

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund  
Finance  
Vote 18

Item 1

**Mr. Aldridge:** — Thank you, Mr. Chair, and welcome to the officials from the Finance department here tonight.

**An Hon. Member:** — And me.

**Mr. Aldridge:** — And to the minister certainly.

I do have a few questions about this year's Saskatchewan savings bonds. I notice that while last year's sales exceeded your expectations, they were well below sales of the previous year. And given this, I wonder if the minister could tell us whether you expect sales will be above or below the sales goal of fiscal year '95-96 for our current fiscal year?

**Hon. Mr. Shillington:** — If the member from Thunder Creek will refer to page 53 of the budget address, you'll note that we have estimated \$100 million for this year.

**Mr. Aldridge:** — Yes, Mr. Minister. Could you give us a brief explanation as to why the target is set where it is?

**Hon. Mr. Shillington:** — The member might or might not appreciate this, but I think the member from Rosthern would appreciate it when I say this is a conservative figure, intentionally done so. I see the member from Rosthern does approve.

It is the fifth year; it is over a billion dollars in savings bonds, so it is well supported. It is a conservative figure, and it is very difficult to estimate. But based on past years' sales, sales of similar bond issues this year, this appears to be reasonable. It is very much a guesstimate.

**Mr. Aldridge:** — Yes, well that being the case, Mr. Minister, and also with respect to the savings bond, I wonder if you could provide some insights into any plans you may have to ensure that bonds are in fact renewed so that capital isn't lost as subscribers would search for better rates of return elsewhere.

What level of total capital do you expect to see invested in savings bonds after this year's sales are complete in July?

**Hon. Mr. Shillington:** — We have no reason to expect there will be an inordinate level of redemptions and an ordinary level has been provided for. So there's no reason to believe an inordinate level of redemptions will take place.

Moreover, with the improved credit rating, the bonds have a higher value automatically than they had when they're bought. And that makes the redemption less likely. You buy a bond of someone with a B rating — it goes to an A rating, you've got a

better bond. And its intrinsically worth a little more.

Prior to the upgrade there was no reason to think there would be any inordinate level of redemption. And that's even more so with the upgrade.

**Mr. Aldridge:** — Well that being the case, Mr. Minister, and given that with any savings bond campaign there would go with it an advertising campaign, I wonder if the minister might tell the House whether such a campaign is budgeted for this year? Has a competition already begun to award a contract to a successful bidder at this time?

And secondly, how much, roughly, is budgeted for an advertising campaign such as this? And having . . . given the minister's most recent response too, that perhaps savings bonds are in fact more saleable with our province's credit rating improving, might you make some comment also in that regard?

**Hon. Mr. Shillington:** — This is now a fairly mature program. I remember when we began this program some years ago, we were extremely nervous that it might not be successful. People might not want the bonds They may not buy them. I remember there was an enormous amount of trepidation.

That's not the case now. This is quite a mature program. The advertising program will be similar to last year. The amount spent will be similar to last year. And the assumption about the sales is the same. So it's a fairly mature program. There'll be no change in advertising.

**Mr. Aldridge:** — Mr. Minister, with respect to a campaign of this nature, getting again to the advertising campaign — and you've mentioned in the past a good deal of trepidation on, you suggest, on your part — would you elaborate just a little bit more about this? Are you referring to trepidation on the part of the department, or is this with reference to the communications coordination unit of the Executive Council?

And might you also just elaborate just a little further about what sort of analysis would be undertaken to determine both cost effectiveness of such an advertising campaign but also just to assure the people of the province that campaigns that have been undertaken in prior years actually achieved their targeted goals.

**Hon. Mr. Shillington:** — I refer to the first year we did this which was 1992. The trepidation was simply the fact that we had not had a bond sale for some time. And there was concern being expressed at the time about Saskatchewan's creditworthiness, and there was a good deal of nervousness about how well it would sell, how much would sell. In fact it was a runaway success as people sort of flocked . . . people kind of rallied around the flag really, I guess the best way to express it. And it was an — the first year — was an enormous success, as the figures showed.

Since that time we've come to be quite comfortable and quite confident in it. But no, when I referred to trepidation, I was referring to the first year when we did the first bond sales in an atmosphere in which Saskatchewan's creditworthiness was being called into question.

**Mr. Aldridge:** — Thank you, Mr. Minister, but would you just elaborate for us a little bit further as far as what firms may have been invited to bid for a campaign of this nature. Would you be able to just provide to the House here this evening perhaps a list of potential bidders that might have been invited to this year's competition?

**Hon. Mr. Shillington:** — Agency of record is Phoenix Advertising. That was tendered in the normal course and the competition was won by Phoenix. Phoenix is the agency of record.

**Mr. Gantefer:** — Thank you, Mr. Chair. Mr. Minister, I would like to turn your attention to provincial sales tax compliance, in particular in so far as recreational vehicles and those types of things are concerned. As I understand that, for example, on snowmobiles there is a compliance, sort of mandatory, in that in when a person wants to license a snowmobile then provincial sales tax must be documented to be paid before licensing is allowed.

I've had a number of concerns expressed from people in the ATV (all-terrain vehicles) kind of dealerships that are increasingly popular in the quad-runners, ATV kind of vehicles. And they're telling me that in many instances when they're asked to compete and bid for sales that they can match the sales, and then people say, but what about the 9 per cent advantage against Alberta dealers?

And so what I'm asking you, Minister, is other than the nice compliance of saying, as Saskatchewan citizens holding the flag we're expected to comply voluntarily, is your department considering any type of program similar to licensing for ATVs?

**Hon. Mr. Shillington:** — No, I don't think we're considering extending the requirements to licence off-road vehicles beyond what it is now. That would be using a sledgehammer to kill a fly. In effect that would be putting the public to a fair expense.

I recognize the problem the member raises, of enforcing payment of sales tax. The department has a system which we have . . . the basics of which have been in place for a long time. We have upgraded it; we actually added some additional enforcement staff along the way.

But it remains a problem. Tax avoidance remains a problem, which is not new and will be with us probably almost indefinitely. You're never entirely rid of the problem of enforcement of payment of taxes. We are doing what we can. As I say, we have added staff but the problem goes on and we have every sympathy with dealers who have to compete in an atmosphere in which people chisel on the payment of taxes.

**Mr. Gantefer:** — Minister, it seems that it's a shifting trend . . . or not necessarily a shifting trend but there was a time where the ATVs were relatively new and in fact they went from the three-wheeled type of ATVs — were found to be very dangerous — to the quad type of units and that seems to become a very dramatically increasing part of recreational vehicle sales in terms of the percentage of business that's going on.

And so it's becoming an increasingly significant issue for recreational vehicle dealers. The other thing of course is as this is happening — and I recognize it's not a particular problem for your department, but for your government — as these things are becoming increasingly powerful, increasingly roadworthy, increasingly something that's accessed, that a lot of the issues that have been there for the snow tobogganing kind of vehicles are becoming the same issues for the ATVs. And I wonder where your department is or your government is, I guess a little more broadly, because this is all wrapped into a whole issue that's increasing in significance.

**Hon. Mr. Shillington:** — I want to say — and I don't think the member would dispute this; indeed I think this underlies your comments — basically Saskatchewan people do comply with it. And they do so out of a sense of integrity.

In percentage terms the problem is fairly small. In an individual instance it can be quite galling, admittedly, to a dealer to have to compete with someone who brings it in; doesn't pay the tax.

Back in the days when I first joined this cabinet, I joined as associate minister of Finance. The member from Regina Dewdney was the minister at the time. One of the things I often did to assist the minister, I often met with dealers to try to discuss this very problem.

We encouraged them to work with the department — if they knew of people who had owed tax and hadn't paid it, to inform us. And one or two convictions in a district does a lot for tax compliance in the district.

So we encouraged them to work with us. We met with them. We were always open to suggestions. But the suggestion which was occasionally put forward, that we might license them, is very difficult. There are all sorts of problems with licensing vehicles which aren't designed to travel on the road; all kinds of problems. And not the least of which is, it strikes people as being unfair that they pay a licence for something that doesn't travel on the road. It just strikes people as being unfair.

So that is a difficult suggestion, but we do work with the industry. We have met with them, and certainly I did, and I know the current minister has met with them. Anything at all we can do to step up compliance, we're more than willing recipients of the suggestions.

(1915)

**Mr. Gantefer:** — Minister, staying on provincial sales tax and a little different venue, there are, I think, a great many small businesses in particular, and maybe all businesses, are not all that thrilled about acting as tax collectors on behalf of either the provincial or the federal government. It's sort of not one of the happy things that small businesses are expected to do as part of the cost of doing business.

I have brought . . . have been brought to my attention in a number of instances where small businesses have got themselves into a difficult situation very often, and perhaps most often, because of their own negligence, their own concern

about cash flow and things of that nature; where they've come into a situation of arrears in terms of submitting provincial sales tax remittance to the department.

I wonder if you would outline for us a bit tonight what your policy is in terms of how you deal with individuals in this regard; and if they get behind, what kind of . . . your steps are in terms of enforcing compliance of remittance of sales tax that's been collected.

**Hon. Mr. Shillington:** — That will occasionally happen, and anyone who has had to meet a payroll at the end of the month, as I think you have and as I have, has some sympathy for somebody in small business. When you're drawing a pay cheque, you're looking forward to pay-day. When you're signing them, at times you dread pay-day. So that's the voice of experience.

So we have every sympathy for small-business people who can get caught in a bind on occasion. The advice which we have for the people who do is work with the department. Last thing on earth we want to do is put someone out of business if for no other reason and the fact that you . . . then you're quite assured you're not going to get anything. Any creditor, last thing you want to do is put your debtor out of business and you don't get it.

So our advice to people who have a problem is contact the department, work with the department. We are anxious that they continue in business — that is our source of revenue in a sense, for some crass reasons, perhaps. So if a small-business person has a problem, we invite them to work with the department, to contact us. It's like having a problem with your banker; the worst thing in the world you can do is to avoid him or her. And it's the same thing here. If you've got a problem with sales tax, the worst thing you can do is avoid us. Contact us. We're more than willing to work with you and more than anxious to see the problem resolved in a way which leaves everyone surviving and indeed thriving.

**Mr. Gantefoer:** — Minister, I wonder if there's some interfacing between departments. For example, if there are these type of individuals that get themselves into a real jam, either through negligence or inexperience or start-up costs or all the rest of the things that are facing small business, and you get into a situation where you're dealing with a client or a business person that is required to submit PST (provincial sales tax) and has gotten behind the eight ball, is there interface between yourselves or within your department? Do you have programs of counselling and some advice, and some type of a program that may be of assistance to the small-business person, either within your department or in cooperation with other departments of your government, that would assist this small-business person to maybe get back on track as, as you say, Minister, it's much better to salvage a small business than to see them go out of business.

**Hon. Mr. Shillington:** — Yes, there are a variety of resources which the government has if someone comes in. There's counselling available. I don't think there are counsellors directly in the Department of Finance, but there are counsellors in government to which they can be referred. More often

however, rather than that . . . the department may advise that.

But more directly, the department usually tries to . . . sometimes there's a reassessment done; sometimes we can give the person a break. Sometimes you're not going to collect it anyway, so it's a case of taking . . . a dollar in the hand is worth a good deal more than, sort of, a kick in the pants, if you don't get anything at all. So we may be able to do a reassessment. We may be able to compromise some of it in an appropriate case, and all those things are possible. Certainly payment schedules which look feasible to all concerned are always considered. But there is counselling available. I don't think directly in this department, but there is counselling available in other departments, in the Justice department and so on. And it may be suggested the person contact them. But in terms of handling the debt, that's more normally done directly by working out payment schedules, reassessments, etc.

**Mr. Aldridge:** — Thank you, Mr. Chair. Mr. Minister, tying in a little further with some of the questioning and comments made by my colleague from Melfort, and with respect to the revenue section here in the estimates, there is an increase in spending, in particular in terms of that section.

And I wonder is, going along with this, does this translate into simply more auditors going out and, so to speak, going after small businesses in the province? And then I wonder if, with the help of your officials, if you could provide us with the number of businesses that have been audited with regard to sales tax by the branch in the last year. Could you tell the committee whether there'll be an increase or decrease in that number for this year. And could you provide as well a breakdown as far as how many of those businesses would be qualified as a small business versus larger firms, if possible.

**Hon. Mr. Shillington:** — The member may have . . . I may not have spoken with the precision that perhaps I should have. We did hire a couple of more people, but that was not in the fiscal year under consideration. That was the year before that.

The member is quite correct, there is an increase this year. That is due to the need to update our computer systems. As is the case with everyone, we have this looming problem with the year 2000. And it is a fair problem in this department where dates, interest rates, and so on, all play such a role.

So this sum, the increase to which the member refers of about I think \$500,000 — the increase is \$580,000 to be precise — and it's a one-time increase intended to allow the department to come to terms with the problem associated with the year 2000 and the dates.

**Mr. Aldridge:** — Thank you, Mr. Minister. But going back, with respect to the auditing of businesses, could you still provide us with some detail in that regard. The number of businesses audited in the previous fiscal year and the number that you project will be audited in this current fiscal year. And as I did relate to . . . if you could, a breakdown as to which may be a small business versus a larger firm.

**Hon. Mr. Shillington:** — There aren't any records kept as to the size of the audits. I'm going to read into the record in a

moment some information with respect to the number of audits. I don't have any information with respect to the size of the audits.

The opinion of the officials, their experience would suggest that it's done proportionally. They try to audit some large ones, some small ones, and try to audit a proportional number of each. There are obviously far fewer larger firms but the amount they would owe would be far more. So they try to audit . . . they try to do it proportionally, some big ones, some small ones, in proportional numbers.

That having been said, the number of field audits in the year 1995-96 was 500 . . . was a total of 1,689. That covers 4.2 per cent of those who are registered; they did 1,689 and that, as I said, covered 4.2 per cent of the businesses. We don't have precise estimates as to the size of the firms they audit.

**Mr. Aldridge:** — Thank you, Mr. Minister, for that number. Could you just elaborate for us, in terms of your audit work, do you approach a certain sector of businesses and where you do — let's say for lack of a better word — a blanket audit of firms of a certain sector?

I know earlier this year, late last year, I did receive some correspondence from a small business in my constituency. In their instance they were a small meat packing plant that had been audited by the department with respect to remittance of PST. And I know their major concern with it was the fact that they felt they were being singled out in the process versus firms within that sector where perhaps they may have had to have paid the price and others may not have.

And would you just be able to make some comments about that?

**Hon. Mr. Shillington:** — The methodology is not dissimilar to what the income tax department does in Ottawa, or what all other provincial governments do. They all basically follow the same process. No industry's ever singled out, and no one is . . . they're very, very careful to ensure they're not harassing anyone.

On the other hand, there are priority audits and non-priority audits. The priority audits tend to be the larger firms or those which for some reason or other there's some reason to be concerned about. And it might be because of unexplained changes in reporting and so on. Perhaps they haven't been . . . a firm hasn't been reporting regularly and hasn't been remitting tax regularly, and they seem to be carrying on business. That might be a cause for concern.

So there are . . . in fact there is a breakdown here. Of the 1,689 audits, 548 were classed as non-priority; a little over twice that number were classed as priority. As I say, those are larger firms and firms which for some reason there is cause to be concerned about their reporting habits. But that's as precise of information as we have. We don't have really detailed statistics in that area.

**Mr. Aldridge:** — Thank you, Mr. Minister. With respect to priority audits and what determines that, and I know you've mentioned one of them being larger firms as a target and

another one being firms that give you cause for concern, and you cited as reasons for that in instances where they haven't reported on a regular basis, let's say for example.

What about in an instance where a firm has in fact done that. There's been a contact made by your department to them, and they've afforded a satisfactory explanation. In the future, does their firm's name continue to be flagged where they would be getting these persistent calls in this regard or is there a system within the department devised that would make a note of what has been a satisfactory explanation afforded previously so that they wouldn't be the subject of a persistent campaign on the part of the department.

**Hon. Mr. Shillington:** — As I said, the methodology is the same used everywhere. They're scrupulously careful to avoid looking as if they're harassing people. The Department of National Revenue got that reputation a few years ago and it caused enormous problems to the Department of National Revenue. They've been for years trying to get rid of the reputation.

So everyone else since then has been extremely careful to be scrupulously fair. That reputation of harassing people is easy to acquire and very hard to get rid of. That having been said, the department does, where they do an audit and there's some cause to be concerned, there is . . . the records are kept. If there's no cause to be concerned and if the people are as clean as driven snow, then they keep records just . . . they don't want them audited again. They don't want them coming up in a random audit again.

If, on the other hand, there is some cause to be concerned and the tax hasn't been remitted properly, yes, the records are kept and the situation is monitored and, take our example: returns weren't filed when they should have been, the audit was done and, sure enough, there's tax owing.

(1930)

Yes, then they will follow up on that and ensure that for a reasonable period of time the matter is . . . the accounts are discharged properly. So they do keep track of the records, (a) to avoid harassing people, to avoid going back, to avoid having them picked at random too often if there's no problem; if there is a problem, for proper follow-up for the benefit of everyone.

**Mr. Aldridge:** — Thank you, Mr. Minister. And with respect to the federal government and National Revenue and in particular GST, we would have to share some same opinions in that regard. I would have to admit that we have had a number of constituency concerns about that as well.

But with . . . just going back one more time with respect to the audits. And I may have misunderstood earlier as far . . . The number that you gave me, I believe, was for fiscal year '95-96. I don't know if I ever heard a projection that you may have for '96-97 for the number of audits that may be undertaken by your department.

**Hon. Mr. Shillington:** — It looks to be about the same. I said that a year or two earlier we had increased the staff by a couple.

In that year, in fact the number of audits was increased from 1,300 to 1,600-plus. So '94-95 we increased the number of audits to 1,651; '95-96 it remained at the same, 1,689. Our projection is that it will be in the 1,600s for the next few years unless and until it appears to us that we're having a problem and the tax isn't being properly remitted, which is in fact what happened earlier. And we did step up the auditing a bit, and we think the problem is now resolved. And we'll expect the number of audits to remain constant.

**Mr. Gantefoer:** — Thank you very much, Mr. Chair. I appreciate you noticing the difference in the new seat.

Mr. Minister, I would like to go back to the challenges, I would call them, of the year 2000 that are facing everyone that's dealing with a computer-based technology. And as I understand the numbers, and I may have misunderstood you, I think you said that it was over \$500,000 or . . .

**An Hon. Member:** — 580,000

**Mr. Gantefoer:** — 580. I added 489, and I don't know if we're right or wrong or done the wrong numbers . . . but just to make sure that the number's right on the record. But having said that, Minister, can you explain to me — it seems like a huge amount of money — can you explain to me please, some of the issues that are surrounding that whole thing.

**Hon. Mr. Shillington:** — It seems to me like a huge amount of money, I must say.

I'm not a computer expert. I relate to computers like I relate to cars: I put the key in the ignition, it starts, I drive; if I've got a problem, I call someone for help. And that's what I do with a car and that's kind of what I do with a computer. I don't fix them myself. So I have sort of a layman's understanding.

But I gather the problem is it isn't terribly expensive to fix in the computer. The dates are written in the chips. And in fact, if you just want to do a test on your own computer, try putting a date into the computer beyond the year December 31, 1999. Try changing the date to your computer beyond that. Unless it's a very recent one, the date that will show up will be either April 1, 1980 or April 1, 1982 — whatever was programed into your chip originally.

That's relatively easy to fix. What I guess is very complex is the fact that that date is written into so many different files. So you not only have to update the computer, you have to reprogram the computer so that when it sees the old date, it is able to make the correction in each and every one of the files. And I guess it is an enormously complex program to write, and it has to be individually written for each computer system.

Thus the Department of Health has one problem because they keep track of birth dates, and that's how they keep track of a whole lot of things. That's one problem.

These folks here have a different set of problems. They collect interest and pay interest all according to dates, and so they have a different problem. But I gather the problem is, you don't just have to change the chip — that's relatively easy — but you've

also got to write a program which when it sees any given date will make the correction. And since everybody's system is different, the program has to be written for each individual computer.

That's how it was explained to me. It is an enormously complex problem for what is conceptually very simple. It's conceptually a very simple problem. Dates . . . doesn't go beyond the year 2000. It's simple to understand, but enormously complex to actually fix it.

**Mr. Gantefoer:** — Minister, in the estimates here we're looking at almost half a million dollars for the Department of Finance, and you've mentioned the Department of Health and other areas of government; is this half a million dollars dealing with a government-wide computerized system? Or is it dealing specifically with the Department of Finance?

**Hon. Mr. Shillington:** — It may or may not be some comfort to you to know that the Department of Finance is probably out in front in dealing with it. I don't have with me and I don't think I could give you a comprehensive figure for the whole department. I don't want to deceive the member.

What I said in response to a question to someone, I'm not sure whether it was you or your colleague from Thunder Creek, the department is spending 580,000 on this. That more than accounts for the figure. The figure, you're right, is not 580,000 — 580,000 is what the department's spending on the problem.

Across the government, I don't have a precise figure, because many of the departments aren't as far along in dealing with it. We're the first government in Canada which has a comprehensive program for dealing with it. You may recall my colleague and I, the Deputy Premier, announced 10 days ago a contract with a subsidiary of IBM/ISM to do a comprehensive review of the whole government's programs.

If you ask my colleague next year, I think she'll probably be able to give you some kind of a guess as to what it's going to cost the whole government. At the moment in fact it's the very thing which ISM (Information Systems Management Corporation) is assessing in partnership with a committee which has been established under the auspices of my department, Intergovernmental Affairs.

This question actually belongs in Intergovernmental Affairs. I'll answer it anyway, unsatisfactorily, because we don't have the information. Ask me next year in estimates. I expect I can do a much better job of estimating the total cost for the total government. We're just now beginning to explore the problem in most areas of government.

This Department of Finance is well along the way, and in fact are in advance of most others.

**Mr. Gantefoer:** — Minister, it seems to me, and I, like you, are a lay person in terms of computer technology but dabble enough to understand some of the fundamentals, but it strikes me is, that there is always a risk at being either too far or too behind what changes are being contemplated in the industry.

And it would strike me as that the year 2000 comes as no surprise to anyone, so I would think that huge, huge companies like Microsoft and things of this nature, where many of us are using a lot of their software, hardware, etc., products, must also be sensitive of the year 2000. And I wonder if there is a risk at being too far ahead as well as too far behind, in terms of we may be investing a ton of money on something that there will be a simple solution to shortly.

**Hon. Mr. Shillington:** — There certainly is a risk in doing it too soon and doing it too late. The risk in doing it too soon is someone is going to invent the whatchamacallit and do it for 10 cents. The risk in waiting too long is the problem may overwhelm you; you may be too late.

All you can do is get the best advice you can. The best advice we get from virtually everyone is that the problem is now only three and a half years away and the time is nigh when we need to begin to deal with it.

We are told that if we leave it much longer, the problem is going to increase in cost in a fashion which would have to be described as exponential. So we're told we've waited plenty long enough. If we wait any longer the cost is going to increase very dramatically. So take the best advice you can and you act upon it.

**Mr. Belanger:** — Thank you, Mr. Chair. From what I can gather from the statement . . . first of all, Mr. Minister, I'd like to welcome you and your officials. Just some questions on the northern involvement with your department. Am I to understand that the role of the Finance Department is to collect all taxes and all royalties and all income that the province has and then redistribute this entire wealth to various levels of government? Is that the correct assumption?

**Hon. Mr. Shillington:** — I'm told that's not exactly accurate. The Energy and Mines collects revenue from energy and mining companies so your statement is largely true, but not entirely true. I'm told that Energy and Mines is an exception to it.

**Mr. Belanger:** — Okay, so I guess the next question is, who ultimately has control over the finances and the allocation of those finances?

**Hon. Mr. Shillington:** — Ultimately you do. The members of the Assembly . . . this Assembly authorizes expenditures and the government expends it, so who has ultimate control? It's you and me, brother. When we vote the Appropriation Bill, we authorize the expenditure, and that allows the Department of Finance to then parcel out the money to the departments who can spend it.

So it's you and I that . . . when we pass the Appropriation Bill in a few days.

**Mr. Belanger:** — I guess when it comes to northern Saskatchewan in reference to what we call the old DNS (Department of Northern Saskatchewan) line that you're probably familiar with, what would you say that the highest six or seven allocations of funding to northern parts of the province . . . in terms of the financial expenditures for the Department of

Finance and what are these amounts?

**Hon. Mr. Shillington:** — I'm getting some assistance from the member from Cumberland, the minister of northern Saskatchewan. I am assured that it's the same ones it is in the South. The highest expenditures are Health, Education, Social Services, and, of course, regrettably, we all regret the fact that interest is now number three, and northern people have got to pay their share of that expense as well. It's the same expenditures as it is in the South. There's nothing, I'm told, unique about northern Saskatchewan.

**Mr. Belanger:** — I guess one of the questions that the Minister of Education answered is that she allocates roughly \$27 million for Education. Do we have a ballpark figure for Health, and for Municipal Government, and for Social Services, as to what you may spend in northern Saskatchewan?

**Hon. Mr. Shillington:** — The Department of Finance wouldn't have that information. The figure of \$27 million — I advise caution on that figure. It may not be accurate. It may be perhaps in the ballpark but I'm told it may not be accurate.

But the department wouldn't have that figure. What the department does is . . . You'll see in the *Estimates*, the Department of Education is allocated so many hundred million dollars. They get it, they spend that, and the department doesn't . . . they don't report . . . the department here doesn't control and it doesn't have the . . . it really doesn't have information as to what they spend where.

All they are concerned about is that they spend it on that which is authorized by law — that's the auditor's concern. And the department here of course is concerned they don't spend any more than what they're entitled to. But when in those extremely broad limits, the Department of Finance does not control individual expenditures.

**Mr. Belanger:** — Is it fair to assume then the Department of Finance does have a record of all the income that it receives from certain sectors?

**Hon. Mr. Shillington:** — Yes, the answer to that question, that is fair to assume, I say to the member from Athabasca. It's summarized on page 74 and 75 of the document entitled "Budget Address." Yes, that's fair to say that the Department of Finance does have records of all taxes paid.

(1945)

**Mr. Belanger:** — Okay, again, one of the things that we looked at in terms of the mining sector there, there's a number of areas that I'd like to get even a ballpark figure, if I may, Mr. Minister, on in particular the mining sector.

We understand that the mining sector, when talking about taxation — and certainly, you know, looking at some of the royalties and fees and the taxes and what is meant by graduated royalties — what's the different structure that you may use when assessing mining taxes and royalties and fees that a mining company might be looking at paying once they do begin

operations in northern Saskatchewan?

**Hon. Mr. Shillington:** — Yes, we can say in general terms — really detailed questions about individual royalties, you'd want to ask individual departments, but I can answer in a general way — when we have graduated royalties what . . . these are often done at the behest of the energy and mining companies actually. It is an attempt to base royalties on profitability rather than on raw production. And in most cases you have a base tax and then you have an incremental tax which is based on profitability of the firm, and in almost all cases it's much preferred by the individual firms.

Let us take the example of lumber companies. In fact this is under . . . we're working on this at the moment. But one can imagine that if you charged \$10 per stump — and I picked that figure right out of the air — it may be 2 or it may be 20. But if you charged \$10 per stump it may be quite unfair if the lumber prices, dimensional lumber prices, are very low or pulp prices are very low. It may be unfair to the taxpayer if the prices are very high. And in recent years we've seen some wild swings in both pulp and dimensional lumber. So graduated taxes are an attempt to take a base tax, but then have incremental taxes which vary with profitability.

**Mr. Belanger:** — So am I to assume then, Mr. Minister, that it would be to the advantage, based on this graduated royalty scheme, to have profits and tremendous profits of the development of the northern resources for government purposes or for government coffers?

**Hon. Mr. Shillington:** — I don't know that it is necessarily . . . well, yes it is in a way. I think your question was, is it in the interests of Northerners to have graduated taxes? It is in a way because the argument which the companies make is, okay, you say you need 20 million from uranium or some such figure. Again, I picked a figure out of the air.

If you can pace it according to profitability you're very likely to maximize the number of jobs. Because firms then can keep people on the payroll when the lumber prices . . . when the commodity prices go down and they can . . . and so the employment is not quite so cyclical.

So yes, it's in the interest of Northerners in a way. We'd probably get the same amount of royalty. But it does — by allowing firms to even out profit and cash flows — we also enable them to retain employees in tough times. And that's obviously in the interest of Northerners and Southerners.

**Mr. Belanger:** — The other question I had is — and we'll kind of bounce back and forth here because there's some things that I have I got to make sure I'm correct on before I ask the question — but have you got a general ballpark figure, within a few million, of what you actually earn as a government in royalties, taxation, and land leases from the northern resource companies, which include your forestry companies and your mining company? You've got to have that information.

**Hon. Mr. Shillington:** — No, we don't. As I think the member has anticipated by the nature . . . by the way you're developing

the questions, the nature of graduated income tax makes that difficult to do. If you're charging \$2 per stump — to take this example out of the air — you can allocate that according to territory. But if you're charging 50 cents per stump, plus a graduated royalty depending on profit, you don't know where that comes from because that depends upon where the company does its business. And you'd have to have an intimate knowledge of the company's affairs to be able to place it. So I think the member's anticipated this answer.

The movement to graduated royalties has meant that it is almost impossible for us to allocate revenues by area of origin because they're company specific, not area specific. So I think the member has correctly anticipated the answer. The answer is no, we can't do that with any degree of precision.

**Mr. Belanger:** — Well I guess we'll try it from a different angle here, then — not so much from the sector but obviously we don't have a mining company that's mining for uranium based out of Moose Jaw, so is there perhaps information, Mr. Minister, as to the mining companies operating within Saskatchewan whose primary functions are north of the northern administration district line, that file income tax returns and statements to the Saskatchewan government, that have to do with the development of northern resources?

**Hon. Mr. Shillington:** — Yes, the member's correct in a way. That's fairly shrewd. All of the uranium comes from an area north of the old DNS line, if you want to use that line. I think it's accurate to say that all of the coal comes from the area south of that. Thereafter you're into some pretty tough country, trying to allocate them.

If you look on page 74 of the document entitled the "Budget Address," you will find the figure for uranium in the '96-97 period — the estimate for uranium is 20.7 million. Yes, that's correct. All of that would come from the area north of the old DNS line.

**Mr. Belanger:** — That 20.7 million, that is simply for the royalties and the taxes that they pay for operating on the land. This is not to do with corporate or personal income tax?

**Hon. Mr. Shillington:** — No, that's not corporate income tax, no. That is resource . . . that is the royalties on the non-renewable resource, yes.

**Mr. Belanger:** — Okay, so some of the employees of some of these northern mining companies that may live and operate in Prince Albert, Regina, Saskatoon — there would be no way to determine their personal income tax contributed to the fact that the uranium industry operates in northern Saskatchewan?

**Hon. Mr. Shillington:** — No, we wouldn't have the information. And Ottawa, if they have it, they certainly wouldn't release it. No, we don't have that information.

**Mr. Belanger:** — Again going back to the mining sector, the 20.7 million that you indicate that's being possibly anticipated from northern Saskatchewan revenues, is that for all the mines now or any potential mines in the future?

**Hon. Mr. Shillington:** — The answer to your question is yes, that's what the department estimates will come from uranium in the 1996-1997 year, which is this upcoming year.

**Mr. Belanger:** — Is there any information in terms of the five highest income generators in northern Saskatchewan? Do you have that information as to where you get most of your dollars in terms of whether it's corporate income tax or people filing E&H (education and health) tax, or is it just simply the mining sector and the forestry sector that's contributing?

**Hon. Mr. Shillington:** — I can only answer that in the most general terms. They would likely be the largest mines and perhaps the forestry industry. But I wouldn't have that information and I'm not 100 per cent certain that the department would feel free in making that information public. What an individual pays in tax is not public information.

If you want me to identify the five largest taxpayers, I don't think the department would do that. We don't release — and I say to the member from Athabasca — we don't release individual tax information. I think your question would have us doing that.

**Mr. Belanger:** — Thank you very much, Mr. Minister. And I've got other questions at a later time.

**Mr. Gantefer:** — Thank you very much, Mr. Deputy Chair. Minister, I believe it's on page 7 of the budget address document, but the budget suggests that there's some \$630 million to be spent on capital projects through the Crowns and the government. I wonder if it would be possible for the minister to provide us a breakdown of these capital expenditures.

**Hon. Mr. Shillington:** — All right. The member will have this year's copy of Saskatchewan *Estimates*. If you turn to page 25 of those *Estimates*, the member will find the capital expenditures in the line departments of government. I won't read those out; the member has those.

I don't think you have this document so I'm just going to read these quickly into the record. There is an additional . . . and that figure comes to 175.526 million. Then the Crown corporation estimated capital expenditures total 455 million. And I'll just read those quickly into the record: CIC (Crown Investments Corporation of Saskatchewan) is in for 37 million; SGI (Saskatchewan Government Insurance) in for 6; SaskPower in for \$144 million; SaskTel in for 165; STC (Saskatchewan Transportation Company) 4; Sask Water 32; SaskEnergy 67; which I am told adds up to four fifty-five. That is the breakdown of the capital expenditures by government department in the *Estimates* book. And I've just read into the record the breakdown of investments for the Crown Investments Corporation, for the Crown corporations.

**Mr. Gantefer:** — Minister, as I understand it they're all capital projects. Would you have a further breakdown as to what would be construction projects in that total?

**Hon. Mr. Shillington:** — The answer . . . sorry, I got into a side bar conversation here about tonight's business. No, we don't have the breakdown. The Department of Finance only has the globals. The process is that the departments ship into Finance a statement of their needs, and they do it in global terms.

The Department of Finance and Treasury Board then juggle those figures all fall and so on, and then we settle it but we never do get the detail. The detail remains in the department. They send in their estimates, we determine what figure we can make available to them, but we never do get the details. The details you'd have to get from the individual departments as they come forward.

**Mr. Gantefer:** — Minister, as well, and I suspect that the answer may be the same as to which of those projects would be subject to CCTA (Crown Construction Tendering Agreement) or arrangements that are made under construction preference policies or tendering policies of the government. And if that is not available tonight, and I understand that, could we have the undertaking for that breakdown to be made so that we might reconcile the \$630 million?

**Hon. Mr. Shillington:** — No, the Department of Finance would not have that information. I'm just now answering for the Department of Finance and I can only give undertakings for the Department of Finance. When you ask questions on other departments I answer them if I have the knowledge, but I can't give an undertaking from another department.

The Department of Finance wouldn't have that information. Individual figures of the ilk that appear on page 25, those you could get from individual departments. The details of the Crown investments you'd have to get from the member from Rosetown, and I think there is an opportunity actually in the House here to question the CIC. I think there's a statutory grant. In any event, if you don't get it here you'd have to get it in the Crown Corporations Committee. But to put this question to bed, the Department of Finance does not have it and I can't give the undertaking on their behalf.

**Mr. Gantefer:** — Mr. Minister, one final, small point. The information you read into the record from a document that you suggested we do not have, would we be able to have a copy of that page that you quoted from?

**Hon. Mr. Shillington:** — No. This is not a public document; this is some information they got ready here, generally described as briefing notes for the minister. When I was in opposition I would love to have had the minister's briefing but I never had them. And then the . . .

**An Hon. Member:** — They couldn't read them anyway.

**Hon. Mr. Shillington:** — Actually yes, the member from Prince Albert's probably right. If we had them we wouldn't have been able to read them. Now I'm actually reading from the minister's briefing notes; they're not something that's made public.



**Mr. Aldridge:** — Thank you, Mr. Deputy Chair. I have a couple of questions now with respect to a concern of a number of women in the province related to agriculture. It's a major concern to a large number of women with respect to the failure of the government to do something about the farm fuel tax rebate.

I know in my constituency I have spoke to a number of farm women who have been quite upset about that tax rebate policy. As an example, it's common that one could have a husband and wife who operate two entirely separate sort of farm units, despite the fact they're married. One spouse could have a poultry operation. The other could farm grain. In other instances, many of these couples each have their own individual Canadian Wheat Board permit books and file their own separate tax returns as stand on their own farm entities.

And in a time period of increasing farm diversification, this is going to become more commonplace than it is an exception. And I'd just like to ask the minister what the department might be doing to review what is a very prejudicial policy towards farm women.

**Hon. Mr. Shillington:** — This problem has just come to . . . we just got the board decision. There's been some concern expressed about it. To be quite candid, I think the Department of Justice has not completed its review. And when the Department of Justice completes its review and the Department of Finance has an opinion, the Department of Finance is then going to have to determine what they're going to do with it.

Any number of options . . . there are quite a number of options open to them, one of which might or might not be an appeal, depending on what the Department of Justice says about the advisability of that.

I think it would be premature tonight to speculate on what kind of . . . how this might be approached by the Department of Finance. Suffice it to say, it is not a major problem, I guess, but it's certainly a bit of a challenge because it is not the way this problem has been handled, and it has enormous financial implications for the government.

So it is being reviewed. I don't think we'll be able to give the member from Thunder Creek anything in the nature of a coherent answer during these estimates. This problem is going to take weeks and probably months to unravel. And I think the best we can do is hope we have a coherent answer in next year's estimates when you're asking whoever is Minister of Finance then these questions.

**Mr. Aldridge:** — Thank you, Mr. Minister. But could I just ask one further question though. You've mentioned that it might be weeks if not months, and it involves a review by the Department of Justice. But have any officials of the Finance department got . . . Can we nail it down a little bit more closer as far as what time frame we're looking at here for the outcome of the Finance . . . or of the Justice department's review, please.

**Hon. Mr. Shillington:** — Someone suggested first of the week. We're just not sure first of which week. No, to be serious, I really can't give you a very definite answer. Having got the

decision, we have 30 days to review it before we need to make any decisions with respect to an appeal. I guess there's a 30-day appeal period.

Even after we have that information, we still have to determine what we're going to do with it. If it's not to be appealed, then we need to determine what we're going to do with the decision. And I'm just afraid I cannot be any more definite than that as to when the matter will be resolved. It's a complex problem involving an enormous amount of money for the government.

**Mr. Aldridge:** — Well thank you, Mr. Minister. Now I have a few more questions related to it.

Given that you have acknowledged that it could become an enormous amount of money for the department, it seems to indicate to me that there has been somewhat of an undertaking by your department in terms of an analysis of what sort of monies it could mean to the department. And certainly what we're hearing here this evening could be inferred that it's almost a given that the department might be appealing the outcome of the review if it rules in favour of providing a rebate to both spouses in the circumstances such as I've described.

Could you provide to the House this evening a little bit more detail about what analysis has been undertaken with respect to this matter by the Department of Finance.

**Hon. Mr. Shillington:** — The analysis is really in an embryonic stage. We just got the decision; we've not got an analysis from . . . we've not got the decision review from the Department of Justice. And the department has not done anything in the nature of an analysis on the basis of which, I could give you reliable figures about how much it's likely to cost us or what various options might cost.

So I spoke of an enormous amount of money. I really cannot be very definite. I can't tell you if that's 110 or 100 million . . . our consideration of this problem is really in a very embryonic stage.

**Mr. Aldridge:** — If a person was to look at it in terms of the number of filers currently for the farm fuel tax rebate, if one was to speculate that those were going to double, then you'd be able to attach a ballpark figure in that regard. I would think there must be something that could be provided by the department in terms of a ballpark figure with this respect. So I would just press one more time for an answer, if I could.

**Hon. Mr. Shillington:** — What I can do — it might be of some assistance to the member — what I can do is tell you that the total amount which we pay out under this program is 36 million. This is a very precise figure actually for . . . Oh, no. This is the amount paid out last year. This is not next year's estimate. The amount paid out last year is \$36,622,708; I was going to say that's an awfully precise estimate, but that's last year's figure.

So that's what we paid out last year. That will give the member some help in knowing the parameters of the problem. You really don't know at this point in time what the additional would cost us. We don't know how many of these farm families

would both be entitled to them. We don't have any reliable figures which would enable me to speculate as to what the ruling might cost us.

That will give you a ballpark. The total amount paid out is 36 million, so that gives you perhaps some idea of the parameters of the problem.

**Mr. Aldridge:** — Mr. Minister, could not the department obtain from a statistics branch of this government some figures in this regard that might better able the department to make such a determination? And this being just a helpful suggestion, given, as you suggested, this is an undertaking that's in its embryonic stage. Could you comment?

**Hon. Mr. Shillington:** — I should perhaps . . . let me make a comment about the nature of undertakings. Undertakings are often given to provide information where they're in the possession of the department, which are not here and available in the House; so we have the information, so we give you an undertaking to provide it with you as soon as these gentlemen and ladies can collect it.

Where we don't have the information, we really cannot give you an undertaking. We don't know precisely what statistics are available to us, how precise the analysis is. I can't give you an undertaking to provide information the precise nature of which I'm not sure we have. Not one of the . . . one of the things we need to do is to determine how good our statistics are and how accurate information we can give you.

**Mr. Aldridge:** — Thank you, Mr. Minister. And you'll forgive my persistence in this matter, but it is one that, as I said at the outset, is of a concern to a number of my own constituents and I do want to construct as best a reply as possible in this regard. So we would certainly appreciate any further informations that could be provided by the department officials, even if it be at a later date, in this respect.

Could I — just in that being enough said — could I move along. With respect, Mr. Minister, in early March when the federal government released its budget there was, and this is going back pertaining to audit work again, when they released their budget, there was a proposal made that related to some of the auditing work done by this branch of the department.

The minister's general view on the budget, the federal budget, that is — and all members of the government opposite has been quite clear; you've expressed your opinions on a number of occasions about it — but that aside, the federal government did indicate in that budget that it's interested in merging some of the agencies which audit with respect to tax. So instead of having a crew for your income taxes, or PST, followed by people from a GST (goods and services tax) office, they were proposing one group of auditors and one agency. And it's my understanding, on reviewing the federal budget, that the suggestion of amalgamating these enforcement agencies would also . . . extends to provinces.

And obviously the revenue branch in your department carries out these same sorts of activities as we've been discussing here this evening. And given that, could the minister tell us what . . .

in dealing with the suggestion such as this to reduce overlap and duplication, could you just make some comments whether there's anything that might be followed up on with respect to this, and in particular, this tax enforcement aspect?

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**Hon. Mr. Shillington:** — Once again, by luck I think more than anything else, this matter comes within the jurisdiction of the Department of Intergovernmental Affairs right at the moment.

In the upcoming first ministers' conference there may be some discussion of administrative arrangements. That is, ways in which the Confederation could be made more efficient and more effective, respond to some of the feelings — needs — that people feel with respect to making Canada work better.

Under a broad rubric of economic union, the federal government has put this idea forward. It's one of a number of ideas which have been put forward.

Our general approach is that we are not hostile to the idea. It may well have some merit. And an analysis might suggest that it could save some money, so we are moderately receptive to the idea with quite a number of conditions to attach, not the least of which is that any kind of coordination and collecting does not mean harmonization.

Harmonization is, at this point in time, not on. But coordination doesn't necessarily mean harmonization, and we are, yes, we're receptive to the idea. It is going forward in the context of the first ministers' meeting later in June and we are not hostile to the idea. It may well have some merit.

**Mr. Aldridge:** — Thank you, Mr. Minister. In this regard and in the interests of efficiencies and economizing, while reading your paper on economic development it indicates that government is going to be reducing regulations and nuisance fees something in the order of 25 per cent over the next 10 years. And, well for starters, I could say that that might be considered by some as a rather modest undertaking.

But that aside, would you provide us with a list of regulations from the Department of Finance, a list of nuisance fees, if you might, that could be targeted for such an initiative. And if you might make a comment with respect to why was this initiative so slow to be undertaken.

**Hon. Mr. Shillington:** — Each year, when the members of Treasury Board begin to prepare the . . . each year when we prepare the budget, we review the list of fees and charges. We review them to see if some of them should be eliminated. Sometimes we're collecting \$5,000 in fees and putting people to hundreds of thousands of dollars of expense to pay them, and those need to be eliminated.

At each year we review them, and perhaps we think some ought to be increased where the government is providing a service for which people can pay and ought to pay. So each year the whole of the fees and charges is reduced. The whole question of regulatory reform is really much broader than just fees and

charges, and in fact fees and charges is really peripheral to it.

This is being done in Executive Council, actually. It's a question you may want to reserve for the Premier. This is being done out of Executive Council. It is ongoing now.

There is some staff who are now doing a review and talking to people. I think we'll be contacting businesses and outsiders, but it's just begun. The process is just now beginning to take hold. And I think it will mean a real reduction in regulatory red tape and I'd hope it would be all of 25 per cent and perhaps more. But it's just beginning. It's in Executive Council and it's too early to say precisely what will be done.

But as I say, fees and charges is really kind of outside the ambit of this discussion. The fees and charges one is done each year. I've been on Treasury Board since 1991 and each year we do this. Each year we go over the fees and charges, try to eliminate those which are nuisances. And quite frankly, we ask ourselves on each one, is the person who's getting the service paying their way? If not, should they pay their way? And so each year we go over these things one by one — one by one.

**Mr. McLane:** — Thank you, Mr. Chairman. Mr. Minister, you have a line in Finance entitled, allowance for doubtful accounts. Could you elaborate on that a bit, please?

**Hon. Mr. Shillington:** — This appropriation is required under accrual accounting. The member will know that we're now on accrual accounting and have been since 1993, '94, somewhere thereabouts. And under accrual accounting you have to provide for accounts receivable and thus you need a . . . correspondingly you need provision for doubtful accounts.

As I say, it's part of your financial statements and mine. The government, now being on the accrual accounting system, is no different. You have to estimate those of your accounts which you won't receive and set up a "doubtful" accounting system. In a large institution it's no different than the accounts which you as a storekeeper might have or I as a lawyer will have.

**Mr. McLane:** — Mr. Minister, thank you. Do you have some form of a breakdown as to that line? Give us a couple of examples, if you could.

**Hon. Mr. Shillington:** — The 1996-97 budget estimate is 1.7 million. The estimate of 1.7 million consists of allowances for education and health tax, 1.3 million; corporate capital tax of 230,000; liquor consumption tax of 70,000; and other taxes which would consist of fuel, tobacco, and insurance premiums tax of 100,000; which I am told adds up to 1.7 million.

**Mr. Osika:** — Thank you, Mr. Chairman. I'm just curious about one item in that same particular area. Bonding of public officials . . .

**The Chair:** — Order. It is a little unusual. I welcome the Minister of Finance to take over her estimates, and I did that by way of explanation so that anyone viewing would understand why the Leader of the Opposition stopped mid-question.

**Mr. Osika:** — Thank you, Mr. Chairman. Welcome back, Madam Minister. I'm just curious about one item under

miscellaneous payments, and that's for bonding of public officials. I'm just curious; which public officials? That's something that we've been discussing in other areas recently, and I wondered what particular public officials those might be.

**Hon. Ms. MacKinnon:** — Mr. Chairman, thank you very much for that introduction. All public servants are bonded.

**Mr. Osika:** — Okay, thank you for confirming that then. So the cost is included in that particular line item for each and every public servant, Madam Minister. Is that correct?

**Hon. Ms. MacKinnon:** — Yes, that's correct.

**Mr. Osika:** — Thank you. I notice that as well under that particular item that the implementation of guarantees has been reduced by 50 per cent. Forgive me for not knowing what that implementation of guarantees is responsible for, and also why the 50 per cent decrease for the coming year?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. First of all this is not a large amount in terms of the difference. And the difference is there because the government has not had to act on guarantees as it has had to in the past, so that's why there's the decline.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair. And, Madam Minister, there's been an indication that the federal — or Federation, I'm sorry — of Saskatchewan Indian Nations will be taking the government to court regarding the issue of taxation on reserves.

Now they feel they are not obliged to collect the GST or the PST. And while that is their position, they feel that negotiations are not proving productive to resolving the dispute. And be that their position, I wonder if you as minister could explain to the House what sorts of efforts the department is taking in the coming year or has taken towards resolving this very sensitive issue.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. The first nations people, or the Indians in Saskatchewan, have said that they want to move to what occurs in other provinces. In Manitoba, for example, status Indians do not pay taxes on cigarettes and gas on reserve. In Saskatchewan they do pay taxes on cigarettes and gas on reserve.

The province has said we're willing to look at different models of taxation. But if you want to look at what happens in provinces like Manitoba, status Indians do not pay taxes on cigarettes and gas on reserve, but they do pay the sales tax off reserve. So if you want to move to a new model, there has to be a trade-off. There has to be a balancing.

The position of the federation has been that they don't pay taxes, period. And so this is a very difficult negotiation when somebody starts from the position that we don't pay taxes. How do you talk about trade-offs? What I would be interested in is . . . I know the Conservatives have stated their position, which I think is not exactly upfront with the electorate, because if they're going to move in one area, if you're going to charge the sales tax off reserve, they're going to end up giving the

exemptions on reserve which will be about revenue neutral to the taxpayer.

But what I'm interested in is the Liberal position. Because to say, as you have publicly, that this is a complicated issue, everybody knows. The Government of Saskatchewan has taken a position that there have to be trade-offs. If you want the Manitoba model, then you take both parts of the Manitoba model; if you want the Saskatchewan model, that's fine.

I would be interested to know in more detail what your position is. Because to say it's complicated is not enough. To say you'd negotiate is not enough either, when the Indians begin from the position . . . their negotiating position is, we're not prepared to pay taxes.

**Mr. Aldridge:** — Madam Minister, I guess what is more important here to the people of the province is, in matters such as this, and when it's being suggested — such as it is — by natives that this issue could be taken into court, once you get into court of course there's always a very significant level of risk associated with that.

You're putting your fate in the hands of the law and to a judge's interpretation of the law. And you know, such an outcome may or may not be satisfactory. It certainly is not going to be satisfactory for both parties. And I wonder if the minister could just tell whether her officials have calculated the risk involved here. And please provide the people of the province with some comment on this matter because I think they want to hear that from you.

They're not so interested in what the opposition's position is on this matter. They want to know what you as the elected government official is doing to protect their interests.

(2030)

**Hon. Ms. MacKinnon:** — I think that I don't agree with your position that they're not interested in what the opposition says. But let me first of all state the government's position. Then I'll state what I think your obligations are.

From the point of view of the government, we have said the tax system in Saskatchewan has to be fair, not just to first nations people, but to taxpayers. We're not prepared to see any change in the tax system which is going to cost the taxpayer of Saskatchewan more. So from the . . . when you start from that premiss, we're willing to be open. Do they prefer the Saskatchewan model in which the E&H is not charged off reserve, but cigarette and gas tax is collected on reserve? That's the Saskatchewan model.

Or do they prefer the Manitoba model where cigarette and gas tax is not collected on reserve but the E&H, the sales tax, is collected off reserve? And by the way, both models cost the taxpayer about the same number of dollars. That's our position. We're willing to talk about that. We're not willing to change it in a way that will be to the disadvantage of taxpayers. And so therefore the taxpayers have not suffered. And they won't suffer under this regime.

But what I want to know from the members opposite is . . . I

don't think it's adequate to say, well the government's the government, and they have to take positions. We're just here to criticize the government. The opposition's role is to provide an alternative to the government. And therefore on key matters like Indian taxation, it is not enough to say it's complicated and we talk about it because I have said and the chief of the federation has said publicly, his position is the Indians have already paid their taxes; they're not prepared to look at trade-offs. So if they're not prepared to do that, then what would you do that would be different than what we are doing?

**Mr. Boyd:** — Thank you, Mr. Chair. Madam Minister, welcome, and welcome to your officials. I want to just begin by offering some congratulations with respect to the provincial credit rating upgrade. Certainly that is important to the people of Saskatchewan. Anytime that . . . an upgrade is good news, and there's no other way of describing it.

Of course the balancing of the budget of Saskatchewan is important, and we support that. We've always been on record as supporting balanced budgets legislation, balanced budgets. We certainly believe that that's appropriate. We may disagree on how you achieve it, but we certainly agree that that is important, Madam Minister.

So the credit rating upgrade is good news. I understand — what is it? — two, roughly 2 million in savings, something in that magnitude, and I think that that is good news for the people of Saskatchewan.

I'd like your further thoughts with regard to possible future upgradings of the credit rating, and what direction you intend to take with regard to future balanced budgets, that type of thing.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, first of all thank you very much for those comments. I think we can all agree that the credit does go to the people of the province. Government can provide leadership, but if the people are not willing to understand the problem and to support difficult choices that have to be part of the solution, the government isn't going to succeed. So I thank you very much for those comments.

Our intention is to abide by our own balanced budget legislation which requires a government to do what we just did: present a four-year plan to the legislature which ensures that there are balances throughout that four-year period and to also present a plan to reduce the province's debt. It's my own view that the public of Saskatchewan simply will not tolerate deficits. I think that they learned from the 1980s that deficits are really just deferred taxes, as I think one of your former leaders said.

And therefore our goal is to balance the budget of the province each and every year, but to do it in a balanced way in which we ensure that there are adequate safety nets in place and social programs, and to also look at the issue of a level of taxation and ensure that there is a fair taxation system that allows the province to be competitive.

And I think if we continue on that track, we will see in the future upgradings in the province's credit rating.

**Mr. Boyd:** — Thank you, Madam Minister. Something that I hear frequently from my constituents — and I'm sure you do from yours — and from people all over the province is the concern with respect to the level of debt of the province of Saskatchewan. I'm not . . . I don't want to get into a debate about who's responsible or who isn't responsible or lay any blame here or anything like that. I simply feel that it is important that the people of Saskatchewan understand and know what the debt levels that the province has and we are faced with here in this province.

People get . . . and I'm sure you get the same types of questions that we get all of the time — the Consolidated Fund and the General Revenue Fund and the Crown debt and unfunded pension liabilities, and what all that means in terms of it. And I think it might be useful, Madam Minister, if you were to provide an overall direction, overall position, with respect to the debt of the province of Saskatchewan so that people have some sort of understanding.

I mean I tend to look at it a little bit like your credit card, and you know you've charged in this area, and you've charged in that area, and you've bought a new capital thing in this area. But at the bottom line, you know what the debt is. You know what your credit card balance is and what you're going to have to pay, eventually going to have to pay at least, or make payments on. And of course there's interest accruing and all of those kinds of things.

So I think it might be helpful, Madam Minister, if you just gave a little bit of a summary with respect to the total debt levels of the province of Saskatchewan so that the taxpayer out there knows exactly, if they were all of a sudden to win a lottery tomorrow or the province of Saskatchewan was to win a lottery tomorrow and they wanted to wipe the debt off the books, what kind of money they'd have to come up with. And I would want you also to include in that, Madam Minister, a brief — and I'm doing more for the benefit of people that might not understand debt, deficit, Consolidated Fund, General Revenue Fund, all of those kinds of things — a brief explanation of each one of the areas of debt including things like the Consolidated Fund, General Revenue Fund, Crown debt, the unfunded pension liabilities, things of that nature, and a brief explanation of what each one of those are.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, as of March 31, 1996, the debt of the province was \$14.3 billion. It breaks down roughly: 8.7 billion general government debt; 5.4 Crown corporation debt. A year from now that debt will decline to 13.4 billion. By the end of the four-year cycle it will be down to 12.5 billion.

I think what's key as well is what outside agencies say about the province's debt. Yesterday when Standard and Poor's announced their upgrade, one of the reasons that they announced an upgrade was because of the province's reduction in its debt. And I'll quote from what they said in their report:

Saskatchewan's net tax-supported debt burden has declined sharply since its 57 per cent of GDP peak in 1992 (that is, in 1992 the debt of the province was 57 per cent of the size of the economy), falling to 46 per cent in 1996. A

further drop to 42 per cent of GDP is projected for 1997.

So really what they're saying is one of the best measures of debt is the debt relative to the size of the economy. It's like saying to a household, how much debt do you have? The number doesn't mean much unless you say to the household, well what's your income, what's your capacity to pay down that debt?

And what they're saying is there were three main reasons for their upgrade. One was the fact that the tax-supported debt of the province, that's the dead weight, credit card-type debt of the province, is declining dramatically, and they see it as a continual decline into the future.

**Mr. Boyd:** — Thank you, Madam Minister. And I appreciate those numbers. You failed to elaborate with respect to unfunded pension liability.

**Hon. Ms. MacKinnon:** — The unfunded pension liability is \$3.3 billion.

**Mr. Boyd:** — Thank you, Madam Minister. So when you consider all areas of obligation that the province has then, we are looking at 17.4 billion?

**Hon. Ms. MacKinnon:** — They're separate, Mr. Chairman, to the Leader of the Third Party, they're separate issues. The debt that the province has outstanding right now out there in the money markets that we have to pay is \$14.3 billion. That's it. For some reason or other all the debts had to be paid tomorrow, that's what we would have to pay.

The unfunded pension liability is a different issue. That's something off into the future. We don't have to pay that tomorrow. That can't be called tomorrow. And so it's quite a different matter. And that's 3.3.

**Mr. Boyd:** — Yes, I think certainly we recognize that, Madam Minister, but it is a future obligation and if you were to . . . if you were in your household wanting to assume that you're totting up the numbers to find out what the total debt of your household was, any future obligations you would want to consider in that, would you not?

**Hon. Ms. MacKinnon:** — Well, Mr. Chairman, to the Leader of the Third Party, I think there's quite a difference. It's like saying my mortgage is this, whatever other money I owe is another figure. If something happened, that could be called tomorrow. I have future obligations. Let's assume that I am totally committed to sending my children to university or whatever. That is a future obligation that is there, I know it's there, I know I'm going to have to pay it. But until the day that they actually register, I'm not going to have to pay that. Or if I have obligations to other members of my family, that if my mother were to pass away I have to take care of my sister, that is a future obligation. I know it's there. I know I'm going to have to pay it, but it can't be called tomorrow.

So there's quite a difference. That 14.3, if something happened, and I can't imagine what it would be, that would occur that would force the creditors to call that, that could . . . the province could be expected to pay that. The other is a future

obligation which is there and we certainly recognize it, and just like a family you have to plan for it. No family drifts into children going into university without some game plan in place or parents passing away without some game plan in place, but it's a different sort of obligation.

**Mr. Boyd:** — Well yes, I guess in some regards it is a different kind of obligation, Madam Minister. To use your analogy, the family that's preparing for the expenses of children that may want to attend university somewhere down the line, that's a wish, essentially, is that you're thinking that you are going to prepare for that eventuality at some point.

On the other hand with the pension liability, that's a debt that's already incurred, is it not? That is already established; that you don't have an option in terms of . . . you know that at some point that it's going to come forward. I recognize that it's not something that is going to happen right tomorrow, and that for whatever reasons the pension liability isn't all going to be forced on the taxpayers of Saskatchewan. But nevertheless it is an expenditure that is going to have to be budgeted for at some point in the future.

(2045)

**Hon. Ms. MacKinnon:** — That's right — over the next 30 or 40 years. And again, as I say, assuming that you may very well be right that it's a wish that your children go to university. I don't think it's anything but an obligation of parents to believe that children need some form of higher education in this particular day and age. And so the parallel I think is an accurate one. One of the best ways to prepare yourselves to finance the higher education of your children is to ensure that your mortgage is paid down and your other debts are under control so that you're in a position to finance that.

So that when Standard and Poor's says that the government is doing a good job of reducing the debt of the province, it is exactly the same as preparing ourselves to ensure that we're able to meet those future obligations.

What I would also add on the pension front is that the four-year financial plan which the government just presented entails all of the province's pension obligations for the next four years. So we have projected out four years. We are meeting our obligations and we're doing it without a dramatic increase in government spending.

**Mr. Boyd:** — Thank you, Madam Minister. Does your department then prepare an analysis of pension debt, pension liability? Like do you have some sort of a calculation or a plan in place that you could provide us with, with respect to when the pension liability comes due?

Now obviously you threw out the figure of 40 years. I can't somehow think that that would be the case. I wonder, Madam Minister, if the pension liability peaks at some point and then starts diminishing, or do we continue to see it rise, or how exactly does that work? Could you explain that for the benefit of the taxpayers.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the

Third Party. It depends when people retire.

But certainly, as I say, we have projected out for the next four years all of our pension obligations. They're included in the four-year financial plan. If you look at the spending in the four-year financial plan it is close to flat, so obviously this is not a problem of any magnitude in the next four-year period. Beyond that, it depends exactly what choices people make in terms of their retirement.

But I think the key thing on the pension issue that has to be emphasized again and again is the gate has been closed. That is, the problem has been solved to this extent — in 1978 the government of Allan Blakeney changed the pension scheme for the province of Saskatchewan.

Anybody who joined the government in any capacity after 1978 — whether as a civil servant or as an MLA (Member of the Legislative Assembly) — is now in a different pension scheme which is totally funded. That is, the member sets aside a certain number of dollars; the government sets aside a certain number of dollars. What the member gets upon retirement is just the money that has been accrued through those dollars.

So the scheme is fully funded and it's also inexpensive to taxpayers, relative to pension schemes that exist in other parts of Canada. So I think the key thing is the decision has been made to ensure that in the longer term, once the people on the old plan have retired through the system and have passed away, we have a system that is affordable and which is also fair.

**Mr. Boyd:** — Thank you, Madam Minister. So using current — now I recognize that it's difficult to estimate into the future without using some sort of parameters about what you can expect — but using sort of current pension ages, you know, 65 or whatever the case may be, that you would want to use for government employees or teachers or anyone else for that matter, using the sort of current numbers that you would want to use if you were to ballpark the figures out into the future, have you a calculation of how that pension debt accumulates and starts to drop off? Is there something you can provide us with in that regard?

**Hon. Ms. MacKinnon:** — Well I think, as I say, the key thing that has to be taken into account is all that you can do in terms of pension obligations is take your particular point in time, which is what the government does and which is what the auditor does — each and every year says, here are the people in the system. Here is when they are anticipated to retire. Here is your future obligations, and peg that at \$3.2 billion right now.

But it's impossible to project that accurately into the future because you don't know of the choices that people are going to make. Some people may decide to retire at an earlier age, particularly teachers, because a big part of the unfunded liability is the teachers' scheme.

So you can only do it on a rolling basis, whereby this today is what we know our future obligations are as far out as we can project with the people that we have in the system as of this moment.

**Mr. Boyd:** — Thank you, Madam Minister. Could you provide us with a breakdown of the pension liability and where it lies? You mention the teachers, and there's the MLA, and all of that. I wonder if you could provide us with a breakdown.

**Hon. Ms. MacKinnon:** — Yes we can. Actually it's available within the documents that you have probably in front of you, or maybe not in front of you, but are public documents. We can get you a copy of this.

The public accounts, 1994-95, it's on page 14. So we'll get you a xerox copy of that. The pension obligations are, as of . . . This is March 31, 1995, because the public accounts are always a year behind. Teachers' pension is 2.1 billion liability. Public service superannuation fund is 1.1. I'm rounding these off. I'm sure you don't want to go into all the cents here; I'm rounding them off to hundredths of millions.

Members of the Legislative Assembly plan is 24.5. Judges of the Provincial Court plan is 17.9. Saskatchewan Transportation Company employees is 6.7. Anti-TB (tuberculosis) League employees is 4.2. Public employees, the annuity fund, is 2.0. To come up with a total of \$3.3 billion.

**Mr. Boyd:** — What were the comparable numbers for the year previous to that?

**Hon. Ms. MacKinnon:** — Okay, for the teachers in March 31, 1994, was 2.0 — 2 billion. The public service was 1.1 billion. Members of the Legislative Assembly plan was 24 million; judges of the Provincial Court, 16 million; Saskatchewan Transportation Company employees, 5.7 million; anti-TB League employees, 3.7 million; and public employees, the annuity fund, 2.2 million; and I'm rounding those off.

**Mr. Boyd:** — Rounding it off then, what would be the increase, year-over-year, in the pension liability, and what is your projection, year-over-year, of the comparable numbers '95 to '96?

**Hon. Ms. MacKinnon:** — If you round it off it's 3.2 for the last year. Round it off, if you want the total rounded off for last year.

**An Hon. Member:** — No, I want the difference.

**Hon. Ms. MacKinnon:** — Okay, it's about 200 million.

**Mr. Boyd:** — Two hundred million from '94 to '95, and do you have a calculation of what it is '95 to '96?

**Hon. Ms. MacKinnon:** — We won't have that until the *Public Accounts* is released because you do it at the end of the cycle. So we don't have that estimate, no.

**Mr. Boyd:** — I'm aware that you do it after the fact, but I'm sure your department gives a . . . could provide us with an estimate of what that is for the '96 period.

**Hon. Ms. MacKinnon:** — We don't have the actual numbers, no. We begin when the year ends to prepare the *Public Accounts*. The *Public Accounts* are released in early fall. So I

mean, they may be available slightly earlier, but that's when the actual number is available.

**Mr. Boyd:** — I'm confused, Madam Minister. How then you can prepare a four-year plan out into the future if you cannot give any kind of an estimate of what the year-over-year increase is apt to be.

**Hon. Ms. MacKinnon:** — Because you're dealing with quite different things. What you're projecting in the next four years is the cash payments you're going to have to make to satisfy your pension obligations. What you're doing when you're coming up with the 3.2 billion is you're looking way off into the next century until the end of this plan to project what your obligations are going to have to be.

So they're quite different numbers. One is reasonably easy to project — what you're going to have to pay out in cash over the next four years. The other is much more difficult because you're projecting what you may have to pay out over the course of 30 or 40 years.

**Mr. Boyd:** — Is it not though useful for your department and for us and for the taxpayers of Saskatchewan to know what the future total liability is going to be?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, it is useful, and that's why when the *Public Accounts* are released each and every year, we include a calculation of what the pension liability is going to be over the whole 30- or 40-year time span. But it's not necessary to do that in order to put together a four-year budget plan. You need to do that when you actually calculate the whole summary financial statements of the province in what the long, long, long, long, long-term future of the province looks like.

**Mr. Boyd:** — So it's just a surprise to you at the end of every year to find out what the total pension liability increase is?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I don't think it's a surprise, and I don't think that you're reflecting accurately what I'm saying to you if you're saying that I say it's a surprise.

What I'm saying is there's two different accounting time frames. One is when you put together a budget. The budgets of this province have to include a four-year financial plan. You have to say over the next four years, here is the amount of money we estimate we're going to have to actually spend. That's one set of documents.

Another quite different set of documents are the *Public Accounts* which come out after the year has ended, and it includes all of the liabilities of the government. Not just the money they're going to have to spend in that year, but the money they project any Government of Saskatchewan is going to have to spend over the long, long term.

And they're quite different documents. One document comes out in February, March of the budget year. The other document comes out two or three or four months after the year ends. So there's no surprise. It's just different accounting methods and

different accounting time frames.

**Mr. Boyd:** — Well let's sort of back it up a bit then and provide some sort of analogy for the taxpayers of Saskatchewan as to how we can arrive at that number, because I think it's rather important for the taxpayers of Saskatchewan to know what future obligations they are going to be faced with. And I would think it would be useful for yourself and for your department to have that information available.

It's a little bit like a future obligation. I understand that. It's a total amount of money that's going to have to be paid at some point. And all the way along you're making payments on that total amount of dollars. So you know you can make the calculation of essentially what the total payment is going to be based on projections of when people are going to retire and all of those kinds of things, but surely you can also make the same prediction of what the year over year is going to be, so at the end, for each fiscal year, when you report then year in review, that that isn't the only time that that calculation is made?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, that's exactly what we do. What you said is exactly what we do. When the year ends, we look at what our obligations are, not just for that short time frame, but into the future. What I'm saying is that you are into a different time frame.

I can give you the number for the end of last year. And if you come back in two or three months when we've looked through all of the accounts, because the year end has just closed, we will give you the number for next year . . . for this year.

But I mean it's the same as any business. It's like walking into a business the day after they've done inventory and said, well exactly how much have you got here and what are you projecting into the next 10 years? They have to put their books together. And when your budget is in the neighbourhood of \$5 billion and you work through it with the auditor, it takes a number of months. The members opposite should know that because when their counterparts were in power, it took them many months, often years, to put together the public accounts.

So come back in two or three months and we'll be able to give you exactly that number.

(2100)

**Mr. Boyd:** — Well, Madam Minister, but you go around this province and continually tell the people of Saskatchewan that you raised the level of accountability for the people of Saskatchewan and that you have set a new standard. And I'm just trying to establish what that standard is. You know year over year what the future pension liability . . . pension obligation, I should say, is going to be year over year, but you're saying to me you do not know what the future total obligation is going to be. Is that clear?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. You've got to separate out two separate issues. In terms of our cash payments, we have projected not just this year, we've projected four years out, what we are going to have

to pay out in pensions. In terms of what the unfunded liability of the province is, each and every year that is calculated, and it will be calculated this year as well. And it will be included in the *Public Accounts* and it will have the approval of the auditor. That is, the auditor will say that's right, this is the unfunded pension liability of the province. I'm not sure that I know what the quibble of the member opposite is. The auditor has never had this quibble. He has said in terms of the summary financial statements of the province, we report the unfunded pension liability accurately and totally.

**Mr. Boyd:** — I'm not quibbling with the auditor, I'm not quibbling with you, I'm simply asking you, let's break it out, then. What are the cash projection payments out there for . . . you say you have them for the next four years, of pension liabilities out there. Could you provide us with the cash ones and we'll separate that out. We'll deal with that one first and then we'll go to the total obligation that the taxpayers of Saskatchewan have. Could you provide us with a breakdown of . . . as you say, you know and you can project what the next four years are going to be. Can you provide us with that, please.

**Hon. Ms. MacKinnon:** — Mr. Chairman, they're all in different departmental budgets so they're not consolidated in one place in the budget. So you'd have to go through each and every department to do that.

**Mr. Boyd:** — Well I wonder if you would undertake to do that for us, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, unless I could see some public interest in telling these people to spend that amount of time digging through that information, I'll have to reserve judgement on that.

**Mr. Boyd:** — Well the public interest, Madam Minister, is the knowledge of what future pension obligations are. I think that should be motivation enough for a government to provide the taxpayers of this province with.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I would do is I would refer the member to page 63 and 64 of the *Estimates* of the province of Saskatchewan for 1996-97. I think there is adequate information there about the pension obligations of the province.

**Mr. Boyd:** — Thank you, Madam Minister. It's painfully obvious that you don't want to do that. And I'm disappointed to find that you or your department doesn't make those kind of actuarial numbers available so that people within the province of Saskatchewan have some understanding. You back it up to '94 over '95 and it's about 200 million, you said.

I just think it's incumbent upon the Department of Finance to provide numbers of what the '95 over '96 . . . and the four-year plan, within that four-year plan, so people can accurately estimate what, with some degree of confidence of knowledge, of what the future obligations in terms of total pension liabilities are.

**Hon. Ms. MacKinnon:** — Mr. Chairman, you will have, when the *Public Accounts* come out, exactly the information that you



require.

**Mr. Boyd:** — It's the year in review always though, Madam Minister. It's not the future. What we should be concerned about is the obligations that we have to make in the future. What has happened over the last year of course is important, but more importantly is, is when you go to write the cheque next time, what's the number on the cheque going to be?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. The member opposite would know that the *Public Accounts* come out, there is adequate opportunity for members of the legislature to discuss the *Public Accounts*. There's a whole committee of the legislature which has not just government members but opposition members on it. The auditor is before the committee. The committee has adequate opportunity to go through, in any amount of detail that they desire, the books of the province.

And I guess I would conclude by quoting from the auditor himself who said that in the 1980s the books of the Government of Saskatchewan were among the worst in Canada in terms of what they told the public about the finances of the province. By the mid 1990s the books of the Government of Saskatchewan were among the best in Canada. So the auditor is saying we are being absolutely open about what we are telling the public and the Public Accounts provides a process for even more detailed examination of exactly those numbers.

**Mr. Boyd:** — Thank you, Madam Minister. Getting back to the debt, the overall debt of the province of Saskatchewan and the progress that has been made with respect to paying down part of that debt and the future direction of your government and plans of your government, I think it might be useful if you could provide us with detail of the debt year over year, decrease or increase, starting with the 1995, '94, '93, back to '91 if you would please, Madam Minister.

**Hon. Ms. MacKinnon:** — Let me give you some benchmark numbers going way back. 1981-82 the debt of the province was 3.5 billion, almost entirely Crown debt. Let me go back up here to 1986-87, 9.9 billion. And you go up to 1990-91, 13.3 billion. We go to 1991, the end of '91, 14.3 billion. And we go up to 1995, '94-95 . . . I've got '95-96 — 14.3 billion. And we project it out right out to 2000. It's probably worthwhile reading all those into the record because it's a very . . .

**An Hon. Member:** — Which page are you on, Madam Minister?

**Hon. Ms. MacKinnon:** — Page 35 of the budget address.

Page 35 of the budget address, the debt in 1995-96 is 14.3; '96-97 it goes down to 13.4; '97-98 it goes down to 13.3; '99-2000 it goes down to 12.9; 2000 it goes down to 12.5. Which, if you take it as a percentage of the gross domestic product of the province, '94 it was about 68 per cent of the gross domestic product of the province. By the end of the term it'll be about 44 per cent — the most dramatic decline in debt of any province in Canada.

**Mr. Boyd:** — Madam Minister, we always in this legislature

hear a great deal of criticism of the past, previous administration, all of that sort of thing, and we hear numbers always bandied around of \$15 billion — or 14 depending on the day — of debt. And using your own figures there, the debt from '91 back through 1982 increases about ten point . . . well, it's in fact a little bit less than 10 — \$9.8 billion of debt. Is that correct?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. What I would say — which is an absolutely unconscionable way to handle the province's finances — in the 1980s the benchmark is, the Conservative governments in the 1980s added on average a billion dollars a year to the province's debt — a billion dollars per year. That is each and every year, the Conservative administrations in the 1980s spent a billion dollars more than what they took in. And that's why your children and my children and your grandchildren and my grandchildren are going to be paying off for their lives the Conservative debt of the 1990s.

No government in Canada was as reckless in its spending as the Devine government of the 1980s. And I'll tell you, if I were the Conservative Party in Saskatchewan, I would not be wanting to talk about the 1980s and finances, because it is nothing less than a disgraceful record.

**Mr. Boyd:** — Well, Madam Minister, if you're asking me to defend spending of that magnitude, I won't do it. But if you're asking me, at the same time that the previous administration was doing that kind of thing and spending those kinds of levels, what was your party doing? What was your party advocating? What were you people in opposition suggesting at the time? What were you doing, member from Watrous, at the time? What was the members from P.A. (Prince Albert) doing? What were the members from Saskatoon doing at the same time? What were they suggesting that the government do at that time?

I don't recall, Madam Minister, any discussion coming from you people about cutting spending. I don't recall that at all. What I recall, and I think what the taxpayers of this province recall, is spend more. That's what you were advocating, Madam Minister — your party daily coming into the legislature suggesting spend more, spend more, spend more.

That was what the suggestion that came from you people were and I think, Madam Minister, while the government has to take significant responsibility, I think you and your party bear responsibility in some regard too, because at the same time that you were sitting in the opposition benches saying spend more, spend more, spend more, you also are critical today of that exact spending that was happening. And I think, Madam Minister, I think you are being intellectually dishonest with the people of Saskatchewan to suggest anything else.

And I suspect when I sit down you're going to stand and do exactly that because you do not want, and your party does not want, to accept one iota of responsibility for the suggestions that you made in opposition during that time frame because you know, Madam Minister, that that's what you were suggesting. And the member sitting there open-mouthed from Saskatoon knows exactly that was the case.

**An Hon. Member:** — I was here.

**Mr. Boyd:** — You were there; that's right. And the public record is available to everyone to see. The public record is available for everyone to see. The *Hansard* is available for everyone that wants to get up and have a look at it in the knowledge of programs like the 7-7-7, 1986. Remember that promise? I think that was something in the magnitude of about a billion and a half, was it not? Something in that magnitude that promise was calculated at.

I wonder, Madam Minister, I think it would be useful if you could provide us with any kind . . . If you're asking me to provide an explanation of my party's responsibility for 1982 through 1991, I wonder if it would also be useful if you would provide an explanation of what your party was doing and saying at that time.

**Hon. Ms. MacKinnon:** — You know, I must say, Mr. Chairman, you have to have a sense of humour to be in the legislature and hear the revisionist Tory history. The problem of the 1980s, why we have a huge debt in the province, was because of the opposition NDP. Now imagine that in parliamentary history. The problem of the 1980s was the NDP was a bad opposition, therefore we have a huge debt.

Mr. Member, you got into it. I did not raise the issue of the 1980s. You got into it. What we saw in the 1980s was a government that on average spent a billion dollars a year, each and every year, more than what it took in. A government that sold assets of this province, sold profitable corporations for a loss, having been advised, and these people will tell you advisers said, if you sell it now you're going to lose money; this is the wrong time to sell. But they sold it — the Potash Corporation, the uranium assets.

(2115)

People who said to these people, the civil servants, we're going to give farmers a billion dollars, and you figure out how to do it because we have no plan. People who kept the books of the province so badly that the auditor said, I can't tell the people of Saskatchewan what their debts are because I can't get access to the books. People who, when they were in government, actually went through a whole legislative session, ended the session, and didn't even pass a budget for the province of Saskatchewan.

Mr. Member, if I were you, I would stick to the idea that you're the new Conservative Party and I would try to divorce myself entirely from what happened in the 1980s — the government described by *The Globe and Mail* as the worst government in Canadian history.

**Mr. Boyd:** — Thank you, Madam Minister. Well you'll have to excuse me if I don't want to accept any advice of you about how I conduct myself, or how our party conducts ourselves now or into the future.

If you are suggesting, Madam Minister, that the billion dollars that you said were just given to farmers was a waste of money, I'd like you to say that. I'd like you to go on public record as saying that those monies that were put into agriculture during

that time frame were a waste of money, and see what the farmers of Saskatchewan would think of that kind of statement, Madam Minister, at a time when commodities were at record lows, when interest rates were at record highs, and they were in trouble without a doubt, and without question to the magnitude of farm bankruptcies like you had never seen in this province dating back to the 1930s.

Stand before us today, Madam Minister, and say that those monies were a waste. I'd like you to stand before the people of Saskatchewan and provide us with that kind of explanation of the waste that you want talk about in terms of farm programs.

Because, Madam Minister, I suspect, I suspect that the farm bankruptcies in this province, and probably the member from . . . that fellow there; I can't think of which constituency he's in any more — Tisdale, I suspect that a majority of his farmers would not be in business today. I don't think they'd be in business today, Madam Minister. And I don't think that very many farmers in this province would have survived that time frame. We were in an era, Madam Minister, of unprecedented government intervention and you and your party was there too.

I'm not saying that the opposition was a bad opposition. As a result of that there was a billion dollars of debt racked up every year. I'm simply saying, Madam Minister, that while we will not try and divorce ourselves from the past, don't you either try and divorce yourself from the past. And the kind of statements that you made in this . . . your party colleagues made in this legislature about spending. Don't try and divorce yourself from the past either, Madam Minister, or your party's responsibility in terms of the statements that they were making.

Every time there was any even hint of cutting back in government spending, you people stood and said, spend more, spend more, spend more. The Premier of the day, while in opposition, leader of the opposition, used to stand and say, don't tell us there isn't money for education because there is; don't spend money in terms of any more spending in health care because there is more money to spend — that's the kind of things that you people said at that time.

And I'm astounded always when you people stand up and say, that at that time frame you were the only fiscal conservatives in all of North America. In all of North America, you people were the only fiscal conservatives that sat back and said no, we don't want to see spending of that level. Because you know, Madam Minister, you know it's not true. And I know that the people of Saskatchewan also understand that it isn't true.

Yes, we will take responsibility for the debt from 1991 back to 1982. We will take that responsibility. But I would like you, for once, to take some responsibility and try not to divorce yourselves from the kinds of things that you were saying at that same time frame.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the record speaks for itself. You don't have to wonder about what the CCF-NDP (Co-operative Commonwealth Federation-New Democratic Party) stands for, you have to look at the record. The CCF-NDP was in power in this province from 1944 to 1962. What you had there was a history of

balanced budgets and some of the most progressive social legislation that exists in all of Canada.

When the Conservatives were in power, you don't have to wonder what they did, you just look at the numbers. When they took over power in this province, the whole debt of the province was 3.5 billion, almost all Crown debt; 24 per cent of the GDP (gross domestic product), 24 per cent relative to the size of the economy. When they had finished with this province — and I mean finished; the province had finished with them — 1991-92, the debt of the province was \$14.3 billion, 70 per cent the size of the economy. They'd taken the debt from 24 per cent of the size of the economy to 70 per cent of the size of the economy. That's the record that speaks for itself. And how did they do it? Let's just start filling in some of the details.

They managed to sell the Potash Corporation of Saskatchewan at a loss of \$360 million. These people know that the government was explicitly advised not to sell it then because they were going to lose money, but they didn't care. These are just experts. They didn't listen to any experts; they knew better.

They stripped the Crowns. They took dividends out of the Crowns that the Crowns didn't have. But if they made a hundred dollars, they took a hundred and fifty out of the Crowns. They took over \$300 million out of the Crowns, that didn't exist.

They racked up losses in the Saskatchewan Economic Development Corporation to the tune of over \$100 million — that's a very conservative estimate — by business deals that are a disgrace to the province. They lost money in Sask Forest Products. And the list goes on, ending with GigaText.

So, Mr. Member, if we want to talk about the Saskatchewan budget for 1996-97 and how this prepares the province for the 21st century, I would be pleased to talk to you about that. And I think we could have a fruitful discussion about it.

But if you want to talk about the 1980s, I can tell you, having been in this portfolio for a number of years, all I can say about the 1980s is the Conservative Party of Saskatchewan ruined many, many years for people in this province because of what they did to this province in the 1980s. And I think we'd all be better off to put it behind us and to move on.

**Mr. Boyd:** — Thank you, Madam Minister. The question that has to be asked is what you would have done differently, what your party was advocating differently at that time, what you were saying at that time. Was it spend less? No it wasn't, Madam Minister. And I think that that can be established easily by the comments that you people were making at the time. And it continues to amaze me, Madam Minister, that you people just want to completely divorce yourself of anything that you said at the time.

A government is one thing; an opposition is another thing. There's no doubt about that; we recognize that. But to totally abdicate any responsibility for what you people were saying at that time, again I can only say, Madam Minister, it's intellectually dishonest, and I think you and your party know that.

To move on, Madam Minister, I think that the people of this province would be interested in knowing a number of things about the future — what your plans are, what this budget holds for the province of Saskatchewan, what your thoughts are in terms of the Crown corporations, what your plans are with the Crown corporations. I understand obviously you're into a review of the Crown corporations now, Madam Minister.

I'm wondering whether your department is developing or has developed, and if it's available we would like information with respect to it, as to the relative value of each one of the Crown corporations that fall under the Crown corporation review?

Have you determined, for example, what the total asset base of SaskPower, SaskEnergy, SaskTel, SGI, and a number of the other Crowns are so people here in Saskatchewan . . . I wonder what your participation, your department's participation, in the Crown corporation review is going to be?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, thank you very much for that question. The Department of Finance does not do any of that work in terms of evaluation of the Crowns or the Crown assets. That's why CIC exists, the Crown Investments Corporation. It oversees the Crowns; it does that sort of work for the Crowns. And so it would be really a duplication of effort for the Department of Finance to be doing exactly that sort of work as well.

What the Crown review will look at is it will ask fundamental questions in terms of what the public expectations are of the Crowns. It will include financial analysis of the Crowns. And it will project the best way in which the Crowns can serve the people of Saskatchewan in the 21st century.

**Mr. Boyd:** — Thank you, Madam Minister. Could you provide us with the dollar amount of new revenue your government has collected through government increases in utilities since January '92 for SaskPower, SaskEnergy, SaskTel, and SGI, what those increases have amounted to in total dollars?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, as you would know, that money doesn't come to the government. The money goes to the Crown corporations. It is used in the Crown corporations for any variety of purposes.

And the only way that there is a relationship between the Crown corporations and the government is the Crown corporations pay a dividend to the government which is, in part, a return on the investment the people of Saskatchewan have in the Crowns, but it's also money in lieu of taxes. The Crown corporations do not pay taxes. If they were private corporations, they would be paying taxes. They do not pay taxes. So the dividend is like a payment in lieu of taxes.

But we do not have that information because the money doesn't come to us, it goes to the individual Crowns.

**Mr. Boyd:** — What is the total increased revenue you generated by the increase in the sales tax from 7 to 8 per cent, and then in turn from 8 to 9 per cent?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member

opposite, it's between 80 and \$85 million. You have to be careful when you look at increases in sales tax revenue. The member from Thunder Creek often confuses the facts. If you're getting more money from taxes, he often asked, well you're increasing taxes. You're not increasing taxes, the economy is growing. If the economy is doing well . . . In fact what Standard & Poor's said when they upgraded the province, they talked about the exceptionally strong fiscal performance over the past two years has resulted in a significant decline in the debt, and they talk about booming resource revenues have been complemented by strong personal income taxes, sales tax revenue growth, etc.

So when you look at . . . it's about between 80 and 85 million just because of the increase in the rate; but if the revenue from the sales tax is increasing it's also a good sign because it shows the economy is doing well, people are spending more money, they're confident about the future.

**Mr. Boyd:** — Thank you, Madam Minister. What is the increased revenue that has resulted from increases in fuel taxes?

**Hon. Ms. MacKinnon:** — The general rule is about \$24 million per point.

**Mr. Boyd:** — With regard to the deficit surtax what revenue is generated on an annual basis from it?

**Hon. Ms. MacKinnon:** — That particular number is a declining number. It starts at 110 million; 1995 it declines by about 27 million; 1996-97 it declines by about another \$55 million because of the reduction in income taxes that was funnelled through the debt reduction surtax.

(2130)

**Mr. Boyd:** — Thank you, Madam Minister. Just while I think of it, we haven't received the global questions yet. I'm wondering if they are prepared as of yet and if not, can you give us some sort of a commitment as to when they will be prepared?

**Hon. Ms. MacKinnon:** — I would hope in the very near future. I gather they're essentially completed but they haven't gone through the last stage of the process.

**Mr. Boyd:** — Thank you, Madam Minister. Since the prescription drug program deductible has been increased the government obviously has saved money as a result of that. Can you provide us with detail as to what approximately the amount of money you have saved as a result in the changing of the drug plan deductible?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the Leader of the Third Party, I would ask the Department of Health that. We don't have that level of detail here. They can tell you that in more detail.

**Mr. Boyd:** — Would that also apply to the dental program, children's dental program?

**Hon. Ms. MacKinnon:** — Mr. Chairman, yes, that would.

**Mr. Boyd:** — Thank you, Madam Minister. The Saskatchewan Taxpayers Association has calculated that since 1991 the average taxpayer in Saskatchewan, the increase in taxes that they are faced with, is about \$4,500 per family. Madam Minister, can you confirm that for us here tonight?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I certainly cannot confirm that. I have not a high opinion of the methods used by the Saskatchewan Taxpayers Association. Their methods are not at all fair or not at all accurate. I could use a stronger word.

I don't think they're out to actually enlighten people, because what they do is they just take all the revenue coming into the government and they divide it by the number of people. They don't consider that included in that is transfers from the Government of Canada, royalties from potash corporations or oil companies, which of course are not taxes paid by the average person.

They also don't include in that the fact that the economy has grown and therefore the growth in the economy has to be included. So their numbers are quite unreliable, and I certainly would not confirm that number.

**Mr. Boyd:** — Thank you, Madam Minister. Could you enlighten us then as to what the average taxpayer, average family in Saskatchewan, pays today in taxes — total. When you take everything into account, provide us with some sort of an estimate of what a family of four — two adults, two children; I don't know what you'd consider average family income in Saskatchewan would be — but using all of the averages that I'm sure are available to your department, can you tell us what the average family would have paid in taxes in 1991, '92, '93, '94, '95, and what you project into '96?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. I would direct the member's attention to the budgets. The budgets actually include in the back, tables of taxation levels and charges that have to be paid by people in the different provinces.

I would also direct the member's attention — because the members have talked about taxation levels in Alberta relative to Saskatchewan — I would direct them to a recent article by Dale Eisler in which he actually puts with the real numbers in terms of the levels of taxation between the two provinces. He's quoting the Fraser Institute, not really a friend of the Government of Saskatchewan. Fraser Institute, and I'm quoting from the *Leader-Post*, May 25:

The Fraser Institute found Albertans on average paid higher taxes than people in Saskatchewan. For an average family income of \$53,678 the Fraser Institute found in 1995 total taxes paid in Saskatchewan were \$25,383. In Alberta, the total taxes on an average income for that province were \$27,136.

So in fact Saskatchewan's tax rates, according to the Fraser Institute and Dale Eisler, are lower than Alberta's tax rates.

**Mr. Boyd:** — Is that using the same \$53,000 of an average family?

**Hon. Ms. MacKinnon:** — Yes. What they've done is they've taken . . . I'm not sure why they chose \$53,678. But they've taken an average family making \$53,000. They've taken the family in Alberta; they've taken the same family in Saskatchewan. They've added the tax bills of the two families. They found that the family in Alberta is paying over \$27,000 a year in taxes; the family in Saskatchewan is paying over \$25,000 a year in taxes — a difference of, certainly in excess of a thousand dollars, more in taxes a year in Alberta.

**Mr. Boyd:** — That includes everything, does it, Madam Minister?

**Hon. Ms. MacKinnon:** — That includes all taxes. This is just including taxes. If you took into account basic utility costs, the cost of home heating fuel, telephones, etc., the gap would be wider, because you would find that, at all levels, people in Saskatchewan would find it cheaper to live here than in Alberta. But the number used by the Fraser Institute is just taxes.

**Mr. Boyd:** — I just want you to confirm that for us. So the average family in Saskatchewan pays less taxes than the average family in Alberta.

**Hon. Ms. MacKinnon:** — Yes. And as I say, I can tell you it's from the *Leader-Post*, May 25, 1996.

**An Hon. Member:** — Can you table that for us?

**Hon. Ms. MacKinnon:** — Yes, it's right here.

**Mr. Boyd:** — Mr. Chair, Madam Minister, could you provide us with detail of the total revenue raised by taxation, excluding corporations, in the last fiscal year and a detailed breakdown by tax, each tax, of the revenue raised . . . projected revenue by tax for the last fiscal year.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, we don't have that breakdown available right here, right now. And as I say, you would be falling into the same trap as the taxpayers association, because what you would say is what the member for Thunder Creek says.

He says, well you're getting more money from taxes; you're obviously raising taxes. Whoop — the budget just came out; we didn't raise taxes at all. You're getting more money from taxes. And it's one of the reasons why Standard and Poor's gave us an upgrade, is because your economy is doing very well. People are spending more; their incomes are higher; and they're paying more in taxes.

**Mr. Boyd:** — Well that isn't what I was asking, Madam Minister. I'm not suggesting for a moment that there's been an increase in taxation. I understand that as the economy grows and there's more taxpayers and there's more revenue generated by individuals and companies here in the province of Saskatchewan, obviously there's more tax because it goes on a percentage basis. So I'm not interested in that. I'm interested in

the amount of taxation raised, excluding corporations, in the last fiscal year and then a breakdown of the revenue raised, tax by tax.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I think the best way to do what the member's talking about is to look at page 74 of the budget, in which the taxes are clearly broken down. Corporation capital tax is paid by corporations. Corporation income tax is paid by corporations. Individual income tax is paid by individuals. Sales tax is paid about half and half. Tobacco tax is individuals. And fuel tax is the one that would be partly business, partly individual.

**Mr. Boyd:** — Thank you, Madam Minister. I just want to follow up and conclude for now, anyway, with some questions with respect to the PST, the provincial sales tax, and the whole issue of native taxation that we have raised in recent days and has been raised before by ourselves.

I wonder . . . we've asked for, from your department, a projection of what the revenue . . . and I think it would be useful for the people of Saskatchewan to know as well, Madam Minister, of what the projected revenue to the province would be if status Indians were required to pay the PST for off-reserve purchases. Have you or can you provide any detail as to what that calculation would be?

Now let's separate out the issue. I know you're going to probably stand up and say, yes but you have to consider what the consequences would be of that action, and they may back off taxation on reserve. I'm not interested in that debate. I'm interested in you providing us with a number as to what that revenue to the province would be.

**Hon. Ms. MacKinnon:** — Mr. Chairman, no, we do not have that number.

What I would say to the member opposite, and this is where the member opposite, I think, has to be held to account because he talks about, well he would force Indians to pay sales tax off reserve. He's got to know full well that there isn't a province in Canada — and I'll take the two Conservative provinces on either side of us as examples — in which the government has been able to charge the sales tax off reserve without also at the same time exempting all purchases on reserve.

And what I can say to the member opposite is, when he goes around and he says to taxpayers . . . and I'm going to hold him to account because I'm telling him right here in the House that he's not telling the story that is the right story when he says the taxpayers are going to save money. They're not because we've talked to our counterparts in Alberta and in Manitoba, and if you moved to their system, the cost to the taxpayer is about the same as the cost of the current system.

**Mr. Boyd:** — So there's no revenue gain whatsoever to the province of Saskatchewan if the native community was required to pay taxes on off-reserve purchases.

**Hon. Ms. MacKinnon:** — There is no revenue gain because the member is not prepared to be upfront about it. In provinces where — and this is not something you have to wonder at, it

exists, it's a fact, it's there to be demonstrated — in provinces where status Indians pay the sales tax off reserve, and I'm talking specifically about Alberta and Manitoba, where they would be liable if they had one in Alberta, the same provinces also exempt all purchases on reserve, which is not the case in Saskatchewan. The cost, because we have talked to our counterparts, to the taxpayers, is about the same.

So if the member opposite is saying he would move to a different system and he would charge the sales tax off reserve, which is what he's saying, he would have to know full well that he would also be exempting purchases on reserve, and the cost to the taxpayer would be equivalent.

**Mr. Boyd:** — Well then, Madam Minister, if there's no change, why the reluctance — why the reluctance? If there's no difference to the native community, why would they care? Or why would you care, or why would any one else for that matter care if there's no difference? And yet we see the Federation of Saskatchewan Indian Nations chief stand and say that they're not simply going to participate in that kind of activity. You stand and say that there's no difference to the taxpayers of this province. Why not do it?

**Hon. Ms. MacKinnon:** — I think what we have said is that there have to be choices made, there have to be trade-offs. If in fact . . . because what we have, we have you on one side saying, don't worry, taxpayer, you can have it both ways; we'll charge the sales tax off reserve . . .

(2145)

**An Hon. Member:** — I never for a moment said that.

**Hon. Ms. MacKinnon:** — Well then all right. Then you will get an opportunity when you're up next, if you haven't said that — the member is saying from his seat he's never said that — then he will have to answer the question. Is he saying then that he would go to the alternative model, which is Alberta or Manitoba, be charged the sales tax off reserve, but then you would exempt all purchases on reserve. Because if in fact that is what he's saying, that is the balanced approach. But it will save no money to the taxpayer.

So you have; you, to date anyway, I've heard you saying don't worry, we could charge the sales tax off reserve and not change anything on reserve, which would not be possible.

On the other hand, you have the first nations leadership so far, saying they're not prepared to talk about trade-offs on the other side. They don't want to pay taxes either place, on or off reserve. To which the average taxpayer says, well if somebody uses the services of the province they have to be paying taxes in one way or another.

So what we're saying is what I think is a balanced approach. You can choose. Would you rather have the Alberta model? Would you rather have the Saskatchewan model? But you have to pay some taxes one way or another and it has to be fair to taxpayers. Taxpayers can't find themselves paying more.

**Mr. Boyd:** — Madam Minister, we have said that we believe

that the native communities should pay taxes on off reserve purchases. Pretty much end of story. That's what we have said, and we are saying to you that we think the taxpayers of this province support us in that view. And polling indicates it — your own polling indicates it. I think that that is the case. The majority of people in Saskatchewan believe that that is the right thing to do and support that view, I believe, that the native community should be required to pay taxes on off-reserve purchases.

Madam Minister, I understand, and it just escapes me, but I understand there's one of the Indian bands in the province, and I'm sure your officials will be aware of or know the name of the band, it escapes me at the moment, one of the bands has refused to collect the PST on reserve. Can you provide us with any information as to action that your government has taken against that band?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I cannot talk about any individual tax file. As the member would know, the most confidential, amongst the most confidential, pieces of information the government has is what taxes people pay. And you wouldn't want me going around talking publicly about your taxes, and so we can't talk about individual cases.

What I can tell you though, is I can tell you two things. I can say that when it comes to the taxes that you and I pay in the province — we're not people with treaty cards; we have to pay taxes all across the province — the province is collecting taxes all across the province in exactly the same way in every part of the province. That is, if in fact somebody on a reserve is not collecting taxes, they're treated exactly the same way as the corner store if they were not collecting taxes. I can tell you that.

I can also tell you what the process is if you're not collecting taxes. We notify you; give you an opportunity to say, I'm not collecting taxes because I don't have the money or whatever. And then if there is really a hardship case, we arrange a schedule of payments.

But if in fact you say, I'm not collecting taxes because I don't believe in collecting taxes, we will give you a series of notices, warning you that we will be coming after the money. And then we would go and get a letter, legal authority, to actually seize the money from a bank account. That would be the process that would be followed — would be followed all across the province whether it was you, whether it was me, or whether it was someone else. And as I say, I cannot talk about a specific case but I can tell you about the process.

But I can also tell you, Mr. Member, you never answered my question. I said, you've always said you would charge the sales tax off reserve, but in Saskatchewan the government does not collect tax on reserve . . . the government does collect tax on reserve for status Indian purchases of cigarettes and gas. The status Indians are saying that they do not believe they should be paying this tax. If you were the Government of Saskatchewan, you would collect the sales tax on reserve. Would you therefore exempt the status Indians from paying cigarette and gas tax on reserve? Because that's what occurs in the provinces of Manitoba and Alberta where they do collect the sales tax off

reserve.

But you have to answer the other part of the question.

**Mr. Boyd:** — Madam Minister, it's a jurisdictional question that you know has not been decided and would have to go before the courts. So we'd be prepared to take that action, to go before the courts.

We would . . . It is my belief that they would . . . they should pay taxes in both areas. And regardless of what happens in Manitoba or regardless of what happens in Alberta, I think that they . . . our belief is, is that the native community, if we have the jurisdiction to impose it — and that's unclear — but if we did have jurisdiction to impose it, I think that they should be required to pay taxes in both areas. The same as whether I'm in Regina or whether I'm in Eston, Saskatchewan, I pay taxes in both areas.

I don't think there should be any differences for people in Saskatchewan. I think that the people of Saskatchewan expect that everyone, regardless of their position here in this province, should be required to pay taxes in one area or the other.

And of course I recognize that that's likely going to be contentious and it's likely going to result in a court case. But I think, Madam Minister, that the taxpayers of this province would be supportive of that view, that the taxation should be levied, if we have the jurisdiction — and that's unclear, but if we do — in both areas.

**Hon. Ms. MacKinnon:** — And you would also be prepared for the government to take the case to court and to abide by the decision of the court?

**Mr. Boyd:** — Well of course, Madam Minister. Of course we would be prepared to take it to court, and of course we would have to abide by the legal opinion of that day. We wouldn't have any option in terms of that. But what we are saying to you and I think what the taxpayers of Saskatchewan are saying is, I think you should be prepared to take that kind of action.

**Hon. Ms. MacKinnon:** — Well again, to leave this issue — because we're saying the same things to each other again and again — there isn't a jurisdiction in Canada that has it both ways. They either charge off reserve and give exemptions on reserve, or they do what we do. We give some exemptions on reserve, but we don't charge off reserve.

So I don't think that you can say you've done your homework and thought about it carefully and say you can have it both ways because in a way you're a little bit like the position the federation is saying. They want it both ways too. They don't want to pay anywhere, and you want them to pay everywhere. And I'm saying that the position that I think is the reasonable one is a compromise position where we follow a model which exists in other parts of Canada, or we follow the model that has existed here for many years.

**Mr. Boyd:** — Well, we'll agree to disagree then, Madam Minister, because I think that we would be supported by the majority of taxpayers in that view. And I don't think it is a case

of one or the other. I think you can do both. And I think the Government of Saskatchewan should take it to the courts to find out whether you can do both, Madam Minister, regardless you suggest that other provinces don't do it.

Saskatchewan is unique in many respects, Madam Minister. We do all kinds of things here that the rest of the country, and probably the rest of the world, don't do. But that doesn't mean that that stops us from doing the kinds of things as a government that governments today and of the past have done. I don't think that that precludes you from looking at that as an option. I don't think you should either.

**Hon. Ms. MacKinnon:** — Well as I say, Mr. Member, I don't think that you're being forthright with the people of Saskatchewan because if you talk to your counterparts in those other two provinces, they would tell you there are very good reasons why they had to make the choice — one model or the other model. But nobody can have it both ways.

**Mr. Boyd:** — What are the reasons then, Madam Minister? You said that there are reasons that the other provinces don't impose taxes in both areas. Can you provide us with detail of what those reasons are?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I'm not going to talk about confidential discussions with other provinces. All I'm saying is that there has to be a fairness to the system, a fairness to the system. Either you pay the taxes off reserve and you get exemptions on reserve, or you don't pay the taxes on reserve and you get exemptions. But as I say, both sides have to be fair.

And I don't think the position of the Conservative Party is a fair position. And I don't think the people of Saskatchewan, when given some time to reflect upon it, will see your position as a fair one either.

**Mr. Belanger:** — Thank you, Mr. Deputy Speaker . . . or Deputy Chair. I guess the one question I have . . . when you have . . . we talk about the billions and billions of dollars that this province is in debt. And you look at the situation of the breakdown of the debt and there's no question about it; the debt is there. And this debt has been racked up over a number years, and the Saskatchewan people have to look at this debt.

In relation to the general government debt, you speak about 8.7 million. I was a bit confused when you said in the opening comments, some of the questions, that we had a \$14.3 billion debt. And you further broke it down to 8.7 billion and a \$5.4 billion Crown debt. When I added the two, the 8.7 and 5.4, I got \$4.1 billion in debt. Was that just a simple error?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the best place to look at this is page 77 because what you'll see there is it's all broken down, because there are three kinds of debt, and then there's an offset. So what you have is you look at 1996 forecast. 1996 is the year ending March 31, 1996. Page 77.

The forecast for 1996 is the year ending 1996. It was exactly what happened, not what you thought would happen. The total

Crown corporation purposes debt was 5.4 billion; the general government purposes debt is 8.7 billion, for a total of 4 point almost 2 billion.

Then you have another type of debt called guaranteed debt. Those are loan guarantees where the government in the 1980s said to companies, we'll guarantee the debt on things like Saskferco, 672 million of guaranteed debt. Then you have the offsets, which is sinking funds. That is money that has been put away in sinking funds to offset that debt. The total there is 511 million which you have to deduct to get the 14.3 result.

**Mr. Belanger:** — Thank you, Madam Minister, and I guess the question we have is, you wish to reduce this debt to \$12.5 billion and you mentioned four years is . . . am I correct to assume that's by the year 2000?

**Hon. Ms. MacKinnon:** — Yes, it's by the end. You have a four-year fiscal plan. It's by the end of the four-year fiscal plan, 1999-2000.

**Mr. Belanger:** — So in essence we're reducing the debt from \$14.3 billion down to 12.5 billion which is approximately what, \$1.6 billion in a matter of four years?

**Hon. Ms. MacKinnon:** — What I would say to the member opposite, there is a table on page 35 which goes through exactly what you're talking about, the debt and how it goes down each and every year.

**Mr. Belanger:** — In terms of the . . . I've got a general idea as to what the general government debt is, and you also mentioned the \$5.4 billion Crown debt that is existing now. And you also mention the fact that when you did take over, that there was also a \$3.2 billion debt in 1982, I believe was the figure that you mentioned, in terms of the Crown debt when the Conservatives took over. Could you explain to me what that Crown debt is in terms of the increase of 2 billion and the original 3 billion in 1992?

**Hon. Ms. MacKinnon:** — You're talking about different years. I talked about when the Conservatives took power in 1981-82 the total debt of the province was \$3.5 billion, almost all Crown debt. So we're going way back to 1981, not '91.

**Mr. Belanger:** — So my question is, at that point in 1982, the \$3.5 billion that was the debt owed by the Crowns, what was that debt for? And now, 12 years later or 13 years later, it's now at 5.4. So how did the Crowns accumulate this debt of \$2 billion since your department took over?

(2200)

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. A lot of that debt is the debt that any private corporation would have. If you take a power corporation, they would have debt, but it's not the same kind of debt as government debt.

The Crown corporation debt is more like a mortgage on your house. There's an asset underpinning it. SaskPower may have a debt, but they also have huge assets in the province that they can . . . if they had to liquidate the debt for some reason or

other, they could sell the assets, and the debt would be gone — unlike government debt, where there's no assets that you can sell, to speak of, to liquidate the debt.

The Department of Health doesn't have assets that they can sell to finance its operations. So that's the difference, and the debt would be there because the corporations have expanded, and they built more power poles and phone lines and these sorts of things.

**Mr. Belanger:** — Again, I'm kind of bouncing around here. When you talk about page 77, the guaranteed debt, the Crown corporations and other, you have a \$672 million guarantee, loan guarantee, out there. And these are obviously for some of the investments that were made.

What portion was made by the Tory government of the '80s and what portion was made of yours? And how much longer are we supposed to be on the hook for some of this guaranteed debt as a province?

**Hon. Ms. MacKinnon:** — What I would say to the member opposite, is on page 78 of the budget, there is a list of the guarantees. And if you'll look at what they are, the vast majority of those would have been loan guarantees taken out by the Conservatives. NewGrade for example, the upgrader in Regina was a Conservative megaproject. Saskferco was a Conservative project. You look at community bonds. You look at . . . they would have in here as well some of the other loans outstanding. They're under different categories.

The vast majority of these, beyond basic debt that the Crown corporations would have . . . even there, Manalta Coal, that's a Tory obligation. Most of them go back to the '80s.

**Mr. Belanger:** — So am I to understand then from the schedule of debt, that the guaranteed debt of 672.976 . . . And you've got the total equity in sinking funds, that in actuality within the next couple of years, your guaranteed debt would be offset by your equity and sinking funds. Is that correct?

**Hon. Ms. MacKinnon:** — The numbers will offset each other but it doesn't work that way. Because you take the government debt, you take the Crown debt, you take the guaranteed debt, that's the level of debt that the government has. Sinking funds are not related to guaranteed debt. Sinking funds are money that you put aside to pay down the hard debt — that is the Crown debt or the government debt — not to apply against guaranteed debt.

So the numbers may be offsetting each other but there's no relationship between the sinking funds and the guaranteed debt.

**Mr. Belanger:** — Again, just bouncing around to some of the unfunded pension liabilities. You talk about some figures here. Is it safe to say that the unfunded liability is roughly 200 . . . or rose by \$200 million in reference to some of the liability pensions that the government has set up for various professionals that have worked for government?

**Hon. Ms. MacKinnon:** — No, Mr. Chairman, it's not accurate to say that. It just happened to do that this year because of



whatever circumstances existed this year. But no, it would not be accurate to say that.

**Mr. Belanger:** — So suppose we just picked the figure of \$200 million per year, and this unfunded liability, when you match the teachers' contribution as government, or an MLA's contribution as an MLA, and we put that in a fund in a certain place, my \$300 and the government's \$300, for example, would make 600. And if I'm only putting 300 and you're not contributing your 300 for, you know, the reasons you explained earlier, is there any interest charged on your \$300 that you're holding back from my pension to this whole fund?

**Hon. Ms. MacKinnon:** — Mr. Chairman, what the member described is exactly what happens right now. The government . . . you take your money, you put it aside for your pension; the government takes an equivalent amount of money, puts it aside for your pension. It's held, the money is invested, and it accrues interest. The interest then goes to you when you retire or when you leave politics. You can take that money out and put it in an annuity or keep it in the plan and the money then goes back — the interest — goes to you.

**Mr. Belanger:** — And again, dealing with some of these, there's so many pension plans out there and we're really trying to figure, or I'm trying to figure, how this works. But I've seen different scenarios where teachers have . . . they get involved with investment, some of them get involved with mortgages, some of them get involved with loans, and they have the teacher's pension plan. I think in Ontario is one good example that they do have a kind of mini banking system.

Do you have any role to play in that particular area within the province? Like does the government have any influence and control over this pension plan when it comes to investment or their own?

**Hon. Ms. MacKinnon:** — Mr. Chairman, the investment strategy is set by the trustees for the pension plan. So they decide themselves what they're going to do with their money. And pension plans are some of the biggest investors in all parts of the world right now. A lot of the Government of Saskatchewan debentures would be held by pension plans, not just in Canada but in other parts of the world.

**Mr. Belanger:** — So I guess in this essence what you're saying today is that we have a separate public plan for teachers, and they have their own private pension plan for teachers, and they administer and invest on their own. And by the same token, on this other hand, we just simply continue to build a nest egg for the retirement of different professionals that have worked for government.

**Hon. Ms. MacKinnon:** — They would be like other pension funds. They have a board of trustees that provide investment guidelines to their investor. So it's run by a board of trustees just as any other pension plan would be.

**Mr. Belanger:** — Couple of more questions here. In terms of this summer when they do the CIC public consultations, Crown Investments Corporation, that has been a discussion that's been going on for a number of years and of course there's all kind of

philosophical points out there.

The question I have is that in the public consultation of the Crown Investments Corporation, you mentioned that they now . . . the Crowns do not pay taxes, they pay a dividend each year. If these Crowns were private, has there been a study to determine whether there is a ballpark figure as to what these Crowns could pay in corporate tax if they were private?

**Hon. Ms. MacKinnon:** — They do not . . . what Crown corporations do not pay is corporate income tax. They do pay some taxes. They obviously pay sales tax on everything they purchase. They pay fuel tax. They pay corporate capital tax. They do not pay corporate income tax.

So when you look at the dividend that the government gets from the Crown corporations, it's partly return on the investment you have, but it's also money you get because you're not getting corporate income tax. If they were private companies, they would be paying corporate income tax.

**Mr. Belanger:** — Okay. If they were corporate citizens and they weren't owned by the Saskatchewan taxpayer, is there a balance in terms of a ballpark figure as to what corporate tax they would pay if they were privatized?

**Hon. Ms. MacKinnon:** — No. We would have no idea because they don't report on a tax basis. If you're a tax-paying company, you keep your records according to what you're going to have to pay in corporate income tax. They don't even keep records in that way so it would be very difficult, without doing a lot of work, to figure out exactly what that would be.

**Mr. Belanger:** — So you're saying at this point in time there's no way to determine if the Crowns would pay the same amount in a dividend that they would in a corporate tax if they were privatized.

**Hon. Ms. MacKinnon:** — Not easily, no, because you'd have to . . . you're taking a company from one environment and you'd be throwing it into another environment, and there's not an easy way to make that calculation, no.

**Mr. Belanger:** — Just a couple of questions on the Indian taxation issue. And certainly consultation is the norm and something that we certainly have to undertake. Has there been any determination . . . when you speak about on the one hand you have taxation on the reserve and on the other hand a trade-off because you have taxation off reserve, has there been a study — when you say it's revenue neutral — has there been a study done to determine what the impacts and if indeed this is a revenue neutral situation?

**Hon. Ms. MacKinnon:** — No. And what I'm saying to the member opposite — and I'm very interested in where your party stands, because we haven't really gotten a position from you and I think the taxpayers deserve to know — is in our discussions with our counterparts, there's two models.

One is, you pay all the taxes off reserve but you have all exemptions on reserve. That's Manitoba and that's Alberta.

There's our model, which is you have the exemption off reserve but you do pay some taxes on reserve. And our estimate, because it's hard to estimate, is that it's about the same amount of dollars.

But I mean, it's very nice for the Liberals to say, well you should be consulting, but when the Indians have taken the position — and they've done it publicly — saying we don't pay taxes in either place and we're not interested in trade-offs, well then what is your position? Because consulting works as long as there's some willingness to negotiate. When one side says no, I'm not paying taxes, then what exactly would the Liberals do?

To say it's complex, to say you'd talk to people, isn't really a position. And I think the taxpayers deserve more from you. The Conservatives have taken a position; I don't agree with it but there it is. We've taken a position — it has to be one model or it has to be the other. They can choose.

What exactly is the Liberal position?

**Mr. Belanger:** — Well, Madam Minister, I could be here all night, but I sincerely want to thank you for your time. And I'll have further questions later.

**Mr. Aldridge:** — Thank you, Mr. Chair, and, Madam Minister. You've recently shown off the laurels of the people of this province earning . . . in what they've earned in the way of a credit upgrade. And we also publicly acknowledge that we welcomed the Standard and Poor's announcement. And I will reiterate again that I think the public deserves most of the credit.

That being said, while the agency and others released their reports, they are still realistic in their outlooks and not just bouquets for government. I notice that some have suggested our debt is still too high, our economic growth still too modest, and our economy is still too dependent upon the primary resource sector. While some encouraging things have been said, problems obviously still remain.

And with that in mind, I would like the minister to tell us where she believes the problems are, and could she outline what she intends to do to address these problems with other departments?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the people of Saskatchewan obviously deserve the credit for supporting the government. But I think the government also deserves credit for providing the leadership because I'm not going to blame the people of Saskatchewan for what happened under the Conservatives. They provided the leadership. The people did not support them.

But I cannot allow the member to leave on the record what he just said. So unfortunately I'm going to have to read the whole Standard and Poor's upgrade announcement because they did not have the caveats that the member opposite suggests. One of the two most influential rating agencies in the whole world just commented on our fiscal performance; they do not have those caveats. So I'm going to read into the record what was said:

Standard & Poor's has assigned its A . . . (negative) short-term rating to the province's promissory notes.

The recent impressive performance of the economy, which is still largely resource-based, but continues to diversify;

Strong fiscal results over the past three years, and the government's commitment to maintain fiscal balance even in the event of weaker-than-expected revenue growth.

Which they're saying we are committed to balancing the budget even when we have cuts from the federal government.

(2215)

Exceptionally strong fiscal performance over the past two years has resulted in a significant decline in Saskatchewan's sizeable debt burden. Booming resource revenues have been complemented by strong personal income, corporations, and sales tax revenue growth. Spending restraint measures have been applied to all sectors since 1992, with total revenue growth above expenditure growth in each year.

And I could go on. But what I want to clarify is that beyond saying that the Government of Saskatchewan has a significant debt, they don't have qualifications here.

They said, in terms of the economy — the economy's strong, it's diversifying. They said, in terms of the debt — the tax-supported debt is declining and declining dramatically. In terms of spending — the government has restrained its spending and is committed to balancing the budget.

And to top it off, the investment dealers of Canada were here today. They've said exactly the same thing in their announcements today.

So I know the members opposite always try to look for the problem areas but they say, in light of the situation of the province, the economy is doing well, it is diversifying. The fiscal situation is doing well.

**Mr. Aldridge:** — Madam Minister, I'm also looking at the Standard and Poor's news release here, and with respect to the province's long-term debt, they do say that the tax-supported debt burden which remains high; so they do make reference to that very fact in their release.

So I don't think that it's not correct that I come before you here this evening, and before your officials, and just ask again what sort of plans are you undertaking with your department, as I've said previously, to address any problems that may be encountered in the provincial economy? What do you intend . . . can you give us an outline as far as what do you intend to do with respect to the other departments and what sort of contingencies they may have.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, that's what the whole budget is about. That's what the whole four-year financial plan is about. So all I can say to the

member opposite is, look through the budget. That's where it's all outlined to him.

And, you know, to say just after a budget is released, what do you plan to do — there's what we plan to do. That's what the budget is about.

**Mr. Aldridge:** — Madam Minister, also with respect to the very trip you made to New York to speak with some of these credit rating agencies, I do recall now on several occasions I've asked you for the costs related to that trip. I believe the last time I had asked for those your reply was something to the effect that you hadn't been able to convert from U.S. (United States) dollars, your bills related to the trip.

So I'm curious to know if by this evening yourself or your ministerial assistants or some of your staff who are here tonight, if they may have been able to do that. And could you present to us this evening the total cost for your trip, which obviously did pay some benefits and we'll acknowledge that on behalf of the people of the province.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, please don't get into the habit of the member from Wood River again in twisting. I did not say that we've been taking this amount of time to convert from American to Canadian dollars. I said it's very complicated. There's a number of bills to get in, and one of the things that has to occur is the conversion. We do not have the final numbers. They will be available. Certainly they will be there in the *Public Accounts*.

**Mr. Aldridge:** — So, Madam Minister, I guess what you're saying is, some of the costs related to your trip have now formed a portion of what is our foreign debt.

Madam Minister, I'll ask you another question with respect to that and I hope that maybe some of your officials can help you. At the end of this last year, what amount of the provincial debt was held in foreign currencies, and could you tell us what percentage of the debt you expect to be held in foreign currency at the close of this fiscal year.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, if he believes that expenses for business trips are part of the government's debts, I really would encourage him to read the budget again to understand some of the basic concepts. The answer that he's . . . the question that he's asking is answered on page 58. There's a picture there of the government's debt and it's broken down into the pies exactly as he's asking. And it says, U.S. dollars, 17 per cent.

**Mr. Aldridge:** — Madam Minister, can you please provide to the House this evening in terms of, if you were comparing that to other provinces, where are we in that regard? Are we high in terms of foreign debt, sitting at 17 per cent of our debt in U.S. dollars, or just . . . can you qualify it in that regard; provide us that comparison.

**Hon. Ms. MacKinnon:** — We would be very low. We don't have the information from other provinces. They have to provide that themselves. We would be very low.

Saskatchewan tends to borrow money in Canadian dollars, and we tend to borrow money on a long-term basis — 20, 30 years, at least 10 years. And it's very important that we do that because it means that when there is uncertainty, as before the referendum, the dollar goes down, interest rates go up. There are provinces in Canada — and this is common knowledge, so I'm not giving out confidential information — like Nova Scotia, which are in very serious trouble because they have so much of their debt in American dollars. When the Canadian dollar goes down, they're in serious trouble. Their costs are going up dramatically.

So we would be very much on the low end of that. And we're on the low end on purpose because we don't want to take risks with taxpayers' dollars — that if the dollar goes down we will be in trouble. Or if interest rates go up dramatically in the short term we will be in trouble.

**Mr. Aldridge:** — Madam Minister, you made reference to 17 per cent of our foreign debt being held in U.S. dollars. Can you also outline for us this evening, is any of our foreign debt held in any other currencies?

**Hon. Ms. MacKinnon:** — No. Again, Mr. Chairman. I would really direct the member opposite to the pie chart on page 58 because it states very clearly the question that you keep asking. What it says there is of all the debt of the province, 83 per cent is in Canadian dollars, 17 per cent is in U.S. dollars, and that's the only foreign currency exposure we have.

So the pie chart I think is quite clear — 83 per cent is Canadian; 17 per cent is American.

**Mr. Aldridge:** — Madam Minister, I'd also encourage your officials to do some research with respect to 17 per cent of foreign debt being the low end compared to some of the other provinces, because I don't believe that is necessarily the case.

Could you also provide a figure for us as far as how much of a loss or gain that you expect with respect to foreign currency exchange over the coming fiscal year?

**Hon. Ms. MacKinnon:** — We have assumed no change in the foreign exchange rate. I would take the member up though on his comment. You should look at other governments. You should look at the Government of Canada, what percentage of their debt is in foreign currency. You should look at the Government of Manitoba. You should look at the Government of Nova Scotia. There's three good ones to start with. You would definitely find Saskatchewan is on the low end because we don't want to do any more . . . we don't want to risk foreign exposure on debt.

But I would challenge the member opposite on that statement. You look at the debt of Canada and you find out how much of it is in foreign dollars and you'll find it's substantially more than 17 per cent.

**Mr. Aldridge:** — Thank you, Madam Minister, and I would acknowledge that is correct, that there is a higher percentage of our national debt that's in foreign currency.

Now just from what response you've given us just now, you've mentioned two or three, perhaps, other provinces who perhaps carry a higher percentage of debt in foreign currency than ourselves, which would suggest to me that you have in fact in front of you the information I asked for in a question earlier.

So would you mind just continuing to read into the record where does our province rate in that regard?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I have nothing in front of me except the budget of the province of Saskatchewan. I know what I said because of public commentary. It's a matter that's in the press — it's been in the press that Manitoba, Nova Scotia, the Government of Canada . . . Here's what I have — the budget. And if the member opposite would look at the pie charts, he would not have to keep asking me the same question that I answer again and again. So there's no document here beyond this.

**Mr. Aldridge:** — Well, Madam Minister, the fact that we have to ask questions again and again, what that comes down to is the fact that we get very few responses from yourself. And also that relates to the global questions that we've asked. Now we've asked for those previously. My colleague from Wood River has requested those. At that time we were told that we would have them soon.

We've not seen them yet this evening, despite our request. I think the third party has made a request for some global questions to be answered. I do believe that your constant shirking of answering our questions is something that is notable for the record. And I would just like you to undertake for us this evening, to tell us — do you have any of the answers to any of the global questions that we've placed to you?

**Hon. Ms. MacKinnon:** — No, we don't. And I tell the member opposite, we're not shirking the questions. The problem is the members . . . and there's no problem. If you didn't read the budget, it's fine. But the questions that you're asking are in the budget.

So when you ask me a question, I refer you to page 58 in the budget. You say 17 per cent of the Canadian debt . . . Saskatchewan's debt is in U.S. dollars. Then you come back and you say, well then how much is in other foreign currency? And I say well, if you look at the pie chart, you'll realize that it's 83 per cent Canadian.

**The Chair:** — Order, order. I simply want to ask the Minister of Finance not to hold up an exhibit. I know that from your reaction, the minister can . . . understands the rule of the Legislative Assembly. Order.

**Hon. Ms. MacKinnon:** — So the information is available in the budget. And all that I do is refer you to the page and give you the answer.

**Mr. Aldridge:** — Mr. Chair, the minister can hold up that pie chart all she wants all night long. I don't think there was a single answer to any of our global questions in that pie chart.

So what I would maintain again is, do you have any of the answers to any of the questions that we posed? And could you at least table some portion of the answers to the questions that we placed to your department? I think we've been more, more than patient with you in this respect, just as I've been more than patient with you as it relates to the costs for your trip to New York.

This is the fourth request I've made for those. I don't think that it's too much to ask on behalf of the people of this province, to get a few answers out of you and your department. Would you please make some attempt to make some answers to us here this evening?

**Hon. Ms. MacKinnon:** — Mr. Chairman, this government is absolutely open with information. We do it as a courtesy to the opposition to actually answer in a pre-arranged way, certain questions. But there hasn't been a question that you have asked that you are not going to get an answer to. You will find out the government puts in the *Public Accounts*, each and every year, every minister's travel. So the information will be made available to you. It's a matter of timing.

**Mr. Aldridge:** — Madam Minister, you did not answer the question that I just posed to you moments ago, and that is: will you table the answers to whatever questions that you have been able to prepare answers for, with respect to the global questions that were placed before your department some time ago now?

I think on behalf of the people of this province it's the very least that you could do, to at least make some attempt to answer some of those questions. And you cannot shirk your responsibilities in this regard any longer. We need to have a least some indication that you're acting in good faith, that you are making some reasonable attempt to answer some of these questions that we've put to you, and I think that we should be able to at least see some of these questions' answers tabled to us this evening.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the House Leader says that whatever package you have sent across will be available to you Friday. As I say, this is a courtesy to the opposition, where we take the information that you request, we do the best we can to put it down in writing. But we also go through a process here in which we answer your questions. So I think it is not accurate and it is not fair to say that you don't get answers to your questions. You do get answers to your questions. The House Leader says you'll get whatever else you've asked for in writing by Friday.

**Mr. Aldridge:** — Madam Minister, I do believe that you are familiar with the procedure of answering global questions. This is something that your department has had to undertake for several years, I understand, prior to this year. And I don't think that it's unreasonable, as I said previously, to expect a certain number of the answers to have already been tabled. We have the undertaking now of your House Leader to provide these answers to us by this Friday. Why couldn't you, as Minister of the Department of Finance, tell us that we'd have those questions by this Friday? Are you not in control of your own department?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member

opposite, personal comments of that sort really don't work in politics in Saskatchewan. You would know very well, as the House Leader is now telling me, that you requested this information at a very late date, which is fine. And the House Leader has assured you you're going to get that information.

But I will say again, this is a courtesy that the government provides whereby we say we will answer these written questions. So I mean I don't understand why the personal insults are required. You requested information. You requested it late. The information will be coming as soon as the departments can get it together.

But you are also, every time you put in these detailed requests for information, are taking tax dollars and asking these people to compile information. They also have other jobs to do, and it takes a certain amount of time.

**Mr. Aldridge:** — Madam Minister, as a courtesy to your department, our House Leader sent a letter of communication to your House Leader some two months ago requesting those very global questions that we're now asking for answers for. And out of courtesy to the taxpayers of this province, you could have at least tabled some of the answers here this evening, so we certainly will be looking forward to you and your officials coming back. And if it's this Friday, so be it. And we do expect that the answers for those global questions will all be available at that time, as per the commitment of the Government House Leader in this regard.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, the people of Saskatchewan who are watching this have to consider that we're talking about a \$4.5 billion budget, and what you're focusing on is what time you ask for information and what time you got information. That is also on the record.

**Hon. Mr. Shillington:** — Just so it's on the record, I would perhaps suggest to the opposition, first of all let me say with respect to the globals, we got the thing finalized in April, to be fair to all concerned. And since that point in time they have been working on them. They're a lot of work. I think some departments have been perhaps slacking off, but I think most of the departments have been working reasonably hard. Certainly my Department of Intergovernmental Affairs was, and they just got them completed.

Most of them, I understand — I spoke to the staff about this at 5 — they've got them, they're now compiling them, and I'm told with some degree of certainty we can guarantee you'll get these things on Friday.

I would therefore suggest to the opposition that we do the same thing as we did with respect to the Justice estimates last week. Finish up your questions. In view of the day and the session — this is day 61 — in view of that, finish up tonight and we'll stop the clock. Finish up all of your questions except with respect to the globals. We will undertake that we will bring back these questions for any questions that might arise out of the globals, but when they return, we would have a gentlemen's agreement that the only questions that would be asked would be questions which arise legitimately out of the global questions.

So that's my suggestion to the opposition — we do here what we did with Justice, but finish up all the other questions you have. Because quite frankly, it's my view it's most unlikely there'll be any questions arising out of the globals. But I could be wrong.

So why don't we do that. Why don't we treat this as we did with Justice?

**Mr. McPherson:** — Thank you, Mr. Chair. In response to the Government House Leader's request, you've put me in a terrible position as I've already . . . and I'll also be on record here as making a commitment to the third party this evening that in fact it wouldn't be voted off because they too are waiting for the globals, keeping in mind that the globals are something that have been . . . I think this is the third or the fourth year that the globals have been a consistent package. Really I think they should be here in April.

But we would like to aid in all ways that we can in moving this along. So not to do what they've done in Justice because you put me in a bad spot in making a commitment and I won't break my word with the third party. But in fact as when the global answers come back, in aiding along this legislative process, what we'll do is take a look at the global answers, and in fact if we feel that everything's been thoroughly covered, then we too would just as soon not have the officials back, and we'll really speed this process up.

But you've really caught us in a bad spot this evening, so I guess given the lateness of the hour and the fact that we're already sort of handcuffed on this issue, we'll just have to come back with those globals.

The committee reported progress.

The Assembly adjourned at 10:38 p.m.

