — Actually we are not aware of what they're doing in other provinces but I would be pleased to ascertain that. We can ask the counterparts of Mr. Smith in the other provinces what they're doing, and I'd be happy to send the member a letter setting out how we compare to the other jurisdictions in that regard.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

### **Bill No. 18 — The Saskatchewan Pension Plan Amendment Act, 2002**

#### **Clause 1**

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Minister, could you indicate when the Saskatchewan Pension Plan was first set up? When did it take place?

And I noticed in your remarks of April 11 you've indicated that we have 30,000, approximately 30,000 members that are part of the Saskatchewan Pension Plan. Could you indicate whether or not that 30,000 membership were people who joined the plan at the time when there was a matching contribution from government? Or are these . . . does this plan continue to grow on what you would call a very consistent basis year to year?

**Hon. Mr. Cline:** — The information I have before me today, Mr. Chair, and I'd be happy to get further information for the member, but the statistics I have go back to 1994. And that's not a bad time to start, I suppose, because I think the matching contribution was eliminated in approximately 1993; it was something like that. I believe the plan started in approximately 1986, if my memory serves me correctly. Mr. Smith says he thinks that's correct.

In 1994, 121 new members came into the plan, and that figure has gone up to 709 new members in the year 2001. And it appears that, generally speaking, the number of people joining the plan has been going up year after year with some minor variations. And starting with 121 in '94; up into the 200s in '95, '96; 300-and-some in '97; 4 and 500 in '98, '99; a slight dip in 2000 to 475; and then up to 709 in 2001.

So the answer to the question would be that, notwithstanding the fact that the matching contribution was eliminated, the Saskatchewan Pension Plan has been marketing the plan as a vehicle for people that have no pension other than perhaps the Canada Pension.

And it's encouraging people and employers of people who have no pension plan to register them in the plan and it's meeting with some success as those numbers would indicate. So that's the situation as it exists since the elimination of the matching contribution.

**Mr. Krawetz:** — Thank you, Mr. Minister. We're encouraged to see that indeed Saskatchewan people who don't have access to any other pension plans at their work level are taking advantage of that, as you've indicated with over 700 and . . . I believe you said 709 applicants in 2001. That's encouraging.

Mr. Minister, some of those people that joined the pension plan a number of years ago I'm sure are receiving benefits today. Do you have any data that would indicate what an average benefit is being received by people of . . . that have now started to draw on the plan?

(15:30)

**Hon. Mr. Cline:** — Yes. The average monthly benefit being paid is \$41.17. And the largest monthly benefit is \$181.34. So the average is about \$41.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, in your remarks on April 11, you also indicated that the fund has . . . the fund is managed by professional managers and they've done a fairly good job of investing that. And I think you indicated that over 10 years . . . over the last 10 years, there's been a rate of return of about 10.7 per cent, which is, which is pretty good return.

In the last couple of years we've seen a fair amount of volatility in the investment area. When we look at the last two years, have they significantly reduced that average of 10.7? Or has there been, you know, a continuation of a good return in the last couple of years?

**Hon. Mr. Cline:** — Mr. Chair, we don't have with us the exact returns that the plan has made, but Mr. Smith, who looks at all

of the returns that all of the pension plans in the public sector earn, tells me that the Saskatchewan Pension Plan has been, sort of, in the middle of the pack in terms of what it's earned the last few years. It's not the best in terms of its return but it's not the worst either. And he thinks it's roughly in the middle.

So I'll give that information and then I'll undertake to get the exact rate of return for the last two years and to send that over to the member as soon as I have that.

**Mr. Krawetz:** — Thank you, Mr. Minister, that will be quite acceptable.

Mr. Minister, when we look at the rate of return of 10.7 as an average for the last 10 years, that's a good return for those people investing.

And when you indicate in the House here today that the average amount of monthly benefit for those drawing benefits is about \$41, that's not a large amount of money.

So I'm wondering, Mr. Minister, are there maximums . . . maximum amounts that can be contributed to the pension plan? Or is it a wide open type of thing where people who indeed see the rate of return as a positive thing and are looking forward to retirement would be able to contribute much more? You indicated in your remarks, I think, that the fund contains about 197 million today, to date. I am aware that before there used to be a maximum because of the matching contribution. Are we still in that kind of a scenario?

**Hon. Mr. Cline:** — Yes, Mr. Chair, there is a maximum that can be contributed which is \$600 per year.

And I should say that part of the reason that the average monthly benefit is so low is because the plan is relatively new. And so that people that actually paid into the plan but are already retired, you can see since it only started in 1986 in many cases would not have been contributing that long.

So I mean for example, if somebody joined in 1986 at the age of 55 and they paid until 1996 when they turned 65 and then started drawing, they would have only paid in 10 years of their working life . . . or they don't have to be working; they can be working in the home and so on as well . . . I mean they don't have to be working outside the home.

And so what we'll see in the future, I think, is perhaps is the amount of monthly benefit going up because as the plan is longer in its life, people will also pay into the plan for a longer period of time and accumulate, you know, more money. And what we'd like to see is, you know, is somebody who might be 20 years old enrolling in the plan and maybe be in the plan for 40 years and eventually they would have a more significant pension. So that's what we're trying to do.

And the other thing that we would be interested in doing is increasing the amount of money that a person could contribute to the plan. And I think if it was simply up to the province we would simply do that and would have done that before. But as the member will know, with respect to a pension plan we have to have the approval of the Canada Customs and Revenue Agency or what we commonly call Revenue Canada to allow

pension contributions that are tax deductible. And they set the limit of what you can claim as, you know, a contribution to a pension plan.

And when the previous government obtained approval from the federal government to set up the Saskatchewan Pension Plan, they obtained approval at the \$600 level. That's the approval we have and I'm sure if a different government was here they would feel the same way that I do, that it might be in order to ask the federal government to raise that level so that people could contribute more.

But I believe the federal government up until now has been unwilling to let us raise it because they've changed their policy about how much they want people to be able to deduct from this pension plan.

But nevertheless it's something that we would like to pursue to allow people to contribute more to the Saskatchewan Pension Plan, because it is a shame that there are people in our society that don't have any pensions. And if we could improve this plan to help those people have a better pension which would help them in the future, that's something that we should try to do, in my opinion.

And so I think we have to try to keep talking to the federal government about allowing us to enhance this pension plan.

**Mr. Krawetz:** — Mr. Minister, I want to thank you for clarifying that indeed that maximum amount is \$600. And if I heard you correctly, Mr. Minister, I think you've indicated that the start of the plan was approximately 1986. You know, about 16 years ago. Mr. Smith has concurred with that.

And you've indicated that that \$600 limit was established in 1986. And I think you can be assured that if you want to lobby the federal government for changes in this area, you know, we understand that the cost of living is increasing and everything else is increasing.

Sixteen years at a limit of \$600 as a maximum amount I think is not indicative of today's costs. And I encourage you to pursue that amount with the federal government because very clearly we've heard from people that that contribution is — in relative dollars 1986 to 2002 — just isn't cutting it any more.

So thank you for clarifying that and that will help. I know it will help me and I'm sure it'll help many of my colleagues in answering questions about the Saskatchewan Pension Plan.

Mr. Minister, one of the things I don't understand, one of the clauses in your amendment, is the six-month revoking period. And you've indicated that that clause will be eliminated. It will eliminate the six-month revoking period. Could you explain how that will affect potential retirees as they move forward?

**Hon. Mr. Cline:** — Yes, Mr. Chair. When the plan was new and there was no experience with it, the original legislation said that a person could retire and take their pension from the plan but they would have a six-month period and — well it's in the legislation — they have a six-month period where they can revoke their retirement. They can say no, I've changed my mind, I don't want to retire. And then they have the right to pay

money back into the plan.

And as a consequence of that, what has happened is people retire; they want to take their money out of the plan and they want to go to an insurance company and buy an annuity. But the insurance company won't sell them an annuity. They will say well, you have six months to revoke your retirement, in which case you won't be accessing that money and so we won't sell you anything for a six-month period. You have to wait six months after your retirement before you go and buy your annuity.

So that the members of the plan who want to retire have been saying to the plan, they don't like that. They want to be able to retire, go to the insurance company, buy their annuity, and be done with it. And so we're revoking the six-months period in which they have to revoke their retirement to allow the people who wish to buy an annuity the day after they retire, for example, to do so.

And it's not for the convenience or any advantage to the pension plan. It's simply what the consumers say that they wish to be able to do. They don't want to be frozen for the six-month period.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, would that place someone at risk who decided after a month that retirement wasn't good for them and they wanted to indeed end their retirement?

As I understand, you're saying that the six-month period, sort of waiting period allowed someone to reconsider that and move back into, into the pension plan. Now that the six-month period is going to be revoked or this six-month revoking period is eliminated, will that say that, as soon as you've signed the document that says you're retired, indeed you don't have a second choice? Is that what I'm hearing from you, Mr. Minister?

**Hon. Mr. Cline:** — In one sense, that is true; that if you're holding the people up for six months before they can buy an annuity, it gives them a six-month period where they can think about things and they may change their mind.

But to look at it another way, that provision does not exist in other pension plans. And so I guess what we're saying is, you know if anybody else can decide to retire and buy an annuity, so should these people be able to. And if it's . . . would be a good provision for them to have to live with, well so should everybody else.

But basically we're saying they should be in the same boat as everyone else and have the option to go out and buy their annuity.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one of the other clauses refers to the benefits, the accumulated benefits as being able to be withdrawn as a lump sum if they are under a certain value.

And I was looking at the information you provided, and I don't see what that value is. Could you clarify what the amount would be that a person who is in the pension plan could in fact

remove the lump sum — as a lump sum remove all of their benefits. And could you indicate whether or not this type of change to the Act, is this necessary due to the pension benefit regulations that have changed you know a lot in the province.

**Hon. Mr. Cline:** — The answer to the question is members who have a monthly pension of less than \$16.29 for 2002 would qualify for a small pension payout. In other words they can just take their money out as a lump sum. They could also take the small pension if they wanted to, but they could take it out as a lump.

And no, it isn't due to any other recent changes that have been made. It's simply that it's quite small and so if you want to take it as a lump, you're free to do so.

**Mr. Krawetz:** — Thank you very much, Mr. Minister, for clarifying that. A couple of final questions. You've indicated that one of the clauses allows for, I think, an expansion of a benefit that can be now claimed by dependent children and grandchildren. That's a tax-free death benefit rollover. I believe that your remarks indicated that this was only available to spouses before and that now it's expanded.

Could you indicate whether or not this enhancement, which I believe is an enhancement, is sort of catching up with what other pension plans have, and whether or not this will put any additional financial burden on the pension plan.

**Hon. Mr. Cline:** — The answer is yes, it would bring this pension plan into line with other pension plans to allow a rollover to dependent children or grandchildren. And to the second part of the question, no it would not cost the pension plan any money.

(15:45)

**Mr. Krawetz:** — Thank you, Mr. Minister. My final question is around the clauses in the Bill which indicate that there seems to be a wider discretion for regulation changes to, you know, outside of the Bill.

Are you concerned that there will be less opportunity for members, both opposition and government, to scrutinize what's in the Bill? Because it seems that we constantly see Bills that move additional decision-making powers into regulations.

Could you clarify why it seems that this Bill has moved more control outside of the Bill and into the hands of regulations?

**Hon. Mr. Cline:** — Once again, we are changing the regulation-making power to make it consistent with other provincial pension legislation, so that the regulations that this board of trustees would be allowed to make would be roughly the same as what other boards of trustees of pension plans can do.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 19 — The Superannuation (Supplementary Provisions) Amendment Act, 2002**

**Clause 1**

**The Chair:** — I see that the minister has the same official.

**Mr. Wakefield:** — Thank you, Mr. Chair. And, Mr. Minister, again this Act looks to be very short and very to the point, looks like housekeeping in terms of trying to make it comply.

I guess my question would be starting off this way: all these changes that you're putting in there, are they all related to making the pension . . . the amendment, the supplementary provision to the amendment Act comply with the federal tax regulations?

**Hon. Mr. Cline:** — That's correct, there are no real policy or procedure changes for the pension plans. The purpose of the amendments are simply to provide clarification on specific provisions in the Act to ensure continued compliance with the federal Income Tax Act, and the changes don't actually affect the operation of the pension plan or the way things are done. It's simply to say in the legislation that this is how they're done because they have to be in that way in order for the plan to remain a plan under the Income Tax Act.

**Mr. Wakefield:** — Thank you, Mr. Chair. I guess on the basis that no question is a stupid question — but this might rate close to it — what would happen if these provisions were not passed?

**Hon. Mr. Cline:** — The danger of not complying with the federal income tax laws saying the way pension plans have to be structured is that the federal government has the authority to deregister the pension plan. And if that happens, then the contributions that the person is making to the pension plan are not tax deductible, so they don't have a pension plan the way they thought they had a pension plan. Plus they owe the federal government a bunch of money for tax deductions that they've claimed as they've paid into the plan, that they haven't paid income tax on. And if the plan is deregistered, the federal government would come along and say, you now owe us a bunch of money for income tax on the contributions you've made to this pension plan which we say is no longer a pension plan.

So we try to keep the legislation in line with what the federal authorities require. They have the authority certainly to do that under the Income Tax Act. And if we don't do that, then the members of the pension plans may find themselves in the very unfortunate position of not quite having the state of affairs they think they have in their personal planning.

**Mr. Wakefield:** — Thanks, Mr. Minister. So I assumed that was the exact reason. And so I'm wondering is the . . . You referred to in some of your remarks in introducing this Bill, to clarify any of the severance payments and retirement . . . or retiring allowances paid at the time. Was there a confusion about the kind of money that was put aside through severance and retirement funds as opposed to a straight contribution?

**Hon. Mr. Cline:** — No, the practise has not been inappropriate at all. Any severance payments that have been made have not

been part of the pension plan. Severance payments have been made, but not out of the pension plan.

And what the federal government requires is simply that the legislation say what it is we're doing, so that the legislation will actually say severance payments do not come out of the pension plan. And as I say that's what we've been doing but the federal government wants us to actually say in the legislation that that's the way that we're doing it. And that's the only purpose of that change.

**Mr. Wakefield:** — I can understand why the clarification is needed but you also mentioned something about this and I'm reading from your explanation in the introduction of the Bill:

Participating employers would need to amend their governing legislation to provide for these payments.

I'm not sure what you meant by their governing legislation. Would that be the federal legislation?

**Hon. Mr. Cline:** — Well this Bill is sort of an overarching Bill that applies to several other pension Bills, namely the Liquor Board Superannuation Plan, they have their own Act. Same with the Power Corporation Superannuation Plan, the Workers' Compensation Board Superannuation Plan, and the Public Service Superannuation Plan, which includes not only the public service but the Anti-TB (tuberculosis) League Superannuation Plan, and the STC (Saskatchewan Transportation Company) Superannuation Plan.

And what this Bill is that we're amending today is a Bill that has provisions that apply to all of those pension plans. And my point, when I was speaking in the House before, was simply that if we didn't make this change in this Act, then the legislature would have to make this change in each of those individual Acts. The change would be the same, it's just that instead of doing it once, we'd have to do it several times.

And I know that the members opposite are just as interested in efficiency as I am and don't want to do this more than once, so I thought well let's just do it once and be done with it.

**Mr. Wakefield:** — Quite right, Mr. Minister. And I just have one question I guess just for clarification in my own mind. I'm not anticipating from what you've said that there'll be really any change to the members' pension at all, and I'm wondering if there'll be likewise very little financial impact in their pension from these changes?

**Hon. Mr. Cline:** — There will be absolutely no financial impact from these changes.

**Mr. Wakefield:** — Thank you, Minister. That's my last question.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. I'd like to thank the opposition for their co-operation with these last three Bills this afternoon, and also Mr. Smith for his assistance, and I move

that the committee report the Bill without amendment.

The committee agreed to report the Bill.

**Bill No. 31 — The Tobacco Tax Amendment Act, 2002**

**The Chair:** — I would invite the Minister of Finance to introduce his officials.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. I have sitting beside me Mr. Len Rog, who is the assistant deputy minister of the revenue division of the Department of Finance; and behind Mr. Rog we have Mr. Doug Lambert, who is the director of revenue programs in the revenue division of the Department of Finance.

**Clause 1**

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Momentarily distracted there.

Mr. Minister, the Bill being very short of course indicates the announcements that you made in your budget address when you presented the budget.

Mr. Minister, I'm wondering if your officials, either in Finance or in Health, when you start to look at your expectation that you will receive about \$60 million worth of revenue in additional tobacco tax . . . And I think I've heard you state publicly that you are anticipating that there will be a reduction in the number of smokers, and in fact I think you indicated that that kind of introduction of this magnitude of increase in the tobacco tax would probably prompt people to quit smoking.

I'm wondering have you . . . has your department done any research in terms of forecasting for the future what a decline might mean in the numbers of people actually smoking that are current smokers, not only paying the tax increase that you're announcing but also paying last year's taxes as well?

**Hon. Mr. Cline:** — The answer to the question specifically is no. The Department of Finance has not conducted research with respect to how much the use of tobacco will go down as the cost goes up but others have. The Department of Health has either conducted research or compiled research which indicates — and this is shown in study after study — that as the price of tobacco goes up, the rate of consumption will go down.

And based upon the information that we receive from the Department of Health, we have projected that 20 per cent of the tobacco consumption will go down, that society will consume 20 per cent less. Some people will quit, but the other thing that will happen which is something we're trying to do is that young people will not start smoking who otherwise might start smoking.

And the same studies have shown that the group that is most sensitive to price increases for tobacco is the group of young people. Because they tend well to have less money. Or if they have some disposable money they may want to spend it on things other than tobacco if they don't have too much. So we haven't done any studies, but all of the studies indicate that as the cost of tobacco use goes up, consumption will go down.

And I might just add that I know . . . This is very anecdotal, but I've spoken to many hundreds of people around the province since the budget and I wondered what their reaction to the tobacco tax increase would be and how much anger would be expressed. And occasionally there is anger expressed at me. But what is far more common — and I've encountered it again and again — have been smokers or ex-smokers who have said to me, you know, I want to thank you for that tax increase because it caused me to quit smoking. And I have heard that again and again. Now that's not a scientific study but I think others have heard that too.

And so studies have been done many times in many places. They're all consistent, that a tobacco tax increase will cut down on consumption. And we factored that into our estimates and it's one of the things that we're trying to accomplish for health reasons.

(16:00)

**Mr. Krawetz:** — Mr. Minister, I'm sure your answer is going to be very similar to the one you gave me a while back, indeed that you don't look at numbers except at quarterly intervals. But I'm wondering, have Department of Health officials looked at whether or not they see a reduction in two areas?

You've indicated you anticipate 20 per cent will quit and you've also indicated that the goal was to try to ensure that young people don't start. Is the Department of Health or are you expecting some department to be able to provide you with the information that says yes, we indeed are seeing 20 per cent of people quit smoking and that, in fact, the rate of youth who begin smoking is dropping? Will those kinds of statistics be available to you and to this House very shortly?

**Hon. Mr. Cline:** — Yes, Mr. Chair. The Department of Health monitors the rate of tobacco consumption. And I am advised by the officials that we have received a report with respect to tobacco consumption for the period of the early part of 2001. And they would expect that in early 2003 we would get some information with respect to early 2002 so that we could make some comparison.

Now what will be difficult with that first report, I think next year, will be that it will deal with the period before the budget change and after perhaps. And how much . . . how much can be ascertained from that look, I'm not sure.

But the answer will . . . is that for each year, the Department of Health will monitor tobacco consumption. And if not in early 2003, then certainly in early 2004, you would have information that would show what the impact of the tax change was on consumption because we would have the data to do that kind of comparison.

So it will be monitored, but it will be some time before the information is actually available.

**Mr. Krawetz:** — Thank you, Mr. Minister. And we understand why that takes a while for you to get that information.

Mr. Minister, when we talk about the fact that 20 per cent . . . Or at least I think it's your hope, and I think it's our hope as

well, that at least 20 per cent of people do stop smoking because we know that in the long term the province will be better off, and in fact we might be able to save some health dollars many years into the future.

And I note that you projected in the budget that the revenue from tobacco taxes, and I'm talking about now all tobacco products, will be about 182.5 million up about 60 million from the previous year. And you've explained why you haven't, you know, indicated a full 100 per cent of the expected increase in the taxes.

Mr. Minister, I'm wondering that will there be a time, next year or the year after, if 20 per cent of the people stop smoking and stop purchasing tobacco products, will we see the revenue of 182 million in fact begin to decline for future budgets?

**Hon. Mr. Cline:** — We have forecasted, Mr. Chair, a 20 per cent reduction in tobacco consumption. Not necessarily 20 per cent fewer people smoking. It could be 20 per cent, but 20 per cent less consumption.

We have built into the budget the assumption that the consumption will be down 20 per cent, and that's what our figure for this year is based on. We don't necessarily assume that consumption will go down further in subsequent years. But if it does, we certainly would welcome that, even if we have less revenue, because we believe we'll save money on health care if that happens.

But we're not making that assumption at the present time — to answer the question — although the Department of Health also has a tobacco reduction strategy, and it's part of their strategy that they will continue to attempt to reduce tobacco consumption in a variety of ways. And so we're hopeful that consumption will continue to go down and that we'll have less tobacco tax revenue in the future.

But if the question is have we built in that kind of figure for subsequent years? No, we haven't done that as of yet.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, as you look at the number of people that might quit smoking and if it appears that the increase in taxes has produced a positive effect in terms of people dropping the habit and in fact not smoking, do you anticipate that collectively — and we notice that this has been an approach right across Western Canada as far as the increase in tobacco taxes — do you see that this might be an approach that governments will take to address two concerns?

One, a revenue source; in other words, if you're still looking for 182 million next year and, you know, you want to . . . you see that there's been a decline in the number of . . . or the amount of consumption, that you'll increase the taxes as well to maintain that revenue source but also, hopefully, to cause other people to stop smoking.

Is that a plan that might be something that governments — your government and other governments — might consider?

**Hon. Mr. Cline:** — Well I think it remains to be seen. Certainly what we would do I think would be more or less in

concert with other governments. This tobacco tax increase in the budget was coordinated really with British Columbia, Alberta, and Manitoba — the Western provinces — and they all raised their tobacco taxes quite a bit.

The reason for that is that we're concerned about the issue of cross-border smuggling of tobacco; that if our price is too far out of Alberta's or theirs from BC's, you're going to get a lot of smuggling of tobacco across provincial borders. And so we would want to take a coordinated approach.

I don't anticipate trying to maintain revenues by further increasing tobacco taxes nor would I rule it out. I would say that we want to take a coordinated approach with other provinces, also in concert with the federal government which has variable taxation rates across the country.

And one of the things that we're encouraging the federal government to do is to raise the level of tobacco taxation in those provinces in Eastern Canada where it's been kept quite low because of the smuggling problems that they had. Because if those provinces and the federal government raise their prices, it would cut out the danger of smuggling to Western Canada and it would have some health benefits as well.

So that's a very general answer. There is no plan to increase the tobacco taxes further other than to continue to talk to the other Western provinces, to continue to monitor what's happening in other provinces, to continue to press the federal government to equalize tobacco taxes across the country because, as I say, they have variable rates. So we would want to do those things and see what happens as well.

I mean, one of the things that we really haven't analyzed very well is that if somebody's a smoker and they're smoking, let's say, a pack a day and they spend \$9 a day therefore plus — or we'll say \$10 to keep it simple — they might be spending \$300 in a month on tobacco.

And it may be the case that when they stop doing that, they'll spend \$300 a month on something else, and that may have a beneficial effect on the economy and revenues as well.

So I don't know . . . (inaudible interjection) . . . Yes. One of the members says they could buy Nicorettes. Apparently they buy the patch so it gives business to the pharmacies and I'm sure that some revenue comes to the government in other ways.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, you must have been anticipating my next question because immediately after the budget was announced that the tobacco taxes were going up, I believe it was here in the city of Regina, when you talked about pharmacies, that indeed that there was a shortage of aids that could be purchased — whether they be the patch or any other products that would assist people in stopping smoking.

Mr. Minister, is a provincial sales tax charged on those items that people would purchase that would assist them to stop smoking?

**Hon. Mr. Cline:** — I know that the provincial sales tax is applied to the patch and also it would be applied to other similar

forms of stop smoking as well.

**Mr. Krawetz:** — Mr. Minister, I recall a conversation with a constituent back in my hometown immediately after who, I believe, is probably into his, you know, third month of stopping smoking and he was wondering whether or not, because there was going to be an improvement in his health, whether or not the government was going to consider providing the patch and other materials to people at a reduced rate for those who want to actually quit smoking.

Was there any discussion in your department or with the Department of Health around providing that type of a benefit?

**Hon. Mr. Cline:** — No, there was no serious discussion about it, part of the reason being it's actually less expensive to go on the patch than it is to smoke. And so if a person can afford, which they shouldn't do, to spend money on tobacco, I don't think there's anything wrong with people spending less money on the patch to quit smoking.

And frankly, I'm also of the view that it isn't up to the government every time I or somebody else wants to improve our personal health to pay for everything. It is quite reasonable for people to be responsible for some things.

There are many things many of us do — purchase — that are beneficial to our health. We don't look to the government to pay each and every one of those, and I don't think there's anything wrong with people spending less money on the patch than they do smoking.

There is no reason why people can't stop smoking and purchase the patch. It's cheaper than what an average smoker would pay for smoking. And that's what people should do. And they should be concerned about their health. We should be concerned about their health. But that's my view — that there's nothing wrong with people buying the patch.

**Mr. Krawetz:** — Thank you, Mr. Minister. And I know that there are some people, I guess, who have a very difficult time stopping smoking and have tried it before and have looked at, you know, purchasing not only the patch but other products as well. And my understanding is that that cost can get up pretty high per month, almost equivalent or maybe even more than the cost of a pack a day prior to the increase in the tobacco products.

So while I guess we understand why, you know, you can't make things available on a complimentary basis, but indeed our hope is that people stop smoking. So if there's some things that we can do to assist them, other than increasing the cost of that product.

Mr. Minister, I guess you mention that you are currently not anticipating increasing taxes, you know, next year but you haven't ruled it out. And you said that you were taking a coordinated approach with other provinces.

And of course I think the people understood in all of the four Western provinces that this was a coordinated effort to ensure that one province wasn't less. Because I think when Alberta increased the taxes before the Saskatchewan budget was

released, we did see cross-the-border purchasing that was going on.

Is there any concern, as we saw a number of years ago, where there was smuggling on a national and an international basis? Have we reached . . . have you and the other provinces looked at whether or not we have reached a point in terms of the cost for a package of cigarettes or cigars whereby smuggling on an international basis may be something now that we have to pay much more attention to?

(16:15)

**Hon. Mr. Cline:** — Well certainly we tried to monitor the borders quite carefully in co-operation with the federal government. The difference in tobacco prices between the Western states, sort of who are our neighbours, and ourselves — when you take into account the Canadian dollar versus the US dollar — are not as big as some might think.

For example, in North Dakota the price of a carton of 200 cigarettes is \$60.82 in Canadian dollars. And in Montana, it's \$55.17 in Canadian dollars. In Saskatchewan, a carton of cigarettes would be \$67.63. So it's not so huge, I think, that people would go into the risk of smuggling too much into the country without, you know, paying duty and going beyond their limit and so on.

And so I think the differences are not as great as they once were, especially given the state of the Canadian dollar versus the US dollar. And so we don't see it as a major problem, but certainly it's something that we always try to monitor very carefully.

And the federal government, of course, through Customs and Excise at the border is there to monitor it. And we have an agreement with them that they will monitor certain things on our behalf as well. And so we think that the situation is quite controllable.

It is somewhat different perhaps in Ontario and Quebec, where a carton of cigarettes in Ontario is about \$42.26 versus New York State is \$79.58 Canadian. That's quite a difference. But I believe the federal government is being more successful in Eastern Canada controlling the flow of cigarettes than was the case a number of years ago so . . . But out in the West, we haven't seen a lot of trouble in this regard. And we're hoping that that continues.

**Mr. Krawetz:** — Thank you, Mr. Minister, for that update. I wasn't aware that the price is so competitive. And in fact when you talk about the Western provinces' position versus the states immediately south of us, it doesn't seem to be a whole lot of advantage.

Mr. Minister, if I recall the conflict of a number of years ago, I think most of the illegal transportation of tobacco products occurred in Ontario and Quebec and the Native reserves, and that's where a lot of difficulty developed. And while I understand that you're saying that the federal government is looking at making sure that they stay, you know, that they stay competitive in terms of taxes and yet monitor through Canada Customs whether or not illegal smuggling would occur.



Mr. Minister, I've been asked a number of times about the purchasing of tobacco products on Saskatchewan reserves. Could you clarify the agreement that you have regarding taxes, the provincial tax that is applicable, and whether or not the price of a package of cigarettes at a business on-reserve is the same as the purchase of a package of cigarettes right here in Regina at a tobacco store here?

**Hon. Mr. Cline:** — Yes the . . . Well whether or not the price would be different would depend on who the purchaser was. But one thing I should clarify that is sometimes not well understood is that when a store on a reserve or on a First Nation purchases tobacco for resale, or gasoline for that matter, they have to pay all the taxes upfront.

So from the wholesaler of the tobacco they pay the same price that a store that was not on a First Nation would pay. They pay all the taxes that would be due to the federal government and the provincial government.

But then what happens is if I'm a First Nation person with a treaty number, I present my treaty card to the First Nation store and they will charge me the cost of tobacco without the tax in so that I'm not paying the tax. If I'm not a First Nation and I'm purchasing the tobacco there, I'll simply pay the same price that would be paid elsewhere as well, because you need to have the treaty number in order to not pay the provincial tax on-reserve.

Now the reason why we entered into that kind of arrangement for tobacco and gas was of course because under the federal Indian Act it says we're not allowed to charge provincial taxes on a First Nation, and that includes gas and tobacco.

The Department of Finance receives from the vendors on the First Nations a report of who has come in and purchased tobacco, what the treaty numbers are, and then we send a cheque for the amount of the tax. We rebate the tax back because it's already been paid to us in the first instance when the tobacco is purchased from the wholesaler.

What we also do is we examine the treaty numbers that come in and the level of consumption of tobacco in relation to those treaty numbers. And we're trying to watch to see if somebody's purchasing more tobacco tax free on-reserve than would be for their own personal consumption. And if the numbers are out of order in the sense that somebody's . . . If somebody comes in and buys 100 cartons of tobacco under one treaty number, you know, per week, we're not going to pay the rebate. We would say to the, to the First Nation vendor, that's not reasonable for that treaty number, that person wouldn't consume that much tobacco for their own use.

And I'm advised by the officials of the Department of Finance that thus far they have not seen a great deal of abuse with respect to this; that the First Nations are in fact trying to monitor this very, very closely. Because they know that if they don't monitor it closely — get the treaty number, and if you don't present a card, you don't make the purchase — and if they sell more to somebody than that person would reasonably consume, the First Nations themselves know that this arrangement won't work. And so we haven't seen evidence of a great deal of smuggling.

Now I can't guarantee and nobody can guarantee that a First Nations person who is a non-smoker won't go in and buy tobacco under their number and sell it to somebody else. Nobody can guarantee that. But I can tell you that if there was a significant amount of that or if it was done in a large volume, then we wouldn't pay the rebate because we do monitor it to make sure that the consumption patterns are what you would expect per individual.

**Mr. Krawetz:** — Thank you, Mr. Minister. I just want to clarify, Mr. Minister, what, what you've indicated and please, please confirm that this is the correct interpretation. What you've indicated is that a business on-reserve would pay the provincial tax upfront. And then they would be selling the product on-reserve and they may sell it to a member of a First Nations who has a treaty card or to someone who isn't.

If they are selling the package of cigarettes to a person who has a treaty number, then that person would indicate at the time of purchase that they have a treaty number and therefore there is a reduced price that would not include the value of the provincial tax. If the person was not . . . did not have a treaty number, they would pay the full tax now. So that means that the business has recouped the provincial tax that they had to pay upfront for that individual that paid it.

Now I didn't quite understand what you were saying when you said that the business now has to send to you a listing of the people who have purchased that product, that tobacco product, and their treaty number. Could you clarify what that type of control would do versus the person that paid the tax and obviously didn't have a treaty number?

**Hon. Mr. Cline:** — Yes. The way the member described it is correct, Mr. Chair. If I go in onto the First Nation and I buy tobacco, I simply pay the normal price and the vendor of the tobacco would just keep all that money because the vendor has already paid the tax upfront to the provincial government when he or she goes to the wholesaler. But if I'm a First Nations person, the vendor has paid the tax for that package of tobacco to the wholesaler who then pays it to the provincial government. But when I go in to buy that tobacco, I don't pay the provincial tax. So the vendor is out that provincial tax which he or she has paid to the wholesaler.

And so the vendor has to turn around and say to us in the Department of Finance, okay, Joe Blow came in and bought a package of tobacco, his treaty number is such and such, and you owe me the provincial tax that I've paid you for that package of tobacco because I didn't collect that tax. And then we then send, on a monthly basis, a rebate cheque to the vendor for the tax that he or she has paid but which has not been collected. And then that way we have a list of the names and treaty numbers of the people who the vendor is claiming purchased tobacco but did not remit the tax to him or her. And if everything looks to be in order, then we send a cheque on a monthly basis to make that up.

I should add, by the way, that there's a little bit of flexibility here on the part of the Indian band or the First Nation in this sense — that some of them have decided that some of the tax will be collected from the First Nation person and then that tax will go toward the First Nation government.

So that for example at Creeway gas in Saskatoon — which is part of a First Nation although it's located in the Sutherland area in Saskatoon — when I go in and purchase gas as a First Nations person, whereas the provincial sales tax on a litre of gas is 15 cents per litre, as the member knows, I believe Creeway will charge the individual 9 cents. And that 9 cents will go to the Muskeg Lake First Nation and they will use it for programs for urban youth and recreational programs on the First Nation and so on, so that we won't get that money. And we'll rebate the tax back to the vendor who's paid the tax, whether on gas or tobacco. But in some cases the First Nations have started saying, well, no, I mean, our people should pay some tax. The difference really is, is that that tax ends up going to the First Nation for their purposes.

So it isn't always the case that the First Nation individual will purchase gas or tobacco totally tax free. I think in most cases they do, but in some cases the First Nations are deciding that some of that money will be paid and it will come to the First Nation government.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, let's use those two examples of tobacco and gasoline. And I'm hearing you state that when the vendor is purchasing the fuel or the tobacco, they are paying the provincial tax upfront.

And in fact now they're trying to either collect it back from a person who is not a member of a First Nations and does not have a treaty card or if they are selling it . . . Could you clarify this part that says that if they're selling it to a member of First Nations with some tax on it — the 9 cents example that you use or maybe in the sale of tobacco products there is some portion — will you . . . will your department, the Department of Finance, rebate the 15 cents per litre for every litre purchased by a member or will you be rebating 15 minus 9, which is 6 cents?

Could you explain what type of process would happen for the fuel and, indeed, if this is occurring for tobacco products as well?

**Hon. Mr. Cline:** — No, we would make the same rebate in any of those situations, so that the First Nations person might be paying 9 cents tax per litre. We would still rebate back 15 cents to the retailer because the retailer would have given us 15 cents and we are not allowed to tax for that gas that has been purchased by a First Nations person on-reserve, so we have to give the 15 cents back. But the individual may have paid 9 cents to the retailer, and the retailer would then be required to give that to the First Nation.

And I'm advised by the officials that probably half of the First Nations who have entered into agreements with the province with respect to these arrangements — and I think the number of those agreements is approaching 50 — but half of those First Nations roughly have arrangements where, in effect, some tax is paid to the First Nation in the way I've described and the other half, simply there is no tax paid. We rebate it to the vendor but the vendor isn't required to give anything to the First Nation.

But this is a very new system in the sense that we started doing this I believe a little over a year ago. And I suspect that as time goes on, that arrangements will evolve as between the First

Nations, the vendors, and the province in that regard, although it is entirely within the jurisdiction of the First Nation to decide whether they wish some of that money to come to them. Half of them are and half of them are not at this time. But it's a fairly new system.

(16:30)

**Mr. Krawetz:** — Thank you, Mr. Minister. And, Mr. Minister, I can see that the plan that you put in place then means that the vendor who has collected a portion of a tax from the First Nations person then remits that to the First Nations and therefore still has to obtain the entire rebate back from you.

Mr. Minister, is this similar . . . And I guess not gasoline but more so purchasing of tobacco products off-reserve — what type of policy's in place for rebating the vendor there for people who present a treaty number?

**Hon. Mr. Cline:** — There is no rebate in that situation. Because what we did I think two budgets ago — or was it three? — where we said that First Nations people would have to pay the PST (provincial sales tax) for off-reserve purchases. And so if a First Nations person goes into any business establishment off-reserve, they would pay the PST or the gas tax for that matter in any situation where . . . well in the same way that anyone else would.

The only tax break that they get is if they make a purchase on-reserve, in which case they don't have to pay the PST or the gas tax or the tobacco tax.

But in many other instances they would be making purchases off-reserve and they are required then to pay those taxes.

And I might say — not for the member's benefit, Mr. Chair, but anyone who's watching because often this is misunderstood — there are three groups of Aboriginal people in Saskatchewan, generally speaking: the treaty Indians, the non-status Indians, and the Métis people. And with respect to those latter two groups, the non-status Indians and the Métis people, they receive absolutely no tax break that anyone else would get. And sometimes people misunderstand that. They think that if you're an Aboriginal person, Métis or non-status, that you don't pay taxes which of course is totally untrue.

And then I always point out also — not for the member's benefit because the member know this, but for the general public — that with respect to the treaty Indians, in almost every case they pay taxes the same way that everybody else does.

You know, sometimes I hear people say if a First Nations person works for the school board, isn't that nice, they don't pay income tax. I always point out well no, they pay income tax like everybody else. It's only when they work for a reserve organization that they don't. And they pay property tax if they own a house in the city; they pay liquor tax, you know, and all kinds of other taxes that governments charge.

But with respect to on-reserve purchases, a First Nations person, one group of Aboriginal people, can get some breaks for what they buy on-reserve. And one of the things I have to point out to people who sometimes ask me to change this is, it

isn't a matter for me to change or the provincial government to change or this legislature to change because that is a federal law.

And under the Constitution of Canada the federal government has jurisdiction over First Nations people and reserves and they have passed a law in the Indian Act that says that the province cannot impose the gas tax, the tobacco tax, the sales tax on-reserve, or any other tax for that matter. So we're complying with the law of the land.

And I might add that when we made that change in the budget a few years ago, I guess it was really the first time for a long time that the laws of our province then complied with the federal laws.

And one of the realizations was that, as we were facing already at that time about nine lawsuits suing us for charging taxes that we were told were illegal, we realized we had to make a change to cut off the liability that was potentially building up there too, where if we were doing something wrong, then we had to stop doing it because we could be racking up a huge bill for the future people to pay if somebody wanted to take us to court as First Nations developed more businesses on-reserve — which we encourage, by the way, because it's economic development and jobs for them.

Sorry to be so long-winded with that answer. It goes beyond what the member asked but I thought it was important to explain why we're in the system that we happen to be in.

**Mr. Krawetz:** — Thank you, Mr. Minister, and I do appreciate your explanation and I'm sure many people who are watching or will have the opportunity to review *Hansard* will appreciate your explanation.

Mr. Minister, could you clarify what occurred with retailers on the day — or I believe it was at midnight — when the price of tobacco changed. What kinds of things were retailers having . . . or what kinds of rules were retailers having to follow who had purchased tobacco products prior to that date and obviously had paid a particular tax — maybe the tax that was in force on the date — and then sold the product the next day at a different, at a different rate that included a different tax? Could you explain what kinds of rules were put in place for those retailers?

**Hon. Mr. Cline:** — The tax change applies effective midnight on budget night as between the retailer and the wholesaler. So that the retailer, if he goes or she goes to the wholesaler after midnight budget night, will pay with the new tax included for the tobacco. But the retailer may have tobacco that has been purchased before midnight on budget night. And with respect to that tobacco, they are not required to charge the consumer the new tax.

So that I could go in the day after budget day and buy cigarettes — which I wouldn't do, but say I did — I could go in and the retailer could take a package of tobacco, and if the retailer had purchased that tobacco from the wholesaler before budget day, the retailer could sell that tobacco to me at his or her cost with the old tax. He or she would not be required to charge the new tax. The new tax is required to be charged on the tobacco that came from the wholesaler after midnight on budget night.

But I think you can appreciate what may happen in the retail setting, which is that I go in to the retailer, I don't know as the consumer whether the retailer had this tobacco before or after budget night, and it may be possible that some retailers may — I'm not saying they do or all of them would do — but some of them may simply say the price has gone up, the tax is higher, now the price is such and such.

That tobacco may have been purchased from the wholesaler before the budget or after the budget and it will be up to the retailer to decide what price to sell the tobacco at because we don't have, you know, legislated price controls. We have a certain tax we're required to be paid. And whatever else the retailer wants to charge for tobacco, he or she is free to do so.

**Mr. Krawetz:** — Thank you, Mr. Minister. That's an interesting explanation. I'm not sure that I saw . . . and I'm not a consumer of tobacco products. As you've indicated, you're in the same position. I'm not sure that I saw two prices in the week following budget day that said that this was the price of tobacco products purchased before budget day, and this is the price after. So I'm interested to hear your comments.

Mr. Minister, one of the other questions that I have had addressed to me is regarding the actual or very specific tobacco product and that's cigars. And in your amendments to the Bill you've indicated that the tobacco will be 35 . . . greater of 35 cents per cigar, and 95 per cent of the estimated retail price. Ninety-five per cent seems like an awfully high tax to be paying on the price of a cigar.

Is this tax competitive with other provinces, Mr. Minister? I haven't had the opportunity to review what the tax is in the province of Manitoba or British Columbia, and I'm wondering if you could clarify why such a . . . what seems such a high percentage of taxes applied to cigars.

**Hon. Mr. Cline:** — We're actually not the highest in Canada with respect to the tax on cigars. I should say that it's 95 per cent up to a maximum of \$5. And I'm told that in Alberta the figure would be 103 per cent . . . 183 per cent of the retail selling price, and in Newfoundland it is 125 per cent.

Taxes are high on cigars all across the country, and ours is not the highest but it is what the member has stated up till . . . up to \$5 per cigar. So it's nothing unusual in this country. And we're the third highest tax on cigar, and I suppose the reasoning is cigars are partly a luxury item, and also a hazard to one's health every bit as much, if not more so, than cigarettes.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

**Hon. Mr. Cline:** — Yes. Mr. Chair, I'd like to thank the opposition for their co-operation with respect to moving the Bill along, and also the officials for their assistance here today. And with that I'd like to move that the committee report the Bill without amendment.

The committee agreed to report the Bill.

(16:45)

**THIRD READINGS****Bill No. 17 — The Public Employees Pension Plan Amendment Act, 2002**

**Hon. Mr. Cline:** — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 18 — The Saskatchewan Pension Plan Amendment Act, 2002**

**Hon. Mr. Cline:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 19 — The Superannuation (Supplementary Provisions) Amendment Act, 2002**

**Hon. Mr. Cline:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 31 — The Tobacco Tax Amendment Act, 2002**

**Hon. Mr. Cline:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**ROYAL ASSENT**

At 16:50 His Honour the Administrator entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bills:

- Bill No. 2 - The Emergency Protection for Victims of Child Sexual Abuse and Exploitation Act
- Bill No. 8 - The Family Maintenance Amendment Act, 2002/Loi de 2002 modifiant la Loi de 1997 sur les prestations alimentaires familiales
- Bill No. 26 - The Enforcement of Canadian Judgments Act, 2002/Loi de 2002 sur l'exécution des jugements canadiens procurations
- Bill No. 27 - The Enforcement of Maintenance Orders Amendment Act, 2002/Loi de 2002 modifiant la Loi de 1997 sur l'exécution des ordonnances alimentaires procurations
- Bill No. 28 - The Interjurisdictional Support Orders Act/Loi sur les ordonnances alimentaires interterritoriales
- Bill No. 11 - The Urban Municipal Administrators Amendment Act, 2002
- Bill No. 10 - The Tax Enforcement Amendment Act, 2002
- Bill No. 5 - The Apprenticeship and Trade Certification Amendment Act, 2002

Bill No. 12 - The Farm Financial Stability Amendment Act, 2002

Bill No. 15 - The Queen's Bench Amendment Act, 2002/Loi de 2002 modifiant la Loi de 1988 sur la Cour du Banc de la Reine

Bill No. 24 - The Powers of Attorney Act, 2002/Loi de 2002 sur les procurations

Bill No. 16 - The Independent Officers' Remuneration (Amendment) Act, 2002

Bill No. 23 - The Registered Plan (Retirement Income) Exemption Act/Loi portant insaisissabilité des régimes enregistrés (revenu de retraite)

Bill No. 17 - The Public Employees Pension Plan Amendment Act, 2002

Bill No. 18 - The Saskatchewan Pension Plan Amendment Act, 2002

Bill No. 19 - The Superannuation (Supplementary Provisions) Amendment Act, 2002

Bill No. 31 - The Tobacco Tax Amendment Act, 2002

**His Honour:** — In Her Majesty's name, I assent to these Bills.

Bill No. 64 - An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2003

**His Honour:** — In Her Majesty's name, I thank the Legislative Assembly, accept their benevolence, and assent to this Bill.

His Honour retired from the Chamber at 16:54.

The Assembly adjourned at 16:55.