#### LEGISLATIVE ASSEMBLY OF SASKATCHEWAN June 10, 2003

The Assembly met at 13:30.

Prayers

#### ROUTINE PROCEEDINGS

#### PRESENTING PETITIONS

**Ms. Draude**: — Thank you, Mr. Speaker. I'm very pleased to rise again today on behalf of people in my constituency who are concerned about Highway No. 49.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway No. 49 in order to address safety concerns and to facilitate economic growth in Kelvington and the surrounding areas.

The people that have signed this petition are from Okla, Preeceville, and Kelvington.

I so present.

**Mr. Gantefoer**: — Thank you, Mr. Speaker. Again this afternoon I rise on behalf of citizens concerned about the lack of dialysis service around Moose Jaw. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to take necessary action to provide the people of Moose Jaw and district with a hemodialysis unit for their community.

Again this afternoon all the signatures on this petition are from the city of Moose Jaw, and I'm pleased to present on their behalf.

**Mr. Elhard**: — Thank you, Mr. Speaker. Our petition today is on behalf of producers from the communities of Leader and Sceptre. The petition respectfully is submitted on behalf of these producers in relation to Sask Crop Insurance premium increases this year. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Saskatchewan Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

As in duty bound, your petitioners will ever pray.

I so present, Mr. Speaker.

**Mr. Stewart**: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the dangerous and deplorable condition of Highway 43. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

Mr. Speaker, this petition is signed by individuals from the communities of Gravelbourg, Vanguard, Neville, and Atwood, Ontario.

I so present.

**Ms. Harpauer**: — Thank you, Mr. Speaker, Mr. Speaker, I have a petition with citizens concerned about the deplorable and the rapidly deteriorating state of Highway No. 20. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 20 from Nokomis to Strasbourg in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

And the signatures, Mr. Speaker, are from the communities of Bulyea, Duval, Strasbourg, and the city of Regina.

I so present.

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present a petition on behalf of people from my constituency and elsewhere who have grave concerns over the condition of Highway 47. And 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 47 South in order to avoid serious injury and property damage.

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

Mr. Speaker, this is signed by people from Estevan; Sorrento, BC (British Columbia); as well as Montague, Prince Edward Island.

I so present. Thank you.

**Ms. Bakken**: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens in Moose Jaw and district who are very concerned about the lack of a hemodialysis unit. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to provide the people of Moose Jaw and district with a hemodialysis unit for their community.

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

And the petition is signed by residents of Lafleche.

I so present.

**Mr. Wall**: — Thank you, Mr. Speaker. It's a pleasure again to rise on behalf of residents in my hometown who have offered a constructive proposal with respect to a CT (computerized

tomography) scanner for the Swift Current Regional Hospital. The prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to reconsider its plan to allocate the used CT scanner to Swift Current and instead provide a new CT scanner for the Southwest.

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

Mr. Speaker, the petition today has been signed by residents of the city of Swift Current.

I so present.

**Mr. Huyghebaert**: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to rise again today representing citizens who are very concerned about their safety travelling on Highway 43. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

And, Mr. Speaker, this is signed in total by the good citizens of Vanguard.

I so present.

**Mr. Dearborn:** — Well thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens of west central Saskatchewan who are very concerned with the alarming number of rural school closures. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to retain schools in rural communities such as Denzil and supply adequate education for rural families of our province.

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

Mr. Speaker, this petition is signed by the good folks from the village of Denzil.

I so present.

**Mr. Hart**: — Thank you, Mr. Speaker. Mr. Speaker, I'm happy to be able to present a petition on behalf of constituents concerned with the condition of a section of Highway 22. 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 22 in order to address safety and economic concerns.

As in duty bound, your petitioners will ever pray.

Signatures to this petition, Mr. Speaker, come from the communities of Imperial and Lumsden.

I so present.

**Mr. Van Mulligen**: — Thank you, Mr. Speaker. Mr. Speaker, I rise to present a petition signed by Saskatchewan people who are concerned that deregulation and privatization in the electrical industry is causing electrical rates to increase dramatically in other jurisdictions.

The prayer, Mr. Speaker, reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the Government of Saskatchewan and the Legislative Assembly of Saskatchewan to assure the people of Saskatchewan that deregulation and privatization of the electrical industry in Saskatchewan including SaskPower will not be allowed.

Mr. Speaker, this petition is signed by people from Kindersley, Prince Albert, Wilkie, Unity, Eston, North Battleford, and Rosetown, Mr. Speaker.

And I so present.

**Mr. Harper**: — Mr. Speaker, I rise today to present a petition signed by the Saskatchewan people who are concerned about deregulation and privatization in the electrical industry which is causing electrical rates to increase dramatically in some jurisdictions.

And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the Government of Saskatchewan and the Legislative Assembly of Saskatchewan to assure the people of Saskatchewan that deregulation and privatization of the electrical industry in Saskatchewan including SaskPower will not be allowed.

And, Mr. Speaker, this petition is signed by the good folks from Estevan, Saskatchewan.

I so submit.

# 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. 12, 13, 18, 36, 41, 119, 120, 124, and 126.

### PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

### Standing Committee on Private Members' Bills

**Ms. Hamilton:** — Thank you, Mr. Speaker. As Chair of the Standing Committee on Private Members' Bills, I present to you and the Assembly the tenth report of the said committee, which is as follows:

Your committee has considered the following Bill and has agreed to report the same with amendment:

Bill No. 301 — The Western Christian College (Amendment) Act, 2003

And further, that the fees respecting Bill 301 be remitted to the petitioners, less the cost of printing.

I would move, seconded by the member from Kindersley:

That the tenth report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

#### NOTICES OF MOTIONS AND OUESTIONS

**Mr. Brkich**: — Thank you, Mr. Speaker. I give notice I shall on day no. 60 ask the government the following question:

To the CIC minister: for the fiscal year 2002 to 2003, can the minister provide all donations and grants given out by SaskPower?

Also, I have similar questions dealing with SaskTel, SaskEnergy, and SGI (Saskatchewan Government Insurance).

**Mr. Hart**: — Thank you, Mr. Speaker. I give notice that I shall on day no. 60 ask the government the following question:

To the Minister of Agriculture: how many multi-peril crop insurance contracts does Crop Insurance Corporation carry protected ... or carry in 2003, and what is the projected liability attached to these contracts?

**Ms. Bakken**: — Thank you, Mr. Speaker. I give notice that I shall on day no. 60 ask the government the following question:

To the minister of Saskatchewan Liquor and Gaming: in light of the fact that comments made by the minister of Liquor and Gaming in the legislature on April 9, 2003 during oral questions contradict RFP, Western Canada Lottery Corporation, reference no. 621-97, section 12, which refers to supplier expertise and which stated Western Canada Lottery Corporation is not an expert in the work and therefore will rely on the skill, expertise, judgment, and representation of suppliers, who made the decision to present Wascana Gaming incorporated to the Saskatchewan Liquor and Gaming for final decision, RFP 621-97?

I give notice that I shall on day no. 60 ask the government the following question:

To the Minister of CIC: did any Saskatchewan Crown corporation pay TouchStar Systems incorporated anything for supplying any business services in 1996? If so, how much was paid by which company and for what service?

And the same question for the year 1997, 1998, 1999, 2000, 2001, 2002, and the present date.

I so present.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Wartman**: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to this House, Nebraska legislator, Senator Pam Redfield from District 12, Omaha. Pam has been with us now for a couple of days and will be with me for the afternoon.

There are a number of unique things about the Nebraska legislature that have been introduced to us over a few years. One of them is that it is a unicameral House, which is quite unique in the United States, and the members who run there run as independent; they are not represented as either Republican or Democrat, though they would hold membership in a party.

And so I'm looking forward to an afternoon with Pam, being able to talk about the differences between our legislatures. And so I'd ask all members to join me in welcoming her to this legislature.

Hon. Members: Hear, hear!

**Mr. Van Mulligen**: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to other members of the Assembly, and to the people of Saskatchewan, Senator Adrian Smith. Senator Smith represents District 48 centred in Gering, Nebraska.

He was first elected to the Nebraska legislature in 1998, re-elected last year in 2002. He serves on the Government Committee, the Military and Veteran Affairs Committee, and the Transportation and Telecommunications Committee. Mr. Speaker, he is a real estate agent and prior to being elected to the legislature, he was a member of the city council — sounds like someone I know in this legislature, Mr. Speaker.

I would ask all the members to extend a very warm welcome to Adrian this afternoon. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. It's a pleasure for me to be able to introduce to you and through you to all members of the Assembly, Senator Daryl Beall who is a state Senator from Iowa and . . . as a Democrat. Mr. Beall and I had a busy morning together with the Private Members' Bill Committee, looking at the constituency office and the constituency where we discussed volunteerism and philanthropy. He was very impressed with the offices here and in the constituency. His desk is his office, which really made me impressed on how organized as an individual he must be.

Senator Beall and his wife, Jo Ann, live in Fort Dodge and they have three grown children and seven grandchildren who are living in Iowa and Alaska. Mr. Beall represents a constituency that's about 95 miles outside of Des Moines, Iowa. I would ask all members to join in welcoming Senator Daryl Beall.

Hon. Members: Hear, hear!

**Hon. Mr. Nilson**: — Thank you, Mr. Speaker. Through you and to all members of the legislature I'd like to introduce Senator Ryan Taylor, state Senator from North Dakota. He

represents District 7 which is centred I think around the town of Towner in McHenry County. And this is just about 40 miles east of Minot, which is a place that many people from Saskatchewan know well.

Senator Taylor is a rancher. He's also a writer, a columnist, and he's a territory manager for Fort Dodge Animal Health. He has an ag economics degree and this is his first term in the state senate.

(13:45)

I'm very pleased to have this chance to introduce Senator Taylor because on Saturday I was in McHenry County. And I just met Senator Taylor today but I was there within, I think, about 5 or 6 miles from Senator Taylor's ranch, visiting a famous place for all lovers of Norwegian culture.

And this is very interesting because not far from where Senator Taylor lives is the grave of a famous Norwegian named Sondre Norheim, and a lot of people don't recognize that name but he invented downhill skiing and he is the person that they celebrate in the Winter Olympics every time there's a Winter Olympics. And he ended up homesteading in this beautiful part of the state of North Dakota where Senator Taylor is from.

Just to give you an example of how beautiful this area is, Towner has a huge tree nursery and they plant trees all over the state of North Dakota. And when you go and visit in Senator Taylor's area, you'd be amazed at the forests that have been planted by people and that have really changed that part of North Dakota.

So I would ask all members to welcome Senator Taylor and to say it correctly, we have to say it, willkommen to Saskatchewan, Senator Taylor.

Hon. Members: Hear, hear!

Mr. Kasperski: — Mr. Speaker, it's also my pleasure to join in the introductions of our guest from the United States here again this afternoon and to introduce our final guest who needs no introductions to many members of this Assembly, Ilene Grossman, who works for the Midwest Council of State Governors administrative office in Chicago. Ilene, it is very, very nice to have you back here.

As was pointed out by my hon. colleague from Melville yesterday, Ilene's been very instrumental in working with Saskatchewan and getting us involved as a legislature with the Midwest Council of State Governors. And amongst her very many talents, it is my understanding that she has taken on new duties to become a wedding planner for some unnamed member of this legislature.

Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

**Mr. Hillson**: — Thank you, Mr. Speaker. It is with great pleasure that I too add my words of welcome to my friend, Ilene Grossman, and to the US (United States) state legislators.

I suppose they have received a cursory bit of knowledge, a beginner knowledge about Canadian politics from their time spent with the Saskatchewan Party and the NDP (New Democratic Party). It's too bad, it's too bad they don't have time to spend a day with the Liberal caucus where they will get a post-graduate understanding about Canadian politics.

I understand tonight that Senator Taylor will be entertaining us at Government House — I look forward to that — and that Canadian national honour is going to be maintained by what is laughingly referred to as home-grown talent, and I look forward to that competition.

Thank you.

Hon. Members: Hear, hear!

**Mr. Lorenz**: — Thank you, Mr. Speaker. Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly, seated in your east gallery, 28 grade 6 students from the school of Cut Knife. They've travelled since 6:30 this morning; they've been on the bus getting here this morning.

Also accompanying them are teachers Len Dupuis, Linda McCallum, Paul Runalls, Ian Switzer, Diane Dupuis, Joanne Scott, John Woloshyn, and Cindy Stapley.

And would you join me in welcoming them here today.

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 the legislature, two distinguished guests from my hometown of Swift Current seated in your gallery, Mr. Speaker. The CEO (chief executive officer) of the Cypress Hills College — which is headquartered in Swift Current but it has a campus presence in Maple Creek, Shaunavon, and Gravelbourg — the CEO is with us today, Dr. Neil Clarke. And accompanying him is the chairman of the Board of the Cypress Hills Regional College, Mr. Bill Doidge.

Now, Mr. Speaker, Mr. Doidge taught me in high school a couple of years worth of economics, but I'd ask members not hold that against him but rather, but rather to welcome them both here to the Assembly today.

Hon. Members: Hear, hear!

**Hon. Mr. Belanger:** — Thank you very much, Mr. Speaker. In your gallery I'd like to introduce two very impressive people. They were visiting me here today and they're also great hockey players from the past, Mr. Speaker. The only thing I'm sorry of is I missed them by about 15 years.

First of all I want to introduce Isadore Desjarlais. It's rumoured that Isadore — out of Buffalo Narrows, a very successful businessman, and he's a Co-Chair of our Northwest Development Council — and Isadore, it is rumoured that he actually nailed a fire manager from SERM (Saskatchewan Environment and Resource Management) right out of the hockey rink, and that manager is Robbie Gardiner. And that shows his prowess as a hockey player, but equally so, Mr.

Speaker, his business attributes and his skills are certainly well known throughout the North.

And next to Isadore Desjarlais, of course, Isadore Campbell of Patuanak and the English River First Nations. And Isadore as well has a history in hockey and used to come and beat up guys in Ile-a-la-Crosse, and I certainly wish I was there at that time; we would have straightened out the problem

But, Mr. Speaker, I think I want to ask all members of the Assembly to welcome these two impressive gentlemen. They're both Co-Chairs of our northwest development council, very strong and ardent supporters of economic development — the message of jobs, jobs, jobs, I mean, we always want to see accomplished.

And I would ask all members of the Assembly to welcome these two hockey players and two Co-Chairs of the economic development committee. And incidentally, for the American's information, I think Isadore Campbell's son, Trent Campbell, has got a hockey scholarship at a state, in Michigan I believe, to go play hockey there. And we wish him well and certainly we know that the American people will be great hosts. And we want the Assembly members to welcome these two fine gentlemen here today.

Hon. Members: Hear, hear!

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to all members of the Assembly, someone seated in your gallery, Ms. Diana Ritter, retired high school teacher who in the past years has brought her grade 12 class from Robert Southey School to visit with us. And I know she must have enjoyed her visits because she's here with us today to watch the proceedings. And I'd ask all members to welcome her.

Hon. Members: Hear, hear!

Mr. McCall: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of this Assembly, two individuals seated in the western gallery. They are Kelsey Rose and Tanner Morrison. Now they are together an incredible debating team that is . . . You know they've undergone something of a reunion because Kelsey has been off in BC for the past year at Lester B. Pearson College on quite the scholarship. Tanner, meanwhile, has been back here in Saskatchewan where he has won the Model Parliamentarian Award not once, not twice, but three times.

They're both very intelligent young men and they're going on to great things. I'd urge all members to join me in giving them a warm welcome to this place.

Hon. Members: Hear, hear!

#### STATEMENTS BY MEMBERS

#### Anna Mlazgar Celebrates 104th Birthday

**Mr. Hart**: — Thank you, Mr. Speaker, Mr. Speaker, I rise today to extend my congratulations to Mrs. Anna Mlazgar who has just celebrated her 104th birthday. Mrs. Mlazgar, or Annie

as she likes to be called, celebrated her very special birthday with her family and invited guests this past Saturday at the Cupar and District Nursing Home.

In 1908, nine-year-old Anna and her family immigrated to Canada from Pennsylvania and settled in Lebret, Saskatchewan. There she met and married Frank Mlazgar, and as a young pioneer woman she faced many hardships while raising her family on the farm near Lebret.

Anna remembers the depression when people had nothing and had a hard time putting food on their tables. Through the kindness of the Maritimers, bags of potatoes would arrive by train to feed those in need. In each bag was a treat placed on top of the potatoes — things like red-eating apples, cans of corned beef, turnips, or the prized jar of pure strawberry jam. These gifts were shared freely with their neighbours.

In those early years the train was the only means of receiving news from other parts of the country and around the world. As a young woman, Anna remembers being one of the first people in Lebret to receive the news of the First World War as the station agent announced that it had just begun.

A lady of perseverance and strength, Anna has had the opportunity to witness many historic events and watch the province progress and change. I would ask all members of the Assembly to help congratulate Anna Mlazgar on the occasion of her 104th birthday.

Some Hon. Members: Hear, hear!

#### Views of Member of Parliament

**Mr. Goulet**: — Mr. Speaker, my statement deals with Jim Pankiw and with racism.

While racism still exists, we can state that the road to greater respect among all people has improved in our generation from which our parents experienced. We have a ways to go but we have made positive advances. The case of MP (Member of Parliament), Jim Pankiw, is therefore a cause for concern.

His views smack of the old colonial racism of the past. His arguments are exclusionary and filled with the politics of division. Instead of building bridges between people, his message is one that promotes anger, resentment, and disrespect.

In his latest pamphlet entitled, "It's Clear Who The Racists Are" Pankiw continues his attack on what he calls First Nations employment equity. Although the equity plan includes women, persons with disabilities, visible minorities, as well as Aboriginal people, Pankiw singles out First Nations people. This view needs to be challenged. Fortunately many are confronting him.

Positive changes are being made in our schools, in our post-secondary institutions, and in the public and private sectors. We clearly need to build on our successes so far and continue to promote positive relationships that include Aboriginal peoples. Let's not turn the clock back to the politics of division, exclusion, and disrespect as represented by the misguided Jim Pankiw.

Let's continue to work together towards a community of hope and respect in this province and in this country.

Some Hon. Members: Hear, hear!

### Saskatchewan Resident Assists Orphans in Romania

Mr. Brkich: — Thank you, Mr. Speaker. I rise in the Assembly today to talk about a remarkable young lady from Outlook. Miss Brea Hainstock returned home from Romania on May 31 having spent the entire month in that country helping out in an orphanage located in the city of Craiova, southwest of Bucharest.

Miss Hainstock had travelled to Romania as part of World Vision group of 12 people from across Canada who offered their time and their compassion to the orphans in that country. Miss Hainstock, who works with the Sask Abilities Council, has sponsored a child in Romania for the past two years, took the opportunity to travel there as part of World Vision's Destination Life Change program that seeks to assist in the ongoing struggle to care for 40,000 orphaned children.

All throughout the month of May, Brea helped to look after 60 small children, aged 2 months to 17 months. Brea said that the Romanian government is working hard to place these children with local families with a goal to complete the adoption process across the country by 2007.

Miss Hainstock said that it was a moving experience to help look after these infants and that the language barrier through Romanian caregivers was no hindrance in doing her work. Indeed she said that the common language of child care was in abundance between the Romanian and Canadian caregivers. Brea also said that it was very difficult to leave the orphanage as she had formed many strong bonds with the children.

I would like to personally congratulate Miss Hainstock for good work overseas and would ask that all members join me in thanking Miss Hainstock for her fine humanitarian work.

Some Hon. Members: Hear, hear!

#### Saskatoon Firm Wins Canadian New Media Award

**Ms. Jones**: — Thank you. Mr. Speaker, I'm pleased to report that ZU.COM Communications a company from my constituency of Saskatoon Meewasin that specializes in Web sites for large corporations, cities, the health industry, and educational organizations, recently received a Canadian New Media Award.

Mr. Speaker, ZU.COM received the CNMA (Canadian New Media Awards) Employer of the Year award that recognized the company that best motivates, values and rewards the talents and skills of its staff. ZU.COM employees benefit from flex time, office shinny leagues, extravagant Christmas parties, profit sharing, weekly potlucks, and R&D (research and development) days to allow breaks from the stresses of regular production.

Partners Ryan Lejbak and Tony Zuck accepted the award with these words from Mr. Zuck:

We wouldn't be here without our great staff, without them, we'd just be 2 good looking guys.

Mr. Speaker, I ask all my colleagues to join me in congratulating the management and staff at ZU.COM Communications on receiving the CNMA and especially providing a stellar example of employer/employee relationships.

Some Hon. Members: Hear, hear!

(14:00)

### **Melfort 171 Squadron Celebrates 60 Years**

Mr. Gantefoer: — Mr. Speaker, and members, the Melfort 171 Squadron of the Royal Canadian Air Cadets recently celebrated their 60th anniversary. The squadron's first post-war commanding officer, Major Stan Miller, attended the ceremonies as a reviewing officer. It was an honour, he said, because:

... for a squadron to celebrate 60 years is a big achievement. There are very few squadrons across the country that have ever achieved this.

When the squadron was started in 1942, the cadets were seriously preparing to go into battle. Now the Melfort squadron focuses on seriously preparing the cadets for their future. Their training includes areas such as leadership, survival, technical and pilot instruction. The cadets gain further experience by working closely in the community with organizations like the Legion and the Wildlife Federation, and going on group tours across our country.

The Melfort 171 Squadron of the Royal Canadian Air Cadets has helped to launch many young careers, and some through the Royal Military College, some through the forces, and some as private pilots. Many more have been able to apply what they have learned to successful roles in their families, jobs, and communities.

Mr. Speaker, and members of the legislature, please join me in congratulating the Melfort 171 Squadron of the Royal Canadian Air Cadets on this historical occasion and hope that they will be able to continue for many years to come.

Some Hon. Members: Hear, hear!

#### **Regina Transition House Fundraiser**

Mr. Van Mulligen: — Mr. Speaker, last Thursday I had the privilege of attending Soirée 2003, the 12th annual fundraising event for Regina Transition House, along with about 100 other supporters. But to call it just a fundraiser doesn't even approach doing the evening justice. It was a highly entertaining, very interesting evening, which just happened to be for a crucially worthwhile cause.

The event was hosted by Debra Hengen at her home in Regina's warehouse district. There was excellent entertainment by Meara and Kieran Conway, who played a cello duet, and by Andrea Hedlund on violin. The music was worth the price of admission,

Mr. Speaker, as was the food.

And I am told the evening raised approximately \$5,000 for Transition House.

Mr. Speaker, Regina Transition House has been with us since 1976. It is now in its second location. During its first 25 years, 11,000 clients passed through its doors. This is both a testimony to the invaluable work done by Transition House and its staff, and an ongoing indictment of our society where domestic violence against women and children is still a too prominent fact of life.

Mr. Speaker, I admire and I congratulate Maria Hendrika and the staff and the board of Transition House for their excellent work and I know all members wish them well. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

#### St. Luke's Lutheran Church 90th Anniversary

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, last Sunday I had the pleasure of attending the 90th anniversary of St. Luke's Lutheran Church at Woodley. Although the town of Woodley has disappeared, this church remains very active. Over 250 people, including many former pastors, attended the morning worship service, followed by a dinner and an afternoon of reflecting and reminiscing.

Mr. Speaker, upon entering this church, you take a step back in time. I was accompanied by my mother who, along with her parents and 15 brothers and sisters, attended this church for many years. In fact, Mr. Speaker, mom was baptized, confirmed, and married in this church. Mom said the high-back wooden pews, the pulpit, and the wooden collection plates are those she remembers from her childhood.

The building which has been very well preserved and the grounds that are immaculate have been designated as heritage property.

Mr. Speaker, I ask all members to joint me in congratulating the members of St. Luke's Lutheran as they celebrate the 90th anniversary of their church. Thank you.

Some Hon. Members: Hear, hear!

**The Speaker**: — Why is the member for Swift Current on his feet?

Mr. Wall: — With leave, Mr. Speaker, to introduce guests.

Leave granted.

### INTRODUCTION OF GUESTS

Mr. Wall: — Thank you, Mr. Speaker, and thanks to all the members for leave. Through you, to all of my colleagues in the legislature, it's a great pleasure to introduce a great looking group of grade 5 students in the east gallery. They are from Ecole Oman School in my hometown of Swift Current. I know it to be an excellent school, Mr. Speaker, because our ... Tami

and my children go to that school in Swift Current.

And the 52 grade 5 students are accompanied by some of the great teaching staff at the school. Mrs. Kolb, Mrs. Mann, and Mr. Franz are with the students today. Mr. Speaker, I'll have a chance to visit with them, take a picture with the students, and then visit with them later and perhaps have a discussion of what they saw here.

But in the interim, I'd ask all of the members of the Assembly to join here with me in welcoming them here to the legislature today.

Some Hon. Members: Hear, hear!

#### **ORAL QUESTIONS**

# Consequences of Occurrence of Bovine Spongiform Encephalopathy

**Ms. Harpauer**: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Agriculture. The Western premiers and representatives from the beef industry have developed an emergency compensation package designed to address the difficulties facing the industry as a result of the BSE (bovine spongiform encephalopathy) case discovered in Alberta four weeks ago. Unfortunately this may be the easy part.

Convincing the federal government to agree to this proposal may be the tough work ahead. It is my understanding, Mr. Speaker, that the Western premiers are to discuss this package with the Prime Minister today by telephone. But we know the package details were already presented to the federal Agriculture department officials last week.

Mr. Speaker, can the minister tell us what response has been received so far, if any, from any federal officials to the proposal?

Some Hon. Members: Hear, hear!

**Hon. Mr. Lautermilch**: — Thank you very much, Mr. Speaker. I'd be pleased to respond on behalf of the Minister of Agriculture and Food.

And the member is correct. The premiers have agreed on a temporary slaughter cattle disaster program that the industry has worked on for some time. It's been presented to the federal government. I know that the Minister of Agriculture spoke this morning with the federal minister, Mr. Vanclief. He did not reject the premiers' proposal, I can report to the member.

He indicated one more time that there are some existing safety nets in place, referring of course to NISA (Net Income Stabilization Account). The Agriculture ministers and the premiers are very firm in their position that these should not be ... that this should not be the form of compensation or support and that funding needs to come from outside of NISA. Four hundred million dollars from NISA might put that whole program at risk, Mr. Speaker.

I can say that we haven't had a definitive response as a province from the federal Minister of Agriculture but the deputies are meeting tomorrow in Ottawa. There is a meeting attempted to be put together by the Ag ministers for later this week and we will keep on top of the issue, Mr. Speaker.

Some Hon. Members: Hear, hear!

**Ms. Harpauer**: — Mr. Speaker, industry representatives are very, very, very concerned that the federal government has already made up their mind that a loan guarantee program and the new NISA program will be all that they will offer the beef industry, and the minister indicated that as well.

Mr. Speaker, these types of programs will simply not address the difficulties caused by this single BSE case. And today the industry is publicly stating that if this is the only help coming it will be a disaster, especially for the feedlot industry.

Mr. Speaker, does the minister know if the federal cabinet has already completely made up their minds on the compensation, or if there is some possibility that this proposal from the Western provinces and the industry may cause the federal government to take a step back and commit to examining the possibility of implementing this package?

Some Hon. Members: Hear, hear!

**Hon. Mr. Lautermilch**: — Well, Mr. Speaker, I want to say to the member that the Western premiers just yesterday agreed to a package that would be put forth to the federal government. That has now been done.

And I think what we all need to do is remain somewhat optimistic in that the magnitude of this circumstance is certainly beyond Saskatchewan's ability to manage. I think it's fair to say that it's beyond the industry's ability to manage, which is why a shared proposal has been put forward to the federal government allowing, hopefully, the federal government to assume the vast majority of the impact on this.

What I want to say to the industry leaders, I want to thank them for their support. I know that they're meeting this afternoon. This is an industry-driven proposal.

I want to say to members of the opposition that what we need to do is continue to work together; governments — provincially, federally — the industry, to ensure that we have a positive resolve to what is a very difficult circumstance.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, everyone agrees that the best solution is for the US trade restrictions on Canadian beef to be lifted. However, there seems to be no indication that this will happen before the international panel presents its written report in two weeks. But for many, two weeks will be a little too late and even then that may be optimistic.

The USDA (United States Department of Agriculture) 60-day review period of comment on the trade restrictions doesn't expire until July 28. And although the US has said that it is not a hard and fast deadline, it would be very unusual for them to move the comment period and to lift the ban on their industry

stakeholders.

Mr. Speaker, the minister told the media yesterday he's optimistic that the US may lift the ban in very short order. Will the minister tell us what indication that he has had from the US government that the ban will be lifted and when he expects Canadian beef may start moving across the border?

Some Hon. Members: Hear, hear!

**Hon. Mr. Lautermilch**: — Well I think, Mr. Speaker, the member opposite is well aware of the circumstances that will open the American border and that is the determination of scientific evidence that, in fact, Canadian beef is safe for export.

I think the member, as well, is aware that the report will be forthcoming very shortly. I think, as well, we're all aware of the fact that Dr. Kihm, who represents the international body that's looking at this issue, has indicated that it's his belief that Canadian beef is safe.

So what we need is, we need to be able to present the scientific evidence to the American officials to ensure that what we have is a safe product. They have to be satisfied that the scientific evidence will indicate that.

At the same time, Mr. Speaker, I want to say that it's not the provincial government that's negotiating opening of the borders. This is a federal responsibility; federal officials are working on a parallel track to the scientific track and hopefully we can find a resolve to this sooner rather than later because I think we all understand the immediacy of the circumstance.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, industry representatives are clearly frustrated by what they feel is a lack of understanding by the federal officials, and for the depth of the issue and the crisis the industry now finds itself in as a result of the trade restrictions on Canadian beef. And they don't believe the federal government's reaction on the issue of compensation needed to help the industry to get through this demonstrates any clear understanding of the seriousness of this situation.

But even the two weeks that the international panel says that it will take to deliver their final report is far too long, Mr. Speaker, for many of the feedlot or cattle feeder industries who won't be financially viable, quite frankly, at that time.

Mr. Speaker, what is the minister planning to do to ensure that the federal government doesn't hide behind existing programs and doesn't drag their feet in getting the final report prepared?

Some Hon. Members: Hear, hear!

**Hon. Mr. Lautermilch**: — Well, Mr. Speaker, I think the member opposite is exactly correct in that industry participants are concerned. And they have every right to be concerned. This is an unusual circumstance. We've seen this play out in other parts of the world and it's had some very dramatic impact in a negative way on the cattle industry in other areas of the world.

So I think it's fair to say that that's why Canadian, Western Canadian premiers are speaking with one single voice to our federal government who are negotiating on our behalf to open the American borders as soon as we can. I'm told and I understand by a media briefing this morning, the Minister of Agriculture and Food indicated that a final report should be ready in a couple of days from the international community.

I think it's fair to say as well that we have had good support in terms of the work that our federal government has done in terms of the investigation, putting the science together. It's been commended by the international community.

I think what we need to do is keep on top of this. We need to push hard to ensure that we get the funding, the appropriate funding for our cattle producers here in the province.

Some Hon. Members: Hear, hear!

#### SaskPower Policy on Firefighting Expenses

Mr. Brkich: — Thank you, Mr. Speaker. Well it's been over a month since I first raised the issue of the Outlook fire department responding to two field fires that were started by malfunctioning SaskPower equipment. The town of Outlook asked SaskPower to pay for the firefighting costs. SaskPower said no. But the minister promised to review this decision. In fact his exact words were, I'm expecting a response very shortly.

(14:15)

Well, Mr. Speaker, it's been over a month since the minister first promised this review. But has the minister gotten back to me? No. Has he gotten back to the town of Outlook? Well I checked there this morning. No. Will SaskPower reimburse the town of Outlook for the firefighting costs for the . . . for these two fires caused by SaskPower equipment?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well I thought a very public pronouncement about the response would have sufficed, Mr. Speaker. But I believe the member full well knows, Mr. Speaker, that this issue is currently being reviewed by the Ombudsman's office, Mr. Speaker. It's being reviewed by the Ombudsman's office. At the time the question was asked, I was not aware of that — nor should I have been made aware of that; it's independent. She is an independent body here in the . . . of the legislature, Mr. Speaker. I have been told by that office though, Mr. Speaker, that we can expect a response on that fairly soon.

Some Hon. Members: Hear, hear!

Mr. Brkich: — Thank you, Mr. Speaker. Same stuff. They keep hiding behind either the courts or now it's the Ombudsman. Can't this minister make a decision on this policy? SaskPower has no policy. It has no intention of probably paying for these fires. This review has been on for a month. Can the minister himself make a decision on this case?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well the member raises a legitimate point. I mean the issue is absolutely legitimate, Mr. Speaker. SaskPower, however, assumes responsibility where they have been the cause of the accident or the cost, Mr. Speaker. Having said that, the town of Outlook disagreed with SaskPower's position on this. It's my belief that they probably were the ones that referred it to the Ombudsman's office, appropriately so. They are an . . . She is an independent officer of the legislature reviewing this. I am advised that we will have a statement from her within a very short period of time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Brkich: — Now everyone knows that it was SaskPower's equipment that started this fire, so the . . . that was started by malfunctioning SaskPower equipment. Can the minister inform me . . . (inaudible) . . . of the decision of going to the Ombudsman, the town of Outlook, before going on here? Can the minister . . . How long will this . . . Has SaskPower made a policy on this? They've had over a month to do their own policy review on this. Will they make a policy on it?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well, Mr. Speaker, if that member knows factually that it was SaskPower's equipment that caused the fire and that they should be solely responsible, I would encourage that member — it is incumbent upon that member — to get a sworn affidavit to that respect and provide it to the Ombudsman's office, Mr. Speaker. That's his responsibility if he factually knows that is the case.

Mr. Speaker, having said that, SaskPower . . . I indicated that we would review and we have done so, Mr. Speaker. I find, Mr. Speaker, that . . .

**The Speaker**: — Order, please, members. Order. I would ask for order so that we can hear the response. Order.

**Hon. Mr. Sonntag**: — Thank you, Mr. Speaker. Well as I've indicated, the Ombudsman's office is reviewing that and we are told we will be provided with her opinion on this shortly.

Having said that, SaskPower always — as all of the corporations do — continue to review their policies as it pertains to this or any issue, Mr. Speaker. On this particular issue, I have not yet been advised whether or not SaskPower is contemplating any proposed changes in this particular policy, Mr. Speaker.

Some Hon. Members: Hear, hear!

**Mr. Brkich**: — With that fire, it was investigated by the official of the fire department. They had officials out there. The chief of the fire department investigated. An official report was made to the insurance company saying that it was started by SaskPower equipment.

How much more information do they need? What kind of more reports do they need where it started?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well the policy of SaskPower, like many private sector corporations, Mr. Speaker, assumes liability, assumes liability — and I ask the member to listen carefully — assumes liability where they were wilfully or were the cause as a result of, Mr. Speaker, as a result of having done something that falls outside of what they should ordinarily have done during the, during their work, Mr. Speaker.

Having said that, they, SaskPower, holds the view that they were not the cause of the fire as a result of having done anything outside of what they should have done. Mr. Speaker, it was a, it was a... The accident was or the fire was caused as a result simply of something entirely out of their control, Mr. Speaker.

Some Hon. Members: Hear, hear!

# Crown Investments Corporation of Saskatchewan Investments

**Mr. Wall**: — Thank you. Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Crown Investments Corporation.

Will the minister confirm, Mr. Speaker, that CIC president, Frank Hart, and senior vice-president, Zach Douglas, have been investigating and/or are in the process of establishing a private sector management company that will be given up to a 10-year contract to manage hundreds of millions of dollars worth of CIC (Crown Investments Corporation) taxpayer-funded assets? And will the minister confirm that Mr. Hart and/or Mr. Douglas may be involved in the ownership or management of this new company?

Some Hon. Members: Hear, hear!

**Hon. Mr. Sonntag**: — Thank you, Mr. Speaker. Well as I said yesterday, and let me try and be as absolutely as clear as I can possibly be, we have absolutely no intention of privatizing whatsoever — whatsoever, whatsoever, Mr. Speaker — the Crown Investments Corporation CIC III (Crown Investments Corporation of Saskatchewan Industrial Interests Inc.) portfolio, none whatsoever.

Although it seems to me that ideologically that Sask Party is stuck on that one agenda. They feel that the only way that we can work with the private sector is to privatize, Mr. Speaker. We have said, and I said in this Assembly yesterday, Mr. Speaker, and I've said many times before, that our government, Mr. Speaker, Crown Investments Corporation, will explore all kinds of options in an effort to create jobs in our province, to create economic development, particularly in the areas where we think we have opportunities for creating economic development, Mr. Speaker.

Some Hon. Members: Hear, hear!

**Mr. Wall**: — First of all, Mr. Speaker, this minister is saying one thing today. His most senior Crown Investments Corporation officials said something quite different last week,

Mr. Speaker. In addition to that, as the *Leader-Post* reported last year, that minister said that he was not ideologically opposed to the sale of assets if the conditions are met.

But the point of these questions are pretty straightforward. It's not about who owns all of these 570-plus million dollars worth of Crown corporation assets. It's about the fact that the government appears ready to hand over the management of those assets to a private sector company whose principals — whose principals — are the current senior civil servants managing that file, Mr. Speaker.

And that's what we want the minister to answer. Will he answer the question, stand in his place and assure the House . . .

**The Speaker**: — Order. Order. Would the member go directly to his question, please.

**Mr. Wall**: — Mr. Speaker, will the minister confirm that two senior officials at Crown Investments Corporation are in the process of developing their own company to manage taxpayers' assets for an up to a 10-year agreement with the government?

Some Hon. Members: Hear, hear!

**Hon. Mr. Sonntag**: — Well thank you, Mr. Speaker. Well in response to his question at the end, as I understood it, Mr. Speaker, I can say categorically that we don't have two officials within CIC trying to establish their own company for privatization of this CIC III portfolio, Mr. Speaker. I can say that categorically.

Mr. Speaker, as I've said yesterday, and I don't know how much more clear I can be, Mr. Speaker, within CIC, within our government, Mr. Speaker, we continually explore options where we can create economic development in our province.

Part of that, Mr. Speaker, is the remarks that our president, Frank Hart, referred to in the Crown Corporations Committee. He can refer again to *Hansard* as it came out in the Crown Corporations Committee where Mr. Hart talked about the options that were being explored. But I guarantee that member and that Sask Party that we will not be privatizing CIC III — full stop, period, Mr. Speaker.

Some Hon. Members: Hear, hear!

**Mr. Wall**: — Mr. Speaker, the minister is not answering a very, very serious question about the management of taxpayers' assets.

Mr. Speaker, will the minister confirm that CIC president, Frank Hart, and senior vice-president, Zach Douglas, have been investigating and/or are in the process of establishing a private sector management company that will be given up to a 10-year contract to manage hundreds of millions of dollars in CIC investments?

Some Hon. Members: Hear, hear!

**Hon. Mr. Sonntag**: — Thank you, Mr. Speaker. Well if that member has some proof of that and he has some documentation, I would be pleased to . . . if he would provide it here in the

legislature, Mr. Speaker.

I'd like to say again, there is no contemplation of privatization of that portfolio, Mr. Speaker.

Mr. Speaker, we will always look to options that will increase jobs in this province, Mr. Speaker. We will always look at options, Mr. Speaker. There's nothing new about that.

And let me say as well, that within the CIC III portfolio, on an individual basis — much like the Great Western Breweries where we supported Great Western Breweries on an individual basis — when it is appropriate for government to exit, government will exit. But as a portfolio, Mr. Speaker, in the CIC III portfolio there is no contemplation of privatization of that portfolio.

Some Hon. Members: Hear, hear!

**Mr. Wall**: — Mr. Speaker, the minister isn't coming anywhere near close to answering the question. We'll ask the question again.

Will the minister confirm that the NDP hand-picked CIC president, Frank Hart, and his senior vice-president, Zach Douglas, and maybe others, have been investigating and/or are in the process of establishing a private sector management company that will be given up to a 10-year contract to manage hundreds of millions of dollars in taxpayers' assets?

Some Hon. Members: Hear, hear!

**Hon. Mr. Sonntag**: — Thank you, Mr. Speaker. Well let me say, Mr. Speaker, there is not a contemplation of any 10-year contract, Mr. Speaker. There is not a contemplation, Mr. Speaker, of privatization of this portfolio. I just don't know how much clearer I can be on this issue, Mr. Speaker.

Mr. Speaker, we will always explore options for creating jobs in this province. We will always explore options for leveraging private sector money, Mr. Speaker. We will always explore those options but, Mr. Speaker — and I've said before — on an individual basis out of that portfolio. Much different than investments by our subsidiary Crowns, SaskTel and SGI and SaskPower, where they make investments, where they want to privatize those and sell those off, Mr. Speaker. We do not.

But within CIC III on an individual basis, when it is appropriate for government to exit those investments once the jobs have been created, once we have economic development in those areas in our province, many of the areas they represent, it is absolutely appropriate that government exit. But as a portfolio, Mr. Speaker, we will not privatize that portfolio.

Some Hon. Members: Hear, hear!

**Mr. Wall**: — Mr. Speaker, who owns the assets and who manages the assets can be completely different entities.

The minister keeps talking about whether or not he's got plans to privatize Crown Investments Corporation III. Well we know that his officials have been at least exploring that plan. We also know they've been exploring options to privatize parts of a major Crown, TransGas. We found that out two weeks ago. But we'll take the minister at his word on this particular file.

However what he's not answering is the issue of who will manage these assets and who will be paid to manage these assets. Right now, two senior civil servants hand-picked by the NDP, among others, are managing the assets.

We're asking the minister to assure the House that they will not be allowed to unilaterally set up a private company, Mr. Speaker, that they would own and continue any kind of a long-term management agreement for those assets. Will the minister make that assurance?

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order.

**Hon. Mr. Sonntag**: — Well thank you, Mr. Speaker. Mr. Speaker, the president — I don't know if I need to speak slower — but the president of Crown Investments Corporation, in the Crown Corporations Committee, Mr. Speaker, made it clear that we will explore many options. Those options will not include privatization, Mr. Speaker. They will not include privatization. Mr. Speaker, there is no such deal around a 10-year contract. Mr. Speaker, no deal whatsoever, Mr. Speaker.

And in addition to that, let me make this point, Mr. Speaker. If there was ever a contemplation of privatization of the management of that portfolio, let me reassure this House that it would not include that member from Swift Current who was involved in the guitar camp, Mr. Speaker, who would know nothing about managing private sector investments, Mr. Speaker.

Some Hon. Members: Hear, hear!

(14:30)

**Mr. Wall**: — Mr. Speaker. Mr. Speaker, the minister has basically just admitted that two hand-picked NDP friends that are running the Crown Investments Corporation are working to set up their own company so that they can take over, on a long-term basis, the management of a company. You know what, Mr. Speaker... the management of the Crown assets.

That sounds a lot like, Mr. Speaker, senior NDP officials covering themselves off, understanding that these are the dying days of this NDP government, Mr. Speaker. That's what it sounds like, that's what it sounds like.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, this is the same government that brought us SPUDCO (Saskatchewan Potato Utility Development Company) and didn't tell the truth about it for six years. This is the same government that has not come clean on the bingo scandal. This is the same minister that can't answer questions in this House because everything's before the courts or under investigation.

But now we need some answers on this particular question from that minister. Will he come clean for the people of the province and tell them exactly what is the government contemplating? Are they contemplating handing over hundreds of millions of dollars of assets — the management of those assets — to two senior NDP officials at the Crown Investments Corporation?

Some Hon. Members: Hear, hear!

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

**Hon. Mr. Lautermilch**: — Mr. Speaker, let me answer this in a very straightforward and unequivocal way. When I listened to the member from Swift Current, it tells me that he's thinking back to the good old days when he was the chief of staff for John Gerich in the old Tory, Grant Devine days. Mr. Speaker

The Speaker: — Order, order, order.

**Hon. Mr. Lautermilch**: — Mr. Speaker, they can attempt to holler me down all they want but, Mr. Speaker . . . Well, Mr. Speaker, they can attempt to holler me down all they want, and I said I was going to give them an unequivocal answer and I'm going to do it right now.

This government is not about to set up a sweetheart deal for two officials who work in Crown corporations. I'm going to tell you that. Mr. Speaker, this is a government that is going to manage the assets. CIC III has been delivering very positive returns for the people of this province.

Mr. Speaker, the minister has said unequivocally that we're not about privatizing the III assets. The member opposite seems to be taking himself back to the good old days when Grant Devine and his friends were hunkering hundreds of millions of dollars out of the economy of this province, Mr. Speaker. That's not how this government operates and that's not what's going to happen in this instance.

If that member has any evidence — any evidence whatsoever — that there is a sweetheart deal being put together by anyone to ensure that two people benefit in an unfair way, he should bring that evidence forward. Other than that, Mr. Speaker, he should take the member, the minister at his word who said, it ain't on. And I'm saying on behalf of this government, that's not happening.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order.

#### TABLING OF DOCUMENTS

**The Speaker**: — Before orders of the day, members, it is my duty to table two documents.

First, the annual report on operations for the year ended March 31, 2003, submitted by the Office of the Provincial Auditor.

Second, the 2002 annual report submitted by the Provincial Ombudsman of Saskatchewan.

#### 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 table responses to written questions nos. 710 through 716 inclusive.

**The Speaker**: — Responses to questions 710 to 716 inclusive have been submitted.

#### PRIVATE MEMBERS' MOTIONS

#### Motion No. 8 — Property Taxes

**Ms. Draude**: — Mr. Speaker, I am very pleased to rise today to bring forward a motion that has the backing of not just the Sask Party members but I believe the backing of some of the government members as well, as well as every landowner in the province of Saskatchewan.

Mr. Speaker, the motion is:

That this Assembly recognizes the very unreasonable burden put on the shoulders of property owners in the province due to this provincial government's off-loading of the cost of education on to the local tax base and that we further recognize that Saskatchewan's high property taxes harm our province's competitiveness and ability to grow economically.

Mr. Speaker, I think this motion actually talks about what's happening to the whole province of Saskatchewan today. We can never look at education as a single department or a single issue. And what we have here is government's misplaced priorities has put education into the situation where it's harming every . . . not only the children of the province but everyone who believes in lifelong education.

Mr. Speaker, education is really the key to a successful future for our province, for our communities, and all the individuals in this province. We have seen that in the last few years this government has off-loaded on to the taxpayers of this province in education considerably.

K to 12 (kindergarten to grade 12) education in Saskatchewan has only two sources of funding. That's the foundation operating grants and local property taxes. And that's the education portion.

Mr. Speaker, the decision on how much that education tax portion is, is decided every year by the school boards. And it is decided right after the budget is presented. It's something that's a real concern for all tax . . . for all board members in the province because normally the budget comes down at the end of March and they have to have their assessment out to the school . . . to the RMs (rural municipality) by the end of April. And it gives them just a little over a month to actually make the decision on what they're going to be doing for property taxes in this province. It's a huge responsibility and something that every trustee in the province really gets very upset about every year and waits to find out what this government is going to do for education.

Local taxpayers cover the majority of the cost for K to 12 education in many school divisions. There's a lot of school divisions that only get 80 per cent . . . or 20 per cent of the funding from the government and up to 45 per cent. And, Mr. Speaker, I'm sure most members in this House are well aware that there are 18 school divisions in this province who get not one penny from the province and yet they are responsible for the whole education issue of the children in the province, every one of them. And the children are the future of our province.

So, Mr. Speaker, in 1991 when this government decided to not just cut back . . . or not just freeze education funding, they decided to cut back education funding and to put the responsibility on to the taxpayers of the province, they actually cost the taxpayers of this province \$380 million since 1991.

Mr. Speaker, provincially the province funds 42 per cent of the cost of K to 12 education and local ratepayers across the province fund 58 per cent. We all know that the percentages vary from school division to school division because of the differences in the taxable assessment of property.

Mr. Speaker, in speaking to the last two previous ministers of Learning it's been very apparent not only to members on this side of the House but to people in the province, that there seems to be no way that they can equate mill rate and assessment because I've heard many of the ministers say the mill rates have gone down and this is a great thing to have happen — which we know it is — but they forget invariably that the mill rate has to be a part of the assessment or be compiled with the assessment before you know what property taxes are to be paid in this province. Many of the school divisions that have a low property tax when combined with the assessment are still paying way more per quarter of land or per household than one with a low mill rate . . . a higher mill rate.

Mr. Speaker, when expenditures increase — and that's salary increases, natural gas rates, and field costs — boards must reduce expenditures or they have to raise the mill rate. Our increases to the provincial funding grants usually only cover a portion of the increased costs. Most taxpayers are understandably opposed to mill rate increases, but most also seem to be opposed to expenditure reductions.

I have met very few teachers or parents or students in this province who want to see a school closure, who want to see a staff reduction, who want to see their education system actually downgraded which they believe happens whenever there is a . . . whenever the amount of money coming from the province isn't increased.

Mr. Speaker, at one point the provincial government actually picked up 60 per cent of the cost of education and taxpayers picked up 40 per cent of the funding. That was around the early '90s when this government came into power and they decided that really to look at the big picture of the province's funding, they should be down . . . they should be finding other ways to either save money or to get money from taxpayers. And one of the things they did do was download, not only on to municipalities, but really on to school boards in the province.

Across Canada, 26 per cent is the average amount of education property tax on land. Now when we know that we're at 58 per

cent, Mr. Speaker, we cannot possibly say that businesses that are looking to move to this province or individuals that think that Saskatchewan might be a good place to live, when they look at the cost of the education portion of their property tax, they're turned off by the whole idea of owning property in this province. It's something that's . . . It is a disincentive to be in Saskatchewan, not just for individuals but for businesses in the province and it's something that has to be addressed.

Mr. Speaker, there are some provinces in Canada that fund education fully from the provincial tax base or from general revenue funds. And that's something that I know that is under consideration in a number of areas.

But really in Saskatchewan it's gotten to the point that most people, even a few years ago, were talking about tax revolt. And this year, with 66 per cent of the school divisions having to increase their taxes, the thoughts are going through people's minds again.

Since 1997 the total property taxes including municipal and education tax for cities have gone up 15 per cent. I know that the government, the Premier and ministers, have had meetings or numerous meetings with SARM (Saskatchewan Association of Rural Municipalities) and SUMA (Saskatchewan Urban Municipalities Association) talking about their concerns about cutbacks to funding from the province. It's an issue that's . . . It's affecting their cities and their viability as cities and their opportunities to provide other services to their citizens. So it's not a new item to this government but it's something that they have failed to address for over 10 years.

Since 1997 total property taxes have increased for rural municipalities by 28 per cent. Now I know that most of the members on the other side of the House are not from rural Saskatchewan and they do get comments from their local towns, from their . . . the cities in their areas. But most of them don't have rural municipalities and maybe they're surprised when they learn that rural rates have gone up 28 per cent compared to the 15 per cent for cities. But it's a fact, Mr. Speaker. Of course in some areas, it's more than that. And for agricultural land, school taxes alone have gone up 26 per cent.

Now in the . . . Since this session started, agriculture has been a main area of concern in the province, not just lately because of BSE but many other issues. But right now, Mr. Speaker, we have many farmers in this province who are looking at the drastic impact of this issue that is way beyond their control, something they hadn't expected, they can't plan for. And regardless of what their management skills are, who could have thought that some of, the major part of our cattle herd would be destroyed because of a disease that we weren't . . . no one could even have expected could happen.

(14:45)

Mr. Speaker, we have the cattle farmers, we have feedlots and feedlot owners that have met with us, and I'm sure with the government caucus as well, and told them that they will have a matter of days — not weeks — but days before they're not going to be able to make it. The impact on them is going to ripple through our economy in a way that we can't even imagine today.

We have trucking firms, we have auction marts, we have stockyards, we have farmers that have 30 and 40 head of cattle that are waiting to take the calves in for fattening at a feedlot. All of those people are going to be disastrously hurt. And at the same time at the end of the day, they know that they're going to have to pay the property tax on their land and it's going to be ... They have to find out a way to pay the taxes, to pay the bills that are coming in, and at the same time manage their own business.

And when things happen to a business that are beyond their control, businesses don't say, I'm going to refuse to pay my education tax; I'm going to refuse to pay my property tax. Because citizens of this province care about education, they care about their communities, and they care about keeping their schools and their divisions open.

But there's only so ... You can't get blood from a stone, Mr. Speaker, and if there isn't money there, there's going to be a disastrous impact on our schools and our school divisions right across this province.

To put this in perspective, according to the Canadian Taxpayers Federation the total property tax intake has risen 64 per cent faster than inflation since 1997. Mr. Speaker, most of us talk about inflation and try and keep our wages . . . or like to keep our wages in comparison with the inflation rate. But when you think that property taxes have increased 64 per cent faster than inflation, we know that it's got to be disastrous for everyone in the province.

It's something that the government has to be looking at, and it's something that we realize doesn't just affect education or community development; it affects the growth of our province as a whole.

Earlier this year the 2002 residential property taxes and utilities charges survey revealed that in Saskatoon, while municipal taxes are among the lowest in the country, this city's education tax is the highest.

Mr. Speaker, the city of Regina has many signs around this area, and many of their business people are running around with the little buttons that say, I Love Regina. The mayor and the business people are doing their very best to promote the city but at the same time when people are actually looking to move into the city, they do study, they do some research and they figure what it's going to cost them to live in this province, to live in this city.

And as a homeowner one of the things that people do say is, I can manage the mortgage on my house, I know what the mortgage payment each month is going to be, but the taxes are above and beyond that.

And it's something that we don't have any control over; it changes on a yearly basis. And when there's a 64 per cent increase in five years, it's the type of thing that people aren't expecting and I'm sure that it's the type of thing that has a negative impact on our growth.

The average school tax across the country is \$684; that's right across Canada and all its various jurisdictions, and it's the

average of all of them. But in Saskatoon the number skyrockets to \$1,301. It's the highest education tax among 26 major municipalities across Canada.

This isn't the type of thing that aldermen and mayors and city councils want to advertise. They don't want to have to say, come to Saskatchewan, come to Saskatoon, even though your property taxes are going to be the highest in all of Canada. But it's the kind of fact that they have to live with when it comes to keeping their city growing and alive.

For a number of years this NDP government has off-loaded its responsibility of properly funding education on to the backs of taxpayers, and it's resulted in some serious education property tax hikes. In fact, Saskatchewan property owners are paying the highest education property tax in Canada on their land.

In addition to rising education property taxes, there has been a serious impact on programs and services that school boards are able to offer.

Mr. Speaker, when the school boards try and make the decision every year of what they're going to do, what services they're going to provide to the students in their area, they wait, again with bated breath, to see what the foundation operating grant is going to give them, if anything. And then they decide what their expenses are going to be. And then they have two options, and it's simple. They either have to cut programming or they have to raise the taxes.

It's something that they deliberate over for hours. And even though they do their very best to juggle the numbers, they're still invariably have to make the decision that will result in telling their neighbours and their families and their friends that yes, you're going to have to pay more taxes this year in order to keep your schools open and your teachers in the schools to offer the programs that we all need.

We know on this side of the House that in order to grow the economy, in order for Saskatchewan to increase by 100,000 people over the next 10 years, we have to have a skilled, educated workforce. The only way we can do that is by ensuring that every young person in this province has the opportunity to have a school that's close by them, that they're offering the programs that they need, and that they can be part . . . the parents can have a choice in some of the programs that's allowed for them.

Mr. Speaker, it's a tough decision that local people make; that we sitting in this building and the government side of the House doesn't get involved in. The minister has said ... says frequently that decisions like that are made at the local board. In fact when serious questions come to the minister's office, and usually we are aware of them, the minister will say it's a local decision.

Well the local decisions are invariably based on how much money they have. And when this government decides that they would rather spend money on SPUDCO, they'd rather spend money out of this province than on education and on the people of this province, then I would think the . . . then they have a huge impact on the people.

Many school divisions have been forced to cut back on what they can offer simply to maintain basic services, all the while ensuring that increasing costs such as teachers' salaries, increases in utilities . . . (inaudible) . . . are covered.

Mr. Speaker, we all know that it was not too long ago that there was a 22 per cent increase in SaskEnergy rates in this province. That type of increase has to be covered by the school boards. It wasn't something that was part of their planning, but it's something that they do have to pay for. The government members are well aware that they are hidden from the real impact of this because there's a school board that's going to take the flack when they have to raise the ... when they raise the mill rates again.

Without sufficient funding from the provincial government to cover basic necessities, school boards are forced time and time again to raise their taxes. And taxpayers in this province clearly end up paying for this NDP's mismanagement and lack of funding and also for their lack of priorities.

Mr. Speaker, the only way that we can really get this province moving is by having our young people staying in this province, educated, and have a well-paying job so that they can be part of growing the province. And we know the disastrous numbers that have been put forward by . . . in the last while with people leaving the province, and it's usually our young people. It's the ones in the age group of 24 to 44 years old, the ones that are paying taxes and doing a lot of the spending. They're the ones that leave this province and they're the ones that we need here to grow our economy.

It's so serious today that some school boards are looking for alternative revenue sources to make up from the loss of funding from this NDP government. They're talking about anything from corporate sponsorship to other forms of fundraising. And anyone that's a parent knows that the word fundraising in the school system is something that's got to be a common term, where you ... fundraising for everything from playground equipment to sports trips to year-end trips. There's always a bake sale or a raffle ticket or something to be sold or bought so there'll be ... the schools can actually receive some of the benefits; our students can receive what they want to actually get the kind of education we consider a whole education for our students.

School boards are tired of having to go to the taxpayers every time there's a shortage of funding from this NDP government, and it's certainly not what school divisions want to do. But this government has given them no choice.

Mr. Speaker, the money has to come from somewhere, and the government — whose job it is to ensure that education is properly funded — has shirked its responsibilities and its duties so that the school districts are looking desperately for other options.

They have to maintain the status quo to ensure that the essential programming and services are kept and that teachers' salaries are paid and that we can have the type of professional people that we want and need in our school divisions that our children deserve.

We have to compete globally, not just for the teachers but for the students as well. And we have to be able to offer services and choices that are ones that will take this province into the future.

We all know what happens when the government fails to live up to their responsibility. There's no alternative but for our school boards to hike property taxes. We know that boards work diligently to ensure that they are as efficient as possible, but that isn't always possible for them to do it without raising taxes. The picture is one that the taxpayers don't want to consider. They have no appetite for any more downloading onto the school boards.

Mr. Speaker, the money that we bring into this province into the General Revenue Fund every year is \$6.2 billion. Now I believe that in 1991 when former Premier Romanow came to power, he said that any government should be able to operate on, I believe it was about \$4 billion. Now 10 years later, \$6.2 billion is about . . . is the kind of money that we are spending in this province but that's without the money that is going into the Crown corporations, Mr. Speaker.

Every single dime that's spent out of this province is actually taking away an opportunity for the people of this province to actually enjoy some of the benefits. And every single penny that was spent in this province in the last few years has been lost, Mr. Speaker.

Mr. Speaker, we know that as of lately we have spent money on issues that the official opposition has brought to the attention of not just the government, but to the people of this province. And it's the type of thing that we can determine whether, is this the best use of taxpayers' dollars? Should we be spending money like \$8 million on a mega bingo project that has failed or should we put \$8 million into the education portion of property tax?

Is that going to be a more successful way to grow the province or is spending money on things like ISC (Information Services Corporation of Saskatchewan)? \$77 million we have for approved borrowing from taxpayers; we have \$18 million in operating grant from taxpayers; and we have \$12 million in equity from taxpayers. That is \$107 million, Mr. Speaker, that we've decided — this government has decided — to spend on a land titles system that doesn't work. At the same time they could have spent some of this money, determined that a priority that would be better for the people of this province was education.

This is the type of thing that government every day makes decisions on. And we as the opposition have been constantly telling the government there has to be a priority. The priority of every government is health care, infrastructure, and education. It's not a priority to be spending our taxpayers' dollars outside of this province, and yet that's what we've been seeing.

ISC is actually 500 per cent over budget, Mr. Speaker. We have Coachman Insurance, Mr. Speaker, that spent . . . we lost \$9.4 million in Coachman Insurance that was brought forward . . . the information was brought forward not too long ago.

Mr. Speaker, we're going to go through the list of some of the losses that this government has had in the last little while

because at the time when the decision is made to spend money outside of this province, the government has made a conscious decision of whether this money is going to go into the province of Saskatchewan or whether it's going to be invested outside of the province.

We're taking taxpayers' money and spending it elsewhere. The job of government is to determine what is the best use of dollars, and I think it's our job as opposition to make sure that people know where this government's priorities are.

They had a priority of putting money into the potato industry. And what happened? They lost \$28 million in SPUDCO. We decided that . . .

**The Speaker**: — The member is wanting to bring in other items into the debate, but the member ought to be reminded she should be relating all of her items to the topic which is under discussion.

**Ms. Draude**: — Thank you, Mr. Speaker. I think that we're talking about property tax, and at the same time that we're talking about high property taxes harming our province's competitiveness and ability to grow economically.

There are decisions that this government's making that is actually hurting our competitive ability and our ability to grow. When we have to make decisions about where our taxpayers' dollars are going — the fewer dollars that we have because of the number of people that are leaving this province — the decision is made, and the government and the people of this province have to pay the consequences.

Mr. Speaker, we have losses that amount to millions and millions of dollars — I believe \$85 million is the losses in the CIC in the last year — the kind of dollars that could have been spent on property taxes, could have been spent on the education structures, infrastructure. And if CIC is basically part of our economy, it's part of the money that we get to spend as a province, then we can be making those decisions.

The annual report, the 2001 annual report of CIC, showed there was a net profit of \$110 million but the NDP government took \$200 million in dividends out of that. So obviously, Mr. Speaker, the government decides that there's going to be money spent that's brought into this province outside of their own . . . outside of the wishes of the people of the province.

(15:00)

Mr. Speaker, there are monies that are spent from the government coffers that affect everyone directly — things like \$75 golf balls. Most of the people in this province can decide whether they want to spend money on this kind of issue or they want to spend money on education. Mr. Speaker, every penny that is lost by this government, there is a choice of whether it can go towards education or whether it can go to another government priority.

What we, on this side of the House, are trying to get this government to realize is there are choices they're making. And the choices that they're making are hurting the taxpayers of this province, they're hurting the children of this province, and

they're hurting the future of our province. There isn't just a few million dollars lost here and there; it's the type of thing that's affecting the growth of this province. And as soon as this government decides that they want to give up the reins and let us show them how to run this province, we'll do it.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, the province of Saskatchewan spent \$480,000 not too long ago to evaluate the market value of SaskEnergy. They spent \$25,000 to review the Broe deal, which isn't even in effect at this time. Mr. Speaker, it sounds like a few thousand dollars here or there, but it's everybody... Every penny of that is taxpayers' dollars, and every penny is a priority that these people decide whether it should be going into ventures that are outside of the people's choices or whether it should be going for education and the children of this province.

Mr. Speaker, Saskatchewan has a negative GDP (gross domestic product). In fact I believe it's one of two provinces in Canada that's had a negative GDP for the last two years. We also have had a negative population growth. And as I said before, this population growth is the type of thing that is affecting not just the amount of money that we spend but the amount of money we bring in.

We need taxpayers in this province. We have to increase our base of people that are contributing to the province, and this has not been happening. The Dominion Bond Rating agency said that a \$100 million cash-flow deficit at SaskTel is because of the need to fund the NDP's money-losing non-core investments around the world. \$100 million, Mr. Speaker, towards the education portion of property tax would make a huge difference in the people of this province that are trying to go to work every day, make a living, and just pay their taxes, and not expecting the government to get into their face.

We have ... As of this latest budget, there's been a \$900 million increase in government debt. Every time that the debt increases, that means that there's going to be an increase in interest rates, there's going to be an increase in interest period, and that money that could be spent on things like property taxes and education is actually going on ... paying interest instead of doing what we should be doing in this province and that is growing the number of people.

It wasn't too long ago, Mr. Speaker, that we learned that the government was going to invest more of our taxpayers' money into Nova Scotia, through their energy program. I believe it's about \$60 million.

Mr. Speaker, \$60 million investment has to come from some of the funds within the province of Saskatchewan. There was a decision made that this was a good place to spend our money. We, on this side of the House, believe a good place to spend our money is in this province and on the people of this province. We also spent \$12 million on a sound stage that we're waiting to see some financial return from.

Mr. Speaker, this means that people in this province have fewer dollars that are disposable for them, or fewer dollars that are available to the people of this province for spending on their own priorities.

The taxpayers had to spend \$20,000 for the evaluation of their own investment fund. It's, in the end, potentially leading to a private sector management company with a 10-year management contract with NDP buddies to potentially privatize a hundreds of million of dollars of our own assets.

Mr. Speaker, the priorities of this government are ones that we've been talking about since the session started . . . Or I should say the lack of priorities are the ones that differ greatly from what we believe should be happening.

Mr. Speaker, we have schools, communities, and families have been forced to take a back seat to the NDP's high-risk foreign ventures, business ventures, and we know that since the NDP has been in power, municipal revenue and government sharing grants were cut in half. The situation has progressed to a point where there are literally tax revolts in municipalities across this province, and there's talk of it happening again especially since the NDP has cancelled its education property tax rebate program.

Now I know, Mr. Speaker, that it didn't look like a big budgetary item. It was \$25 million and when the program was introduced it was something that the RM said could be done at a local level; it didn't have to be run through government; the administrators were quite capable of making the paperwork happen right at the local level. They didn't have to hire more people in Regina, but I guess it was an opportunity for the government to send out a cheque so people could say, gee I got a cheque from government. But really at the end of the day, it wouldn't have made any difference to the people of this province except the local people again would have had some control over what was happening. But that isn't something this government likes to do.

The government doesn't seem to understand that while property and education taxes have been increasing, taxpayers' incomes have not. And what's even more troubling is that those taxpayers in rural areas are often the ones who can least afford to absorb any kind of tax and they're the ones that are hit the hardest.

It's interesting to note that the former minister of Learning, when he was a Liberal in 1999, campaigned on a promise to increase the provincial share of education funding to local school boards and he said up to 45 per cent.

It wasn't too long after the coalition government was formed that we had the Liberal leader and now the Finance minister thinking it was okay to again download on to the local taxpayers and ensure that their worldwide ventures were the ones where the interest was and not to the local people in this province.

It's no surprise that we waited and waited for him to live up to his promise. And after joining the NDP, the former minister's just become another chip off the old block.

We look at the Saskatoon Public School Board which said at one point that in order for it to meet its budgetary demands, it was going to have to lay off more than 40 teachers. This means an increased student/teacher ratio in the classrooms.

Mr. Speaker, Saskatoon Public School Board is proud, as we all are, proud of the subjects that are offered and their ability to offer education to the students. But in order to do that, they're relying on their professional teachers — the people that have been trained to provide the education to their students. And yet we have them forced to lay off, potentially lay off 40 teachers because of the increase in taxes.

Rural taxpayers are extremely disappointed with the NDP's decision not to continue with the farm land property rebate and SARM has indicated its disappointment as well.

Mr. Speaker, earlier this month the government decided they were going to have a commission on financing the K to 12 education. It's interesting to note, Mr. Speaker, that at this year's SARM convention, the Premier told the delegates the status quo for education taxes was simply not on.

Now, Mr. Speaker, I was at that convention and you have no idea how excited those rural delegates were when they actually heard the people . . . the Premier say that the status quo was not on, that the property tax issue had to be addressed and that this government was going to be looking at it. It was something that they'd been waiting to hear for years and they finally heard the words that were magic to their ears.

As one journalist in *The Western Producer* aptly pointed out in a recent special edition on farm education tax, said, and I quote:

There was just one problem when Saskatchewan premier Lorne Calvert told rural municipalities . . . last month that the reliance on property tax to fund education must change. (But) He built expectations that he didn't immediately fulfill.

Mr. Speaker, what we really got was an announcement in this year's budget speech that the government would launch a study of how the K to 12 education was funded in Saskatchewan. While the idea to look at the problem is a good one, Mr. Speaker, it's something that is way too long overdue.

The Leader of the Official Opposition has already stated at last year's SSTA (Saskatchewan School Trustees Association) annual convention that when the Saskatchewan Party forms the next government, it's committed to increasing the province's share for funding to 15 per cent. And what have we got from the NDP government? Yet another study.

We all know that education property tax is a serious problem in the province. It needs to be addressed now, not studied and not dissected. We need action, Mr. Speaker.

This is the continuing trend that we see with the NDP government. They act when things hit with a fever pitch. What we need in this province is a government that is proactive, not reactive and jumping from crisis to crisis trying to put out fires that they've started due to their own mismanagement.

Neal Hardy, the president of SARM, was incredulous when he heard that the NDP government was going to do yet another study on this issue. Hardy had this to say to the media, and I quote:

"I heard the Premier say distinctly, and he repeated himself a couple of times at our convention, that the status quo . . . (was) not on, that education tax on . . . (priorities) was . . . not acceptable," . . .

One can only understand Neal Hardy's frustration. After all, SARM has been lobbying for over 40 years to change this system. In fact, Mr. Speaker, in 1964 the SARM convention passed a resolution that suggested that, and I quote:

(The) costs of education be borne by society as a whole and that revenue for education be derived from an equitable tax imposed by the federal and provincial government on the ability of pay principle.

Mr. Speaker, now we've got to the point where this government has shirked its responsibility to the point of paying for 42 per cent at the maximum of education, and taxpayers, the people of this province who are trying to make a living and own some property and get ahead personally, their responsibility is all of a sudden to bear the cost of education; 60 per cent of the cost of education in most cases.

We think of property owners, we are often thinking about farmland owners, the people who own residences as single family or multi-dwelling residents. But don't forget that condominiums and apartment owners are also paying that education tax. It's broke up into the monthly rent. But again it's an increased cost because of the high cost of education tax. It's no wonder that people are irate right across this province.

SARM isn't the only group that's really had it from this provincial government. After the release of this year's provincial budget, there were critics from all around the province. *The StarPhoenix* pointed out, and I quote:

Although education spending was hiked to a record 1.2 billion . . .

And remember that this was not . . . includes not just K to 12 education but also post-secondary education.

. . . response from that sector was lukewarm at best . . .

Responses from that sector was not the kind of response the government had hoped to have.

... with trustees suggesting that ... increase covered a salary hike for teachers ... (but only) fixed a few leaky roofs on schools, ... (and) didn't buy any new programming or quality improvements.

Mr. Speaker, after the budget came out and we learned that there was going to be about \$32 million more put into education, the releases that came from the government were quite . . . they were excited and trying to prove that they really cared about education and saying that they had increased the funding, and it was going to make a difference to the education system in this province.

Mr. Speaker, what we really know is that this education . . . the amount of increase in this budget really barely covered the overall teachers' salary increases and in most cases it didn't do

that. Unless you're getting 100 per cent of the cost of education from the government, there is still a substantial increase required from taxpayers.

At the same time we have the Minister of Learning telling us that there was an extra \$15 million put into community schools, there was an extra \$1.5 million put into special education, there was extra money put in for other areas of education, and yet they said they covered the cost of the salary increases. You can't have the . . . You can't spend the money twice and three times like this government is trying to do.

No wonder people are irate and, Mr. Speaker, many school divisions have since announced that they'll be increasing property taxes. And we've already stated that 66 per cent of the school divisions are actually increasing their school taxes this ... or the mill rate this year.

Saskatoon's two school boards recently approved a 3 per cent mill rate increase. Actually, Mr. Speaker, according to Canadian Taxpayers Association, on property, and I quote:

... are "inherently unfair, complicated and inefficient," ...

It's the type of thing that says because you own property, you're rich. It's the type of thing that says with the zero ... (inaudible) ... and the 18 of them in this province, that because there's a high assessment, they have a high ability to pay.

What the people often fail to realize or forget to realize is that just because there's a high assessment, doesn't mean there's a high cash flow. Sooner or later people would end up having to sell their capital assets to pay their taxes, especially the farm land . . . in farm land. Right now it can be highly assessed farm land and yet with poor crops and the problems in the ranch . . . in the beef industry right now, there isn't a cash flow.

And at the end of this year there's people are going to have to decide which bills they're going to pay. In most cases the education tax and property taxes are bills they do choose to pay because they care about their communities. But there's not . . . And they have to decide and some bills aren't going to get paid.

Mr. Speaker, now it's not just ranchers that are having a problem this year. At the beginning of the month we heard that it looked good for agriculture as a whole this year. And yet we're already hearing that there's a need for rain in many areas, the grasshoppers are going to be a concern in many areas, and that farmers are already scratching their heads saying, maybe with an above-average crop I can make a living this year. We cannot base our economy on an above-average crop, although the Minister of Finance seems to base our budget on a 6.8 per cent increase, which of course is hard to believe as well.

(15:15)

The Saskatoon Chamber of Commerce also has some significant concerns. The chamber argues that if this 3 per cent mill rate hike becomes a trend, and I quote:

Saskatoon will face a crushing load as we continue to develop and attract investment. Not only will that hinder our capacity to attract investments and generate jobs, it will have an adverse effect on the average homeowner.

And what did the Minister of Learning have to say about that kind of mill rate increase? Let's just say it is not worth discussing and that it was embarrassing.

When the reporters asked how a 2 mill increase would affect community, the minister characterized such an increase as minute and insignificant. She also said, and I quote:

I don't know what impact it will have in each single community as it is assessed.

According to Craig Melvin of the SSTA, a 2 mill increase is significant; 10 per cent is unbelievable.

Mr. Speaker, the Saskatchewan Party caucus has been watching with alarm over the last years as we've seen the number of people leave from this province. Every time one of the young people leave from this province — anyone, but especially our young people that are the taxpayers — it has a devastating effect on this province.

According to Statistics Canada third quarter demographic report for the period ending October 1, 2002, Saskatchewan's population decreased by 1,801 persons — the worst quarter of population loss since 1991. The province also posted the worst out-migration numbers since 1992, with 2,537 people leaving Saskatchewan in that three-month period.

Mr. Speaker, that's not just parents that are leaving the school. It means their young people are leaving their schools, that we have a . . . there was a decrease in the number of students in this province, and a decrease in the number of taxpayers. It doesn't mean that there isn't . . . the need isn't still there. We have fewer people in the classroom and fewer people to pick up the tab.

The Minister of Learning's own numbers have indicated last year that they expect to see a decline in the number of students in Saskatchewan of 35,000 over the next 10 years. Mr. Speaker, with that number of students leaving the province, that means the parents have left and that means that property owners in this province have left, and that means that there are again fewer taxpayers in this province to pick up the burden of education tax. And it's an issue that has to be faced by everyone.

Between October 1, 2001 and September 30, 2002, 8,635 people left Saskatchewan. Of these people that are voting with their feet, 62 per cent of these people were between the ages of 15 and 34 years. Mr. Speaker, that's the kind of impact that we're going to feel now but we're going to feel down the road even more as our people have left.

Mr. Speaker, the latest round of government-funded polling shows that a growing number of Saskatchewan people see population loss as the most important issue facing the province.

Our leader said that he was also going to point out that the failing policies of the NDP government, Mr. Speaker . . .

**The Speaker**: — Excuse me. Order. Order. Order. Members will have their opportunity to get into the debate I'm sure.

Ms. Draude: — Mr. Speaker, when the majority of people in the province that have had . . . been polled see the decline in the population as the worst problem this province is facing, it means they do understand the big picture. When the government may not, the people in the province do understand because they know that there are fewer people to pick up the burden of taxes.

I believe the numbers that were given to us not too long ago was that in Saskatchewan for every one person that pays more into government than receives out, there are seven people that are leaning on that one person to actually make their living in this province. One person that is a farmer or a business person or someone that's not working for government or getting a pension from government or getting some sort of salary, one person has to hold seven of us. And I include all of us in this room as those seven. That burden is getting higher and it's getting harder to do, Mr. Speaker. It's the type of thing that cannot continue or the province is going to continue to decline.

Mr. Speaker, as I stated in the motion, high education property taxes are not only a burden on the shoulders of the property owners in this province, Saskatchewan's high education tax will harm our province's competitiveness and our ability to grow economically.

Mr. Speaker, the second part of this motion has to be included because we cannot look at one issue without the other. We can't look at education as a single issue, just like we can't look at health care or economic development as a single issue because they're intertwined with each other like cogs in a wheel. You can't grow the economy without educated people. You can't have the education system if we don't have the people that are paying the taxes to allow the education system to be there in the first place.

According to the Saskatchewan Real Estate Association, property taxes have become a major factor in housing affordability. Mr. Speaker, the association is finding a vast number of situations where taxes . . . where the people's tax bill is as high as their mortgage payment. Many of us maybe aren't into that situation, but we do know of people and we've heard of people who have tax payments of 6 or \$700 a month, the type of thing that we definitely cannot afford to do.

The association has stated, and I quote:

"High property taxes affects the affordability of housing and skews the move-up market to the point where it's created greater demand on the low end of the market and a detrimental affect on housing affordability"...

These hefty property taxes have artificially inflated the affordability of our starter homes and are keeping people from moving up to larger, more expensive homes.

The SREA (Saskatchewan Real Estate Association) also argues that although Regina and Saskatoon have low home prices compared to other cities in Canada, the level of property tax prevents some people from moving into the province.

As stated earlier, Mr. Speaker, people don't just look at the cost of the house. They have to figure out how much it's going to

cost them every month to stay in that house. And the cost of the property tax is something that they have to look into in their operating budget each month.

They have to look at their electricity bill and their transportation and their power and utilities and mortgage payment, but on top of that they have to look at the tax bill. And it's something that it's having a negative impact on the number . . . people who are thinking about moving into this province.

The association has noticed, and I'm quoted . . . and I quote:

In many areas of Saskatchewan, this has resulted in reduced affordability in the residential markets and a competitive disadvantage to attracting investment in . . . commercial, industrial and agricultural markets.

Mr. Speaker, as I indicated earlier, we can't look at education or any department as a stand-alone department. The budget that we're living through right now, and that we're basing our future forecasts and the impact on the people of this province on, is based on a 6.8 per cent growth in GDP and a return to an average or normal crop year.

Now as I said earlier, there's a number of farmers in this province who already know that an average crop isn't going to do it for them. They're going to have to have an above-average crop just to break even.

The most prudent farmer understands that he never loses a crop before it's seeded and he never sells it before it's in the bin. With this new budget, our new Finance minister is committing the province's finances and its future to growing an average crop and selling it all before it's in the bin.

According to a number of esteemed University of Regina professors, this budget is simply not sustainable. Mr. Speaker, when we talk about the budget, we have to realize that in order for this budget to be something that's sustainable, it means that we have . . . the money has to come in in order to pay the education tax, in order to send out to the school divisions, and the wheel goes on.

John Allan, professor emeritus in economics, is concerned that this NDP government's budgets are based on the assumption the province will see a 6.8 per cent in real growth in GDP. In today's *Leader-Post* there's a story entitled, "Profs call plan unsustainable," in which Allan discusses his concern. And I quote:

That would be an extremely large GDP increase, Allan said, adding that the province's deficit is likely to rise even higher if the economy fails to perform as projected.

Mr. Speaker, another interesting point to note is over the last three years a number of ministers on that side of the House have stood in their place to lecture the members on the Saskatchewan Party that the Saskatchewan's economy is so well diversified that it could sustain its strength. It would not be affected by a downward turn in the economy. Yet, Mr. Speaker, we know that people like the former minister of Economic Development, Janice MacKinnon, and the current minister of GRAA (Government Relations and Aboriginal Affairs) when he was

minister of . . .

**The Speaker**: — Order, please. Order, please. I would ask the member to tighten up her remarks with . . . and confine them to what is the motion, the very motion that she herself is sponsoring and save the other stuff for another debate.

Ms. Draude: — Thank you, Mr. Speaker. I definitely will do that

Mr. Speaker, I guess what I was hoping that the member's opposite would realize is that we can't just talk about one part of government by itself. We can't talk about the amount ... about education or education tax without involving the economy. We have to know that money that's spent in this province — whether it's through Crowns or through the General Revenue Fund — is the taxpayers' dollars, and government has decided their priorities are ... their priorities make the decision on where we're going to be spending money.

And right now with ... when this government has decided not to fund education to the 60 per cent that it was a few years ago or even to 50 per cent, then it has an impact on every aspect of our economy and every part of our lives. It's something that we all have to live with.

And we, as the 58 members in this House, are supposedly making decisions, but in actuality 31 people in this province decide how much money's going to be spent on education. Thirty-one people decide if there's going to be an increase in education tax, and 31 people decide if the . . . if taxes are going to increase on a farm where they're already having a hard time making ends meet. And they're going to have a hard time deciding whether they can pay their increase in SaskEnergy rate and their increase in tax rate and their education portion of their bill.

And a lot of people in this room maybe don't understand that the decisions that we make impact everybody on a daily basis, and we have the future of the province in our hand. And that's the responsibility that we all have. It's something that we all have to bear, thinking about that. We can't just shrug it off. It's something that we know that we are affecting the future of this province. And the way this province has not been growing in this last 10 years means that we're doing something wrong in this province. When we have an out-migration of people, when we have a down turn . . . in the GDP, that means that things are not going the way they should be going.

Everyone in this room wants to see an increase in the number of students. Everyone in this room wants to see the property tax bill decrease. And everyone in this room knows that in order to have a bright tomorrow we have to have a skilled workforce.

Well we're not going about it in a way that's going to make a difference to the people of this province. We're not going about it in a way that's going to show our children that they can stay in this province and raise their own children and . . . or else bring our grandchildren back again.

It's the kind of thing that we all have to think about seriously when we raise our hand to decide that this is a good way to spend money in this year's budget. When a decision is made to invest money outside of this province, every time we do that we have to decide: would we be better off spending it on something that would make an immediate difference to the future of the province and to the future of our children?

Education is the key to the future. It is the future success of this province that every one of us has to bear. . . has to think about that responsibility. And we have to understand that when a decision is made to spend \$8 million in a mega bingo, it may not be in the best interests of the property owners in this province or the taxpayers in this province.

Mr. Speaker, I wanted to bring to your attention the fact that there are different school divisions around this province that are finding . . . that are having an impact on their viability, on the work they're doing, because of the decisions the government is making on property taxes.

There's a school division of Englefeld, Englefeld Protestant school division that was started not too many years ago. It was actually closed down by the Humboldt Rural School Division, and then after one year it was reopened under the auspices of a separate school with provisions under The Sask Education Act. The school since its opening has K to 12 curriculum that's enrolled under the direction of the Englefeld Protestant school division. Needless to say the school is vital to the community and to businesses and to the manufacturing plants in Englefeld. Englefeld and area ratepayers are facing a challenge by the Humboldt Rural School Division, using the solicitor of the SSTA, on its tax roll.

We actually have the opportunity, Mr. Speaker, to look at a school division that thinks that they can actually open up and grow in this province. They know that they can bring students into the province because there's, the economic development in that area is such that they can actually hire people.

The manufacturing plant employs a great number of people. And when those people move into the province or into the business, one of the first things they ask is there a school? Is the school a part of the community so that I can raise my family close to where I'm working? And when the school division says yes not only is it here, it's growing, it's sustainable, then they actually . . . And they give that business a chance to grow. But in so many places where there's a cutback in education, schools are forced to close, and school divisions come to us and say: with rural revitalization, how can we possibly say that we're going to keep all of rural Saskatchewan growing when we cut back on the fundamentals like education, health care, and the infrastructure?

(15:30)

Mr. Speaker, I want to go back to a remark that the Minister of Learning made to me a while ago when I talked about funding, again the funding that was given in this year's budget. We talked about an amount of money that was coming in; they said it increased funding by \$32.3 million. There was \$477.6 million in the 2002-2003 budget, and this year it was 509. But there was special warrants for money in September for 9.2 million and January for 6.9 million. That's a total of \$6.2 million — half of the total amount of increase that the teachers' salaries.

The calendar year for increase with teachers' salary is 23.3 million and they already have 6.9 million of that. In order to keep the commitment, the government is going to have to cover the teachers' salary costs; they're going to need \$16.2 million by the end of December.

The minister was . . . I wanted the minister to commit to paying the other \$7 million that we required to pay for the balance of the teachers' salaries that was negotiated for the first three months of the next year. And the minister said that they have committed to paying the complete cost in 2002; they've committed to paying the complete cost in 2003; but they have not done so for the 2004 budgeting. That remains to be seen.

Mr. Speaker, what that means is that even though the minister has talked about covering the complete salary increase, if you retroactively see that the money was paid for some of last year's salary, there's going to be money that's going to be needed by December this year in order to cover the teachers' ... (inaudible) ... And it's going, school boards are already saying, okay I've only got money up until the end of December, I wonder what the government's going to do. Last year they put through special warrants twice in order to pay for the increase, and we're waiting again with bated breath to see if they're, there's going to be an increase in . . . if there'll be special orders again.

Mr. Speaker, I've had . . . there's a number of people that have written articles about property taxes in this province and some of them I think it's important that it's brought to the attention of the members and people that are interested in seeing this. Murray Lyons, a business editor of *The StarPhoenix*, said in one of his articles that talked about the province's root, the province roots of education problem said:

The problem with education taxes in the province is mostly the fault of the provincial government. That's where the spotlight should . . . (shine). I hope the NDP doesn't trumpet its personal income tax cuts in the coming election campaign. Because the truth is for every dollar we've saved on income tax (in) the past three years, we've paid it out in property tax increases.

Mr. Speaker, I think that it's not a surprise to the people of the province. They've known that on one hand there's supposed to be a decrease in income tax but on the other hand their property taxes have increased. It just goes from one pocket to another. There's really no decrease in the amount of money that we're spending to keep this government alive.

Mr. Speaker, we also have an article that talks about, "Education tax increases irritate business groups":

The Canadian Taxpayers Federation and local business representatives (have) voiced concern over rising education taxes . . . after Saskatoon's two school boards approved . . . (2.9) per cent . . . increases this . . . (year).

(Schools are going up . . .) "School taxes are going up . . . and up . . . (and) the number of the students and the population of Saskatchewan is . . . (declining).

He says:

... taxes on property are "inherently unfair, complicated, and inefficient," and that the fact (that) "school taxes are rising out of control" has a lot do with the formula the provincial government has adopted for funding schools.

Mr. Speaker, the province ... he's indicated that the province must stop downloading on to local property taxpayers. It's the kind of thing I know we hear every day and I'm sure the government members hear as well because it's an issue that's of big concern.

Mr. Speaker, there is many issues that we can be discussing when it comes to education tax and I know that the government has decided that they need a commission to actually do the work for them at this time. We have a lot of respect for Ray Boughen, the man who is actually heading this independent commission, the gentleman that is going to be looking at the complex issues that are facing government and each of us when it comes to funding education in the province.

They are looking at the appropriate balance between provincial and school board contributions; it's one issue. They're also looking at the appropriate balance between the use of property tax and other sources of taxation. They're looking at fairness and equity in financing education among the existing classes of property tax payers, that is the agricultural, the commercial, and the residential. And they're also looking at the wide variation in the fiscal capacity of school divisions to raise tax revenues and the variations in assessment and spending per student among school divisions.

Now, Mr. Speaker, every one of us agrees that all of these issues are something that has to be looked at. But at the end of the day we have to ... what people are saying is that education is the responsibility of government. All of these issues can be looked at and should be dealt, looked at. But what we really have to do is ensure that the government increases the size of the pie that's given to education.

In the last few years the only thing we've seen the government do is take the same pie and cut the pieces into various sizes, depending on whether they want to benefit agricultural people, whether they want to spend more money on community schools, whatever they want to do. That's a decision that's made in the Department of Finance.

The real decision that should be made is how big that pie is going to be. We have to increase the amount of money that's spent on education in this province if we're really going to make a difference. It's the government's responsibility as the elected people's responsibility to ensure that the people have more money to spend on education, not just the local property tax payers of this province.

Mr. Speaker, there is a responsibility that comes with this job that I feel every one of us has to relook at or rethink. The only way that we can really grow this province by the 100,000 people that we all know we need to do in the next 10 years is by having an educated, skilled workforce. We can only do that by ensuring that every child in this province has the education that they need to be part of a growing economy.

I'm not just talking ... And that includes our Aboriginal

children who right now are dropping out of school before graduating, at an alarming numbers. It's an issue that has to be dealt with at the provincial level as well as the FSIN (Federation of Saskatchewan Indian Nations) level. I understand that the minister has an M of U (memorandum of understanding) signed with FSIN discussing children's ... discussing education. It's something that we wholeheartedly applaud. But to just do another study or another memorandum doesn't mean that we're actually going to solve the problem.

The bureaucrats and the people like us in this province are not the ones that are making the difference in education. It's the teachers, it's the trustees, it's the parents who make choices on where their children are going to be going to school. They're the ones that are going to be making the difference and we have to give them the tools, and the tools means the money, Mr. Speaker. We can't just say . . . We can't let them decide that if they need more programming for their children, if they need computers, if they need equipment, if they have to repair the roof of the school, it has to be done partially with government money. It can't all be done on the backs of taxpayers of this province.

For too many years we have expected that property tax payers in this province are going to bear the brunt of education. It's not their responsibility; it's our responsibility, the government's responsibility, and everyone in this room. We have to know that we were elected to make the decision on how to grow this province. Whether on this side of the House or that side of the House, we all know that we need a growing population, an expanding tax base if we're finally going to get this province going.

Some Hon. Members: Hear, hear!

**Ms. Draude**: — Saskatchewan is less than 100 years old, Mr. Speaker, and yet we have, our population isn't a lot higher than it was in the 1940s, and the dreams and goals that our grandparents had and the pioneers had when they moved to this province aren't being seen.

We have to see it ... They knew at that time when they started this province that there was some jobs the government had to do, some jobs they couldn't do themselves. They could build their own house, they could clear their land, they could sell their grain. They could do whatever it took to keep their life going, but they couldn't supply their own health care, they couldn't supply their own infrastructure, and they couldn't do their own teaching. They needed an education system to ensure that their students had ... their children had every opportunity to be the very best they could, not just in Saskatchewan, but in Canada and in the world.

And that meant that they have a ... They were looking to a level of government that was beyond what individuals could do to supply that. We have not seen this happen in the last 10 years with this government. We've not seen it happen, especially in the last six years, where we see the opportunity that this government's had with the dollars that have come in.

In the 1990s when there was economic growth right throughout Canada, Saskatchewan had some. Not to the same degree that other provinces had, but we had some. But what we did do is decide that we're going to spend the money outside of this province. We're going to . . . We decided to spend money on ventures that did not benefit the people of this province. We forgot that the real future of this province was in the hands of our children. It's not in the hands of government, it's not in the hands of Crown corporations, it's in the hands of the parents and the children that are going to grow this economy.

We have to ensure that our children not only are educated here, but they stay here. Too many of our young people are educated and then we export them. We allow them to move across the province, around the world and they grow Alberta, and they grow Ontario, and they grow BC, and they go all places or every place around the world, but they're not growing Saskatchewan. And we need them to come home; we need them to stay here . . .

Some Hon. Members: Hear, hear!

Ms. Draude: — We need to ensure that the government that . . . understands their own responsibility. It's not up to us to tax everybody until they don't have a penny left in their pockets and leave the province. And then we'll say, it's okay, we're going to invest your money wisely for you and the dividends will make this province run. Well it hasn't worked. It hasn't worked since the 1940s and it hasn't worked today.

Some Hon. Members: Hear, hear!

**Ms. Draude**: — We've been trying this archaic type of government now since the '40s and it's not working. Every place in the world has tried it or have seen it, and they all know but here in Saskatchewan it's not working.

We have to do something different. The definition of insanity is doing the same thing over and over again expecting something different. Well, we've been doing the same thing for a long time, Mr. Speaker, and we know on this side of the House it's not going to change unless we make a significant change to the way we're governing — and that includes education, that includes health care, that includes the infrastructure, and includes the way we're spending taxpayers' dollars from Crown corporations.

We have an opportunity, Mr. Speaker, as we turn in . . . we go into the new century, to ensure that Saskatchewan is the shining star in Canada. We have an opportunity to show that, right around the world, people can start seeing that Saskatchewan has the natural resources; we have the people resources. We have the potential to outshine every place in the world, but we haven't done it.

Everything that we've done in the last 10 years has not been . . . has not grown the province. We know that education is key to the part . . . to growing the province and we know that in able to pay for education, we have to ensure that government, not property owners, are going to pay for that education system.

Some Hon. Members: Hear, hear!

**Ms. Draude**: — So, Mr. Speaker, Mr. Speaker, I know that there are other people that would like to get into this debate, Mr. Speaker, but . . . So I'm going to let them.

Mr. Speaker, I want to move this motion:

That this Assembly recognizes the unreasonable burden put on the shoulders of property owners in the province due to the provincial government's off-loading of the cost of education on to the local tax base and further recognizes that Saskatchewan's high property taxes harm our province's competitiveness and ability to grow economically.

And this motion will be seconded by the member from Kindersley.

Some Hon. Members: Hear, hear!

**Mr. Dearborn**: — It's with great pleasure that I enter into debate today, and am happy to second the motion which I shall now read. The motion reads as follows:

That this Assembly recognizes the unreasonable burden put on the shoulders of property owners in the province due to the provincial government's off-loading of the cost of education on to the local tax base and further recognizes that Saskatchewan's high property taxes harm our province's competitiveness and ability to grow economically.

Mr. Speaker, we couldn't have anything closer to home for the Kindersley riding when this year alone we have three school closures slated for the end of June. This is absolutely shameful. We have the school ... elementary school at Brock in the Rosetown School Division which is a negative grant division; we have the school of Denzil in the Lands West Division; and the school of Major in the Lands West Division.

(15:45)

And, Mr. Speaker, I can tell you that in being in contact with members from these local school boards and the district school boards, this is a heart-wrenching decisions placed on these communities and it guts the rural infrastructure and economy.

There is a . . . The school in Denzil, Mr. Speaker, has just been upgraded. It is a beautiful facility. And we happen to have, Mr. Speaker, there's an intern working in this Legislative Assembly during this session that was a graduate of that school and is now a graduate from the University of Saskatchewan. This school has produced excellent students, it has a great staff, and it is the centre of their community. It's the Sacred Heart School.

And what will happen, Mr. Speaker, if this school closes? Well first of all it's going to move children. They're going to be on the bus a lot longer on very unsafe highways in some cases. And further to that, anyone that has any equity in any business or any house in the town of Denzil, that will be destroyed outright.

And it's a shame, and it's completely shameful, Mr. Speaker, that the provincial government has off-loaded this burden on to the Lands West School Division to have to keep asking for tax rate increases, especially the Lands West division with regards to the Major School.

Antelope Park, one of the RMs, provides about half of the taxation for the entire division due to the oil wells and oil revenue there. Yet this provincial government is willing to go forth and say to them, we're going to close your school. It's all right to have 5-year-old children riding the bus an hour and one-half down deplorable highways to get to school and that they're supposed to, they're supposed to be able to learn from this

Mr. Speaker, a negative grant board, as we have three out of four of the school divisions in the Kindersley riding, are boards that raise all of their funds from local taxation. They receive absolutely no funding from the provincial government.

And it really hurts in the west central area when we see how the government has ignored the area and taxpayers are asked again and again to come back to pick their pockets to again pay for something that they believe is important. But they look at all of the money that is leaving the area, that is leaving the area through the oil revenues and being redistributed through the province, and we find that it's very, it's very unfair that this money is not staying locally. And hence we have people voting with their feet.

Mr. Speaker, from the 1999 general election to the 2002 by-election, we had 1,000 fewer voters in the Kindersley riding. And that's because, that's because the rural infrastructure under this NDP government has completely collapsed.

Some Hon. Members: Hear, hear!

Mr. Dearborn: — Mr. Speaker, I think with regards to the motion before us and to really understand the aspect of tax, and keeping in mind the interest that I know that the member from Athabasca shares in this subject, I would like to go through a historical perspective of the development of taxation; how taxation relative to property has been an anachronistic system as to date in an industrial and post-industrial economy. And so I hope that, Mr. Speaker, the House or the Assembly can be enlightened from this necessary historical devilling to make sure that we have the correct context.

I think that if we look at taxation first and foremost, we find that it does not arise until we have a state system, which at least entails a monarchy or principality system. We can see that from the hunter-gatherer society, there's no use for taxation.

It's frankly a matter of a barter system. You cannot get into a taxation system until we're at the level of having at least currency — currency being, having something demonstrative of value. And we know that this begins, Mr. Speaker, in the Tigris, Euphrates, with the Phoenicians coming up with the first currency. And this is required that we had to get to a level of metallurgy, being able to allow for barter to have a substance which can . . .

**The Speaker**: — Order, order. Why is the member for Saskatoon Fairview on his feet?

**Mr. Iwanchuk**: — Request leave to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Iwanchuk**: — Thank you, Mr. Speaker. Sitting in your west gallery, I'd like to introduce to you and through you to the Assembly, 23 students from St. Mark School with their teachers, James Strasky and Dan Pawluk. I understand there are seven chaperones.

And St. Mark's is in the Premier's constituency; once was in Fairview, a constituency which is mine. So I welcome all students and I look forward to meeting with them and I hope they've enjoyed their tour and their drive to Regina. Thank you very much.

Hon. Members: Hear, hear!

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

**Mr. Brkich**: — Asking leave to introduce guests.

Leave granted.

**Mr. Brkich**: — Thank you, Mr. Speaker. And on behalf of the official opposition, I would like to welcome also another school group here from the town of Windthorst School. A number of 11 students with teacher, Robin Roy Hampton.

I hope that they enjoy the proceedings here — we're in an interesting debate going on right now — and that I will . . . me and a couple of maybe other MLAs (Member of the Legislative Assembly) will have a talk with them after and maybe answer some of their questions in the House.

Hon. Members: Hear, hear!

## PRIVATE MEMBERS' MOTIONS

# Motion No. 8 — Property Taxes (continued)

Mr. Dearborn: — Thank you, Mr. Speaker. To return to the Phoenicians — and I can see that I have the full attention of the member from Athabasca — with regards to the printing of coinage and the discovery of metallurgy allowing for a denotion of a monetary value in something that does not deteriorate, hence we see the rise of silver coinage, copper coinage, bronze coinage, and of course gold coinage.

But what's interesting, Mr. Speaker, is that it's not until we move out of biblical times into the Middle Ages that we see taxation being applied to property. In the early . . . As we see from Exodus, taxation is applied first and foremost to animals, even to some extent to slaves. So there isn't a direct linkage, Mr. Speaker, between property and taxation with regards to property as landed property, i.e., real estate. Instead, we still have a . . . it's the productive value — so many jugs of wine, so many goats. And I can see that from . . . the member from Swift Current agrees that my biblical interpretation in the number of goats is absolutely correct.

Mr. Speaker, the movement really towards landed and property tax occurs in the Middle Ages and there's a correlation between

this and the setting in of the Crusades. Of course we all know that during Roman times there was taxation as well. But again this was production tax, by and large. It would be the amount of wine taken out of a vineyard, or the amount of olives pressed. It wasn't linked directly to acreage.

We see though that the movement into the Middle Ages, that as individuals became tied to landed bases through serfdom and whatnot and the development of the feudal system, that the actual property starts to denote the production value. And this is measured first and foremost in acreage, related to the number of persons on it, the production value, the number of cattle, etc., etc.

Where we start to see property tax becoming more and more set in is with regards to the feudal system when we really get into the aspect of the Crusades and there is the need to raise money for leaving the local premise to be able to go forth and fight wars. The money hence had to be converted into coinage and we know that history teaches us the actual amount of coinage and whatnot in the Middle Ages was very, very miniscule, but it was tied directly to property.

And that relates directly back to the motion, Mr. Speaker and now, Mr. Deputy Speaker, where we're seeing that the beginning of the tying of property tax for whatever use — in this case it's education — actually has its roots in the medieval feudal system, coming out from the Crusades; the need to raise monies locally but to be transferred all the way up, in the case of the Crusades to be able to wage war.

There's no doubt, Mr. Speaker, that this transcended into the British common law and was very much a measurement for being able to equate value to tax. And there was no doubt that this existed for quite some time. We see really there isn't a change in the economic structure, even though we get into the mercantile structure in the 16 and 1700s, but the base of the world economies was still first and foremost agrarian. The taxation was first and foremost agrarian. We see from our own history from the British Isles that this was again collected on a semi-feudal system from whence it was, from whence it descended.

We start to see a real change in this, Mr. Deputy Speaker, when the Corn Laws were repealed and we got a change with the beginning of the British Empire, that we had Lord Townsend collectivize the properties in rural England, and from that put a bunch of persons out of work and the taxes base for the economy moved into the cities and correlating with this, was we get the beginning of the Industrial Revolution. And if we put a date on this, the fair date would probably be around 1850 that we really see a marked change in the nature of where taxes to run a government are derived from. Prior to that date I would say it would be fair to say the vast majority of taxes were derived from the agrarian production related directly to real estate

Following that the mercantile system and industry starts to become the larger generator of the economy. And we see that the economy since that time forward has continued to grow and continues to grow at an abundant pace. And really from that point up until the 1950s, we see greater and greater movement away from an agrarian-based property taxation being the first

and foremost means for government to raise revenue.

In our own province's situation, being a very agrarian-based province, it was natural that this would be the first and foremost place that we would try to derive taxes from. I know that on our own farm, we happen to own one or two school quarters. There was the province in its early days set aside school quarters to be able to generate revenues to produce local schools.

We have a local school only four miles away still standing as an historical site, the Royal Canadian School, which has been upgraded lately by my neighbours Joe and Brad Guidinger. And this is a nice building that demonstrates when children used to walk to school, everyone was around, and you're kind of in a 4-mile radius.

The point was at that point that was a very fair mechanism for determining where taxation should come from because everyone was in the same boat. We had quarter section farms. There would be one family per quarter, or one family per half; everyone was paying their fair share; there were many children.

After 1950, Mr. Speaker, we really ... in the post-Second World War era we see that property continually fails to be a real good demonstration on the ability to pay.

The fact of the matter is, the Western world has taken on the position with regards to taxation that ability to pay should be linked to how much is earned on a raw percentage basis. And the common term for this is progressive tax.

And we see this reflected, Mr. Deputy Speaker, in our taxation rates, or income tax, and whatnot. So this really gets to the heart of the matter today, begging the question of why would we be using this anachronistic system to pay for education, this especially in lieu of the current agricultural crisis that we have seen

In my area we've had three years of drought. The year 2000 we had cereal crop production but it was still a drought with regards to the pulse crop productions. We now have this mad cow scare in front of us which is devastating the beef market. And again there's often going to be a correlation between the cattle owners and property owners and no correlation on the other side, Mr. Deputy Speaker, about the ability to pay this.

So the question comes down to really a question of fairness. Is it fair that when you have a government that has put various policies in place that have caused 16 quarters of depopulation, debt? At some point the people left there . . . fewer of them are left holding the burden and even though that there's no correlation that the production values of those lands might not be able to carry that burden. We've had tax revolts throughout the province on specifically this issue.

And the reason that this issue exists, Mr. Deputy Speaker, is due to the fact that the government opposite has very skewed priorities, not only on education but on the economy in general. And if we go down into the last few lines of what this motion is speaking to, we recognize that Saskatchewan's high property taxes harm our province's competitiveness and ability to grow economically. And this seems to be a fact that's been completely missed on the members opposite.

(16:00)

It seems, on a repetitive stage, Mr. Deputy Speaker, that the members opposite still cling to a belief that an industrialized economy can be managed from the state and from the state centre. We on this side of the House recognize, with the world over, that this just is not the case.

It has been proven since 1991 with the collapse of the Berlin Wall. The post-World War II world history demonstrates there was a battle for two economic models. There was a state-controlled model and there was a free enterprise model. One of those models, Mr. Deputy Speaker, won that battle and it won it unequivocally and without apology. And that is the free enterprise model.

And, I mean, it has been championed not by one nation alone but by the democratic free world. And the linkage, Mr. Deputy Speaker, between a free enterprise economy and basic freedoms that many of us believe in and champion has been a direct correlation, whereas a state-controlled economy has seen some of the greatest abuses in human rights, anti-democratic, anti-humanitarian positions. And we've seen that one works, Mr. Deputy Speaker, and one doesn't.

This really gets us . . . begs the question again how, when we have one system that has prevailed, how is it possible, Mr. Deputy Speaker, that we have a government opposite which has a party Web site and on their party Web site they have a manifesto that says they want to eradicate capitalism. It would seem to me that this is something that is anachronistic. It may have had some merit, though I think not, in an idealistic time during the Great Depression but it certainly has no merit today. And it really speaks to the mentality of this side of this government and our ability to be competitive and grow economically.

When this is the first and foremost thing that companies coming to invest in our province — companies that would invest monies and possibly thereby grow the economy to have persons which could pay taxes, which could then be shared and we could keep rural schools open, for example, Mr. Deputy Speaker — they're going to be scared off by this because they know that at the heart there are members, there are 30 members opposite that believe that first and foremost the state should be in control of the economy.

And this has been the disaster, Mr. Deputy Speaker, that has held this province back from being the shining star in Confederation that it really should be, from seeing our growth in population from the province's inception in 1905 through to the late 1920s from tens of thousands of people, up to 1 million people, and then we have stopped. And we have stopped, and it has been shameful, Mr. Deputy Speaker. It has been absolutely shameful when we take into consideration the abundance of natural resources that we have, the 47 per cent of the arable farm land in this country, one-third of the world's best uranium in the world in this province, Mr. Deputy Speaker, oil reserves, gas reserves, potash — one-third of the world's potash — and what have we done with this?

We've squandered the opportunity because someone at some fundamental level was so insecure as to believe that somebody may make a profit from this and that it may not be shared directly with me.

So rather, rather than do this, Mr. Deputy Speaker, we see a situation where this government makes choices that leave taxation high and leave taxation on the wrong areas. Mr. Deputy Speaker, the . . . Just with regards to the uranium in this province and the electricity that it generates worldwide, there should be . . . Had this not been squandered away, had we had the refining here, had we had reactors here, had we had the full control of this material from the time it's taken out of the ground until the time it's disposed of, we could have had a much, much larger, Mr. Deputy Speaker, a much, much larger heritage fund that would pay for all the schools in this province.

But it's been ideology from the other side that has watched this dream slip away, and to a point where we hope that it's not lost forever, but we are on the brink. And we see 16 consecutive quarters where former citizens of this province agree with us.

Mr. Deputy Speaker, it's very, very problematic again when we get back to property tax — property tax related directly to education. So the idea again, as has been demonstrated from the Phoenicians to the Crusades and forward, Mr. Deputy Speaker, is that this tax is supposed to be linked to the ability to pay. That's what we believe in a post-modernist society, that taxation should be rendered on those persons or entities that have the ability to make the payments, and at that point it should be redistributed so that it can be used for the common good. It should not be placed — it should not be placed — on persons or entities that fail to have the ability to pay.

We can imagine the hollering and the outrage, Mr. Deputy Speaker, if it was ever proposed by any party that we should have a tax on homeless people. And the reason that we would have this hollering is because that would be wrong. And it's obvious, Mr. Deputy Speaker, that there's persons in that unfortunate situation don't have the ability to pay, and exploiting that is morally and fundamentally wrong. Which begs the question is, what have we seen from the NDP government over the past number of years in their treatment of our farmers who are property owners, who have been struggling?

Mr. Deputy Speaker, we now have a situation in Saskatchewan where 80 per cent of the farm land is farmed by 20 per cent of the farmers. And this means, over the long term, that our ag sector, though it may not shrink in actual dollar wise, it will shrink in the number of jobs and good jobs that it's allowing persons to have. And further, it's going to cause shrinkage in the number of actual ownerships in individual farms.

And a large part of this is due to the fact that this government has overtaxed individuals and forced small producers out of business. And that's shameful because at the end of the day that also forces large producers into financial hardships.

And I give you a direct example of this in township 24, 27 in the RM of Chesterfield where we have no, where we have no residents, Mr. Deputy Speaker, with school children. Now perhaps the Hayes family but I think their children are about to graduate.

And the fact of the matter is, is that you have land which is assessed; it is assessed in a manner which allows to calculate thought productive ability. But this land happens to be so far removed from the elevator and rail system, it happens to be so far removed from any working, operating hospital, it happens to be so far removed from a good highway or, in this case, adequate schooling, that no one cares to live down there.

And hence the capital assets in that particular township, relative to their productive capacity, have systemically been low and have been falling. And what this means, Mr. Deputy Speaker, if we expand this across the province in a gutted rural sector, is that even farmers owning property, owning large farms, their capital assets are going to depreciate because those assets are not supported by anything which exists around them.

Just to demonstrate this point outright, Mr. Deputy Speaker, there is very, very little value on a skyscraper in the middle of the Congo — location, location, location.

We had a province, Mr. Deputy Speaker, which had a great road system, which had infrastructure, which had, which had small communities all over. And the gross productive capacity of that may have been smaller, but the point is there was more persons to share in the tax burden, and the economy as a whole, proportionate to the individuals, was more participatory not less.

Current NDP policies on taxing property excessively means, at the end of the day, fewer persons are going to be left paying the bill for everyone else. And this means that they'll . . . that the services will suffer. Members opposite don't understand that.

They don't understand this when in our ... in the riding of Kindersley, Mr. Deputy Speaker, there are three rural school closures slated for the end of June this year. And why is that? Is it because the local areas around them aren't productive areas? Well no, that's not the case.

The fact of the matter is is that the high level of taxation has forced a number of persons to move out. Where our population, specifically in the Major and Denzil areas, should have been robust and well off, unfortunately all the oil servicing — mechanics and everything that goes around the oil patch industry — have chosen to relocate in Oyen or in Provost. And so little towns like Denzil and Major have suffered the massive exodus where their own citizenry will move only 50 miles away to gain from the taxation breaks, Mr. Deputy Speaker.

And hence, when there's fewer people left in town owning houses to pay tax — to pay tax of either kind, whether it be income tax or a property tax on a residential property — the school still needs to be maintained, the teachers still need to be paid, the bus drivers need to be paid, the buses need to be maintained. And so that this continually falls back onto the local school boards or the district school board having to raise the money from a local property tax base, even though there's few of them and there's a poorer and poorer ability to pay. It's completely unfair and it has been going on much too long.

Now, Mr. Deputy Speaker, I'm going to change gears here a little bit and talk about the second part of the motion which "recognizes Saskatchewan's high property taxes harm our

province's competitiveness and ability to grow economically."

If we look at one thing in the world that allows for economic growth, there are a plethora of things that are necessary. First and foremost, you need peace. You need a stable government. Without this, investment is really not part and parcel to follow.

I'm very happy to expand some of my comments directly for the member from Regina South as I know that he is going to be thrilled with some of the content as he has a keen intellect and has, I know, been awaiting with bated breath some of what we're going to speak of here, Mr. Deputy Speaker, on the economy.

So the fact of the matter is after having peaceful and stable government which first and foremost would be determined by a democratic system in our minds, after that you need a certain level of infrastructure which all of Canada has thankfully been blessed with. And following that you need something productive-wise that is going to attract investment, otherwise people, citizens are not going to exist there for no reason whatsoever.

So again, Saskatchewan has a great abundance of natural resources, of human resources. We have all the elements to make an economy grow and function. But in a post-industrial economy, Mr. Deputy Speaker, that in and of itself is not enough.

The reality is, is that our competitive field is now global. Everything that Saskatchewan has to offer, and there are a great many things, have to be weighed in . . . have to be weighed in complete balance with what is to offer elsewhere in the world. We can see this, Mr. Deputy Speaker, from everything from high-tech right down to the most basic of production in wheat or barley.

The point is, in a global environment and now that we have the telecommunications ability to access markets globally, we have the infrastructure to move products globally. Whether they be, whether they be products, Mr. Deputy Speaker, which are of a physical nature or of an intellectual nature, the fact of the matter remains the marketplace for all those products can exist anywhere in the world and the place to provide those products also exists anywhere in the world.

So what we have learned from the dominance of the market economy over a centrally planned economy is at the end of the day the market will determine what is first and foremost the answer, and the best price winning out on questions of economic decision.

We can see this, this is ... really equates right back to any first-year economic course which is determined by the classic phrase of supply and demand, where we have value will be equated to something that is wanted — either it be a goods or a service — and the equation will be in direct relationship to the demand. If the supply lowers, Mr. Deputy Speaker, it's likely that the demand will increase because it becomes harder to obtain

So with regards to that and the way that Saskatchewan's economy functions globally, any product, any service that we

provide will be relative to those terms. But we're not just competing with Manitoba, Alberta, North Dakota, and Montana, we're competing, Mr. Deputy Speaker, with New Zealand, with Australia, with China, with India, the former Soviet Union. We're competing everywhere the globe over.

Hence, and we get down into the basic business model, there's a cost of production for . . . whether it be a product or whether it be a service. And that cost inherent in it is going to be what it physically costs to produce something — man hours — but a great part of that cost is going to be the tax structure in which the product has to be produced and factored in and sold for.

(16:15)

Hence when margins become slimmer and slimmer, which they do in a global marketplace because the market is able to determine, the buyer is able to determine, what is the best product for the buyer. And at the end of the day, Mr. Deputy Speaker, there'll be a number of factors that determine that. Some of them are going to be consistency of supply, quality of supply, the ability to deliver, all these things. But all those things being equal, probably the largest factor in and of itself is going to be the price.

Hence we go back, the determination of the price is in part going to be determined by the level of taxation under the jurisdiction in which a product or service was produced. So if we have a situation where we have a high taxation jurisdiction, it in and of itself makes that product uncompetitive. Somewhere else has to find out about . . . There has to be margins made up. It's either going to be taken out of the profit that is going to be made on the product or service, or it's going to be taken out on one of the other factors.

Our government seems oblivious . . . our provincial government seems oblivious of this fact. And we can see this specifically again related back to the property tax issue and the way that our farmers and rural Saskatchewan residents have been treated over the past 10 years.

One of the great changes in the farm economy in this province, Mr. Deputy Speaker, that changed those factors of production, was the rescinding of the Crow subsidy for transportation of grain. It was thought historically by the federal government that as farmers we were so far away from the market that the federal government would pick up the cost of transportation for our cereal grains to the coast, whether it be to market at Thunder Bay or to Vancouver or for a short time at Churchill, Manitoba.

The fact of the matter is, Mr. Deputy Speaker, that from that — that was rescinded in 1995 — there was a small monetary payout to try to compensate some landowners. But since that time we have had variable freight rates and it has been a huge increase in the cost of production for our farmers. This in essence has become for cereal crop growers, especially in the Kindersley riding where we're right on the division of the length between Thunder Bay and Vancouver, that it's become as high as a third of the gross production.

So hence we see that on top of the changing competitive nature over the last six or seven years, the NDP has also felt it fine to continually raise property taxes or force, rather, the local boards to raise property taxes, to raise the mill rates and make the local persons — a smaller tax base — shoulder more and more of the burden.

We can see, Mr. Deputy Speaker, that we should be really investigating the nature of the way that property taxes are levied, and they're levied under legislation that allows the municipalities to — and the school boards — to set a mill rate. A mill rate, Mr. Deputy Speaker, being of course from the Latin . . . (inaudible) . . . coming from the one one-thousandth part. So essentially it is: a number is taken or a number is designated by the assessment board of a piece of property, and one one-thousandth of that is taken to determine that that would be the mill, what the value of taxation per mill should be.

So if you have a piece of property that is determined to be valued by the assessment board at \$40,000, one mill would be equivalent to \$40. And we see that over the number of years, in the negative grant boards there's been an increasing need to increase the number of mills to be able to meet the needs of running their school divisions because there's been no help coming from the provincial governments.

What's as problematic as that, Mr. Deputy Speaker, is that the mill rates — though they may vary across the province and sometimes they'll be somewhat similar one to the other — does not mean that it's an actual reflection of the monies being taken in. Because on the far, you could have a certain municipality that has very high property values and the mill rates levelled against them cause more monies to come out of a jurisdiction there; whereas on the other side of the province it could be quite a lower assessment rate, with the same mill rate fewer dollars coming out and the provincial government making up the difference. Which really gets down to, again, a question of equity and fairness.

There is no one here, aside from the current administration, that thinks we should be expanding the methodology in which we collect taxes to be relative to property first and foremost. This is an anachronistic system that we've moved away from. We've moved towards the ability to pay. Ability to pay, as we all know from Revenue Canada, has been determined by seeing what is the gross amount that is claimed to have been made, and then a percentage tied directly towards that.

Property tax does not reflect that. It does not reflect that, Mr. Deputy Speaker, specifically in a year where you've had back-to-back droughts. That makes it extremely difficult.

And we see, we see, Mr. Deputy Speaker, sometimes absent of tax revolts, we see that local RMs have to put postings up of who haven't paid their taxes. Often, Mr. Deputy Speaker, rural people have a sense of pride about them.

I could tell you outright that when we are getting towards our centennial of this province, there are families — my family — there's families in my RM that have lived there for nearly a hundred years. It's their families, Mr. Deputy Speaker, that built those roads. It's their families that sat on the local boards and built those schools. And it's shameful that this government would pass the buck on funding of education, to see those same families, after having a few hard years, have to have their names go up because they haven't been able to pay their local

taxes. That hurts them. It hurts them greatly, Mr. Deputy Speaker. And it fell on completely deaf ears from the other side of the House.

These are families that have lived there for nearly a hundred years, and it's their hope that their children would continue to do so. And when they've lived there for that long, Mr. Deputy Speaker, and paid taxes and been members of school boards and RMs and played on all the hockey teams, it hurts them a lot when it seems from no fault of their own, they're unable, Mr. Deputy Speaker, to make their taxation payments.

Now had this been put on, had this been put on an income-base system, a progressive tax system, Mr. Deputy Speaker, none of those people would ever have to suffer that shame. And their neighbours understand, Mr. Deputy Speaker, because they understand that we're all in the same boat. What they don't understand — and this is reflected directly in the voting — is they don't understand how for years and years and years they can pay into a system; how for years and years and years, Mr. Deputy Speaker, they provide food the world over; and their government federally and their government provincially can just turn their backs on them when they get a hard time, when they hit hard times, Mr. Deputy Speaker.

And it's not just about that, Mr. Deputy Speaker, it's not just about the fact that their name might have to go on a list where they couldn't pay their taxes. It's also, Mr. Deputy Speaker, it's about the fact that they're going to close the local hospital — that hurts. The hospital that maybe they saw grandma pass away at — that hurts them a lot.

To what end? Has their production gone down? Well it has in some cases, but only due to extraneous circumstances where you have one of the worst droughts in recorded history. And yet at the same time, the government can turn its back there and close a hospital.

Or in the riding of Kindersley right now, three schools can be closed. Why? Why, Mr. Deputy Speaker, because at the very fundamental aspect of this, these people run their own businesses, they work hard, they want to get ahead in life. They want to be able to work hard and build their communities and they don't believe — and they don't believe fundamentally — that somebody can tell them how to do it better. That is the complete opposite mentality than what exists from the other side of the House, Mr. Deputy Speaker.

The other side of the House, I believe — and I believe it's reflected in the voting in this province, Mr. Deputy Speaker — believes in a horrible, horrible arrogance that they can run government better, that they know what's better for individuals, and that money becomes public money; it's not taxpayers' money. It doesn't matter who's generating it, at the end of the day it's for the common good.

I know that the member from Saskatoon Idylwyld believes fully that monies should be referred to as public monies. And, Mr. Deputy Speaker, there's no problem with that. But it begs the question then: why would public monies be squandered — as we've seen from this administration — in various fiascos where we have to keep coming back, we have to keep coming back to

pick pockets of local taxpayers on property to be able to fund schools, schools like rural schools?

Again I reiterate for the hon. member from Idylwyld that the schools of Denzil, the schools of Major, and the schools of Brock are all slated for closure this year. They're slated for closure. They're in good economic areas. They have lots of oil activity in this area. But the taxation and the taxation policies of this government have forced their kids 40 miles to the west into Alberta, to operate out of Provost, drive across; to operate out of Oyen, drive across; pound our roads into oblivion.

The commercial . . . or the taxation that comes out of this area from the oil revenues, Mr. Deputy Speaker, is horrendous. It's very, very large. And yet nothing can be left locally. Instead because . . . And I would be as callous as to say that the members — the voters from that part of the province have voted the wrong way for too long, that they'll be left hung out to dry — that their school, it's all right to be able to say go ahead and close it.

And the local members on the district boards are at their wits' end because they realize what is necessary to give their children, and all the children in the area, the best education possible. But there's not one penny coming from this government in either of the divisions where they're closing these schools this year.

Landswest Division is getting not one penny. They, Mr. Deputy Speaker, voluntarily amalgamated two school divisions for the cost savings, and yet are they rewarded for this? No. It's a complete failure, Mr. Deputy Speaker, that they go forward to save money, and what does the government say to them? Well the more you save, the less you're going to get from us. Go back to your own local constituents and ask them for more. Ask them for more. There's obviously more from where that came from

It doesn't matter to the members opposite that if they close the school in Denzil, that those 150 houses in town, if they have a value now of 25 or \$40,000, it goes down to \$5,000 overnight at the best. It doesn't matter that the whole . . . all the equity is wiped out in complete. And then, Mr. Deputy Speaker, the property tax that was coming off those homes being valued at 25 or \$50,000 is gone, and it's gone because there's nobody lives there any more.

Further to that, Mr. Deputy Speaker, what about the teachers involved here? The teachers from these small schools, Mr. Deputy Speaker, are wonderful, wonderful teachers. They're teachers that are dedicated. They put in hours of overtime. They coach volleyball; they coach everything. They run drama. Mr. Deputy Speaker; they provide excellent, excellent education to these students.

And many of them make the commitment first and foremost that this is going to be their community. And these teachers put equity, Mr. Deputy Speaker, into a home. And what happens to that teacher when they close that school? Well it's not only that that teacher has to go and find another job, Mr. Deputy Speaker. That home that they lovingly possibly built, possibly raised a family in, overnight has no value. It has no value.

If we look at our personal portfolios and what the members that live in the city and they take that their residential dwelling and see what a large aspect that is of their net worth, and they can say callously on the other side that it doesn't really matter that a teacher in rural Saskatchewan who has the rug pulled out from under them when their schools close, they lose their job, and they lose all the equity in their home. It's absolutely shameful, Mr. Deputy Speaker.

So, Mr. Deputy Speaker, what really is the answer here? Well the answer is to completely change this philosophy and get our province growing. The answer, Mr. Deputy Speaker, is not have 16 consecutive quarters of population loss because we're overtaxed. The answer, Mr. Deputy Speaker, is make the pie bigger. Let's grow the economy. From growing the economy, let's expand our tax base by having people move here.

There is only one correlating factor that shows increase in population and that is economic growth. The world over, from the Third World to India to China, it is economic growth that comes first and foremost to growing a population.

We can see it in Calgary. We don't see it in Kindersley. And we don't see it in Kindersley due to the fact, first and foremost, that this government has tried for the longest time to have a centrally planned economy and tax us out of existence.

We see it lately, we see it lately, Mr. Deputy Speaker, where we have possibly a half a billion dollars in investments in CIC III, and instead of having it in the private sector managed by the private sector, it's going to be possibly passed over to hand-picked cronies who if they were any good at managing these things would be working on Bay Street right now. That is fact, Mr. Deputy Speaker.

(16:30)

What we need to do is we need to grow the province and grow the economy. And the way that we're going to do is we're going to lower taxation rates. And if we go right back to the motion, we recognize in this motion that high property taxes harm our province's competitiveness.

It's interesting that we're one of the few jurisdictions left in North America that has this exact kind of system. We know that Ontario moved away from this a number of years ago. We know that Ontario recognized there's not an agrarian-based population that is driving the economy — it's Mississauga, it's Toronto, it's Ottawa. And it's these parts, Mr. Deputy Speaker, which are first and foremost in driving the economy.

This, Mr. Deputy Speaker ... I know that, I can hear the member from Saskatoon Idylwyld is wanting to, wishing to join in the debate. And obviously his ire is up about something with regards to the public money, which would beg me the question as how he feels when we see that the SaskTel foreign investment portfolio ... \$60 million gone, out of province, no recovery for it. How many teachers ...

**The Deputy Speaker**: — Order. There are some private conversations that are going on across the floor that the volume has increased a little bit beyond the capability of the Speaker to be able to hear the person who has the floor. So I would ask

hon, members to pay close attention to the member who has the floor

Mr. Dearborn: — There is little doubt now, Mr. Deputy Speaker, that I think I should probably return to my earlier remarks on the history of taxation, because the member from Regina South I know is going to be moved when we really get into the nature of how the Crusades affected the nature of taxation of the feudal system. So if I may, Mr. Deputy Speaker, I will return to that aspect of taxation on property.

Again, the first Crusade really saw the need for monies to come in primarily to Rome, to raise monies for armies to go and fight — as it was termed at the time — the Muslim hoard. And the way that these monies were raised was through the feudal system. It went down to the kings. The kings went to the barons. The barons went to the local lords and from the squires and whatnot, extracted the monies from the peasantry.

And there was enough of a mercantile system in place at that point, Mr. Deputy Speaker, that goods and services — goods specifically, whether they be animal produce or vegetable produce — could at some level on the way up the chain be transferred into hard currency, which could in turn be used to pay taxation and in turn used to fund wars. It's no good to try to pull a goat all the way from Spain to the Holy Land in hope of bartering that. So a coin obviously makes a lot more sense.

But as again, for the member for Regina South, I hope that he's able to see how property is directly tied to taxation and that this is the historical root of it.

From that, the problem exists, Mr. Deputy Speaker, that the nature of property being of productive value really fell off by the time that we got to the Industrial Revolution. It had started to under the mercantile system for the 150 years before that. Trade started to take a much more important prominence in the world economy. But once we hit the Industrial Revolution, Mr. Deputy Speaker, agriculture becomes a smaller sector.

We see in our post-industrial economy that really intellectual property and services have become a much disproportionate aspect of the economy and hence they are being taxed likewise. The member from Regina Dewdney may feel that there's no correlation here. But if we look at, in the late '90s, the growth of the high-tech sector and all the monies that were made in it, this definitely had the right. It was the morally right thing to do, to tax it. So from taxing that, we see that a progressive tax system makes sense.

It makes sense on the ability to pay. There was no ability to pay on the high-tech sector in the 1960s, what was a blossoming industry, and as it comes into its own and is able to generate the revenues, that's the place to make it pay.

Vice versa with regards to ... With words to property, there isn't a correlation necessarily to the ownership of property and the ability to pay. I've mentioned this before with regards to the drought. I mention this again with regards to the mad cow outbreak we have and the total collapse of the beef market for our farmers. We know, Mr. Deputy Speaker, that we have individuals that are working hard to placate the Americans to be able to open up the beef market. But nonetheless, the hit that

this has taken has demonstrated once again that property is not necessarily demonstrative of the ability to pay.

Hence what we need to do is we need to get the Saskatchewan economy growing. That means we need to attract investment. Attracting investment is going to be determined by what factors for productivity that we have here —whether they be natural resources, whether they be human resources, whether they be local market factors, the stability of government.

But first and foremost, Mr. Deputy Speaker, is going to be at the end of the day what kind of profit can an industry or business make from locating here. And a large part of that is what environment does the government allow said company or entity or individual to extract that profit? And that's determined first and foremost by taxation, Mr. Deputy Speaker.

We cannot have an ongoing system of high taxation with limited services or people will vote with their feet. And we've seen this for the last . . . excuse me, Mr. Deputy Speaker, for the last 16 consecutive quarters. And by and large we've had a lot of young people leave the province. And why? Because they're looking for opportunities elsewhere. And those opportunities, Mr. Deputy Speaker, are first and foremost economic.

And with all the abundance of natural resources that we have in this province that question should be, why aren't those persons staying here; why isn't that opportunity here?

And that opportunity isn't here. It isn't here because we have a government that believes that public monies should be extracted from whichever aspect of the economy is chugging along, regardless of how under pressure it is. It's like, Mr. Deputy Speaker, wringing blood from a stone. And there is no end in sight to when this will cease.

We know that the government currently on their party Web site still has a manifesto named the *Regina Manifesto* that calls for the complete eradication of capitalism. At the end of the day, members opposite in the fundamentals of their philosophy do believe that the state should be in control of the economic direction that the country, or in this case, the province is taking.

And we believe that that is fundamentally wrong, that aside from it being fundamentally wrong, it's been a failure and it doesn't work. And we can see this, the direct correlation in our GDP and more importantly, Mr. Deputy Speaker, in our population.

What my side of the House wants to do, Mr. Deputy Speaker, my side of the House wants to grow the population base.

Some Hon. Members: Hear, hear!

**Mr. Dearborn:** — We're going to do this first and foremost through the private sector being the engine of the economy. Mr. Deputy Speaker, we have businesses in this province that exist despite the taxation and oppressive . . .

If — if — and when it comes, Mr. Deputy Speaker, when the election's called and we get that change, we're going to see a renaissance of business activity in this province. We're going to see it in the ag sector. We're going to see it in the value-added

sector. Mr. Deputy Speaker, we're going to see it in every sector.

We're going to see it in education, Mr. Deputy Speaker, because there's going to be more people coming in and rural school closures are not going to be the norm, Mr. Deputy Speaker. We're going to see school populations increase. And we're going to plan for that. We're not going to plan for 30,000 fewer students and that many fewer teachers. We're not going to plan for failure. The members opposite, Mr. Deputy Speaker, don't understand the term, business plan. And because they don't understand the term, business plan, the government doesn't operate all that well. It's airy-fairy and at the end of the day, at the end of the day how do they . . . They just hope everything will work out right.

What is, what is the . . . The purpose of government is first and foremost to provide the services that those citizens want. And the people across Saskatchewan are fairly clear on that.

They want quality health care, not the longest waiting lists in Canada. They want smooth highways, not the ones that exist in a good part of our province, breaking people's windshield and cracking people's axles, Mr. Deputy Speaker. They want local schools. They want good, high-quality education. We have the students and the human resource potential in this province second to nowhere in the world, Mr. Deputy Speaker.

Statistically, Mr. Deputy Speaker, from the Midwestern United States and the Prairie provinces in Canada, we have more CEOs and Fortune 500 and TSE (Toronto Stock Exchange) 300 companies than any other, any other jurisdiction in the world. And the reason for that is a lot of these people come from farms. These are farm boys that understood the nature of getting up in the morning, working hard, and at the end of the day they're the ones responsible for paying the piper.

Mr. Deputy Speaker, we've seen, we've seen for years and years how socialist mentality has barbecued the chance for investment in this province. We have seen foreign investments turn up their noses at the chance to invest here. They've looked at it. They looked at the proposals, and they've thrown them on the Hibachi, Mr. Deputy Speaker.

And why is that? It's basically because they recognize that the government of the day on the other side of the House wanted — wanted, Mr. Deputy Speaker — at the end of the day to own what they wanted to work for, what they wanted to work hard for. And that is the reason.

I'm glad, Mr. Deputy Speaker, that I have now got the attention of the member from Athabasca because we can hear ... The member from Athabasca, I know, has without doubt been aware of the nature of the movement from taxation right from the Phoenicians up to the current day. I know that, I know that the member from Athabasca has been riveted by the extent of that historical analysis of a taxation system. And it's important, because without that context the error of their ways couldn't have been pointed out.

It doesn't matter, Mr. Deputy Speaker, that as we have the most abundant natural resources of any jurisdiction in the world, it can be squandered time and again by a mentality that's wrong. And that mentality is derived first and foremost, Mr. Deputy Speaker, from the Great Depression. In that Great Depression it saw the dust bowl. And at some point, and my family remembers of this too, it was hard up and someone came forth to tell them that they were poor because someone else was rich. And this wasn't true, Mr. Deputy Speaker.

And we know, we know which . . . we know which premier of this province was . . . preached right on that, a chicken in every pot. But the real purpose of his . . . the real purpose of his speech was to say your chicken is right now in somebody else's pot. Your chicken is on somebody else's Hibachi. Your chicken, Mr. Deputy Speaker, is not . . . it's not in your pot because somebody else has it.

He didn't understand, Mr. Deputy Speaker, that the answer to the problem was just to make more chickens. And since that time the only real production in chickens that we've really seen, Mr. Deputy Speaker, have possibly been our current Premier with regards to the upcoming provincial election which should have been held this spring.

So what we saw from the 1930s and the dust bowl was a whole generation — and my grandparents included — that believed, that believed there was an answer through socialism; that collectively this was going to be the answer; that collectively we'd all be better off. And it's taken a long time, Mr. Deputy Speaker, for this to be proven completely untrue.

The rest of the world understood it by 1991 when that wall fell down. When the Berliners crossed from the East to the West, they realized, you know, things on the west side of the wall were a lot better.

But the people in this province, Mr. Deputy Speaker, the vast majority of them, the majority of them haven't voted for the socialists over the last 60 years. They've been very lucky splitting — in a three-party system — splitting that vote and holding ransom this province under a burdensome sector of state-controlled economy, and trying to have the engine of the economy be first and foremost the state, through Crown corporations investing directly against private enterprise out . . . at the end of the day . . . and then if there's failures in that, Mr. Deputy Speaker, we haven't seen, we haven't seen any accountability to that.

And the reason for the . . . to derive why this happens isn't all that difficult, Mr. Deputy Speaker, because to run a state enterprise you're going to want somebody that shares your socialist mentality. And you share that socialist mentality, Mr. Deputy Speaker, it's a pretty clear bet that your successes in the field of private enterprise are fairly limited.

So hence we're left with, if we can say, the bottom of the barrel of the business managers to be running some of these companies. And at the end of the day if they're not productive, you can always go back to the taxpayer to ask for more money. We've seen this time and again.

And what does this directly relate to? Well, Mr. Deputy Speaker, it directly relates to the three rural school closures that are happening in the riding of Kindersley this year. Because it's about priorities — people in this province, they want good

health care. They don't want the longest waiting lists in Canada and that's what this government has provided for us. They want a local school. My constituents want a local school. They don't want investment in cellphones in Australia. They want, Mr. Deputy Speaker . . . Mr. Deputy Speaker, they want safe highways and smooth road tops.

(16:45)

They also didn't want, Mr. Deputy Speaker, every elevator in the province pulled down. They didn't want the gutting of the rural economy but that's what we've seen from this government. They've turned their backs on their heritage and it's been shameful, Mr. Deputy Speaker.

Mr. Deputy Speaker, the economy hasn't grown to the extent that it ever should have. The natural resources that this province has been blessed with, we have been held back. And it's going to be time for a change.

And when it changes, Mr. Deputy Speaker, it's going to change for the long term. Because Tommy Douglas — I happen to know who he is, but there's a lot of people my age don't; they don't care — and he's going to be gone. And the thing that is going to be brought up, Mr. Deputy Speaker, . . . and now, Mr. Speaker, is that the thing that is going to be brought up is probably not the socialist dream that this premier had for the province; it's probably going to be his thesis on subnormal persons. This is what's going to be brought up historically.

Mr. Deputy Speaker, we can see that the local ... Again going right back to the nature of the unfairness of putting local property taxes up as the sole supporter in many cases, in three out of four of the school districts in the riding of Kindersley, for paying for education — these same persons that are having to pay this property tax are also having to pay income tax, in the years that they make it, Mr. Deputy Speaker, and I think that they feel it's very, very unfair. And they're frustrated.

And SARM has been calling for the changes to this for a long time. It is an anachronistic system. And at the end of the day, Mr. Deputy Speaker, what the members opposite won't . . . or pardon me, Mr. Speaker . . . at the end of the day what the members opposite won't realize is that the children in rural Saskatchewan have a right to as fair an education as any other child in this province.

It's not right, Mr. Speaker, that a five-year-old child be put on the bus for an hour and a half one way to try to go to school because they had to close a perfectly good local school because this government thought it was necessary to put money in a dot-bomb in Tennessee. That's not right, Mr. Deputy, Mr. Speaker.

Mr. Speaker, our schoolchildren in the rural schools of this province and in all the schools have as much potential as any children anywhere in the world. It's about priorities. It's very difficult, Mr. Speaker . . . And maybe the member of Athabasca should go forth when they have to close a school and go and listen to those local communities and sit in on those school board meetings where the school board have been elected by their neighbours and they have to say, we've had to raise taxes so many times we can't do it again; we don't have a choice any

more. And you see the look on the people's faces.

I attended two of these meetings last spring, Mr. Speaker. You see people that they went to school there, and in some cases their grandparents went to that same school, and now it's being pulled out from under them. And why is this coming? Due to the fact that the farms have become less productive? No it's been completely the opposite. These farms have become more productive. They've become more productive on a per capita basis but at the end of the day the prodigy raised from these farms, the sons and daughters, have had to find brighter pastures.

And the reason for this, Mr. Speaker, is because this government and their predecessors have overtaxed; they've stripped the opportunities that this province deserves. And at the end of that day, Mr. Deputy Speaker, it's caused for 16 consecutive quarters more people to leave this province than have come into it.

Mr. Deputy . . . or, Mr. Speaker, rather, to change this around we're going to have to be competitive. We're going to need to be competitive in the oil and gas sector. The Mantario Marengo fields which is north of my home, this is an oil and gas field, was found to be as large as Leduc. And socialist mentality on the other side of the House meant that Tommy Douglas was happier to have that oil stay in the ground, no development come up around it, than somebody from Texas to make a profit on it.

And so what do we have? On the other side of the border, we've got a Heritage Fund and here in Saskatchewan, in my constituency of Kindersley, we have people that have been on waiting lists for hip replacements for more than two and a half years. That's because at the basis of their ideology the premise is wrong, the motives are wrong, and it hurts the citizens of this province and it's way overdue for being stopped.

And, Mr. Speaker, when it is stopped ... After we have the next election and we get a change of government, it's not going to be stopped just for four years or eight years. It's going to be stopped for a generation and it's not to return. The dirty thirties

. . .

# Some Hon. Members: Hear, hear!

**Mr. Dearborn:** — The dirty thirties are going to be long gone and buried. They're going to be left. We're going to see, we're going to see unprecedented growth. We're going to see growth like we saw, we're going to see growth like we saw, Mr. Speaker, in the 1920s.

We have the records from our farm, Mr. Speaker. In 1919 my great-grandfather made \$45,000. We didn't have, we didn't have, Mr. Speaker, at that time, we didn't have, we didn't have a government interfering in our marketing. We built — or rather he built and those buildings are still standing — he built a house, he built a barn, he built a bunch of shops and granaries. It was unprecedented growth. And since that time we haven't seen the growth on our farms anywhere clear to that.

What we're going to see, Mr. Speaker, to be able to have rural schools not closing, is we're going to see that second

renaissance when socialism is finally out of this province once and for all; when we see, Mr. Speaker, when we see people being allowed to keep what they make, being allowed to see that opportunity isn't something that should be punished; that hard work, innovation, is something that should be rewarded. We're going to see people flock back here. We're going to see the very best people in the world flock back here because it's from hence that they came.

Mr. Speaker, I hear again the member from Saskatoon Idylwyld, and I think that he's probably speaking again about the need for public monies as opposed to taxpayers' monies. Public monies, it would seem to me that the member from Saskatoon Idylwyld would be so outraged at things like SPUDCO when we have public money wasted in a fiasco that really could have been a lot better spent in keeping the Brock school open, Mr. Speaker.

Or maybe we have a situation where we have mega bingo, which not only could have been spent a little better at keeping the school in Denzil open but also could have been put back into the handicap bus in Kindersley that the Elks raised through their local bingo when they lost money because of this fiasco.

Maybe, Mr. Speaker, the priorities need to be re-examined. Maybe they need to look to their own socialist roots and cross the pond and see what Mr. Blair sees; see what Mr. Blair says about the role of the state and the role of the state in the economy; see where Britain's going on this direction.

I think that Mr. Blair has a sincerity with regards to the kind of public education that he wants in that country, but he recognizes that the engine of the economy has got to be the private sector to allow that to be paid for. He's understood that and the economy there is doing fairly well relative to the rest of the EU (European Union).

Mr. Speaker, it's ironic the members opposite kind of put a roadblock on their ideological development in 1935. The Second World War came and we get the socialist, we get the expansion of the social welfare state, and the thinking on that side of the House hasn't gone beyond that. It's just trying to stay on how are we going to keep chugging along. It stopped everywhere else in the world more than 10 years ago. It stopped when the wall fell down.

Mr. Speaker, in 1991 the economy of the world was determined to be a free market system. In the global economy, and I will quote again Mr. Thomas Friedman of *The New York Times*:

There's only going to be two people. There's going to be winners and losers. And the people that don't get on board with the reality of the electronic herd, with the reality of capital moving the world over in the blink of an eye, they're going to be the losers. And it's their citizens who will be the losers.

Mr. Speaker, as I was speaking there to the nature of competitiveness — that's in the last line of the motion which I was happy to, which I was happy to second today — the reality of that is that this government, this government hasn't, hasn't recognized the global environment in which we live.

They believe, perhaps along with Fidel, that there are these little pockets left where this centrally planned economy is going to work. And it doesn't. It doesn't work here. It doesn't work in Cuba. It hasn't worked anywhere in the Eastern bloc countries. It's been an unmitigated failure.

And, Mr. Speaker, the fact of the matter is, is that until that . . . (inaudible interjection) . . . I'm glad, Mr. Speaker, that I once again have the member from Regina South's . . . from the Regina South's attention because I know that the member from Regina South has been thrilled again to hear about the linkage between metallurgy and coinage — metallurgy and coinage — allowing us to get to the first level of taxations.

So I'm also hearing that the member from Elphinstone is thinking to the years ahead. And there's a possibility, Mr. Speaker, being from Elphinstone and being born in the same year that I am, here, that I was born, that possibly he'll hear me a few years in the future discussing some of the same issues. And I know that he looks forward to that with or without earplugs.

So, Mr. Speaker, I see that ... I'm quite surprised to see that I've actually been up and talking for some time. I know that it has been to the pleasure of the Assembly as a whole and I'm very happy for that. And now that I've got about everything that I thought needed to be said today, I would move that I adjourn the debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 16:58.

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