

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 19, 1983**

**EVENING SESSION**

**COMMITTEE OF FINANCE**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**SUPPLY AND SERVICES**

**Ordinary Expenditure — Vote 13**

**Item 1 (continued)**

**MR. SHILLINGTON:** — Madam Minister, I want to express the hope that you do indeed give serious consideration to doing the design work on the courthouses. I can tell you the situation there is bad in Regina and I take your word for it, it's worse in Saskatoon. The cost of doing the design work is virtually nil and if you get it done, you can then proceed with the construction fairly rapidly, as I say, once the Minister of Finance gets around to putting this province's finances back in order the way they had been form any decades before the Tory wrecking crew came along.

I had, Mr. Minister . . . Madam Minister, I'm sorry, received some indication (and I forget the source and can't find it), that some consideration had been given to allowing private developers to build the courthouses and then having the government lease them from the private developers over a long term. Two questions: was that given any serious consideration and if so may I have your comments on the proposal?

**HON. MRS. DUNCAN:** — Okay, that proposal is what we refer to as lease-purchase and that is an option open to government, to the private sector or whatever. And the situation we find ourselves in, when we go to treasury board with a submission from now on, lease-purchase will be given as an option to actual government borrowing themselves and we hope to do that on every project. It's feasible on every project but it will become a treasury board decision as to whether you do it government alone with total government funds or whether you go to a lease-purchase option.

I might say that other jurisdictions do use the lease-purchase on some of their capital projects. And as I've stated, it's just an option that we're going to submit along with any proposal that we make to treasury board.

**MR. SHILLINGTON:** — Madam Minister, what benefits do you see accruing to the taxpayer from a lease, option to purchase?

**HON. MRS. DUNCAN:** — Probably the best scenario would be that if we were to build a building today, from my standpoint, if we were to go with lease-purchase . . . What it really does is have various generations of taxpayers helping to pay for that particular facility, rather than us sitting here and the taxpayers of Saskatchewan right now whacking out say \$26 million or \$35 million out of the treasury within two years. That is an advantage and I think it probably goes along with your philosophy where you spread the costs over, and user-pay and that type of thing. But like I say, it's not a firm, it's definitely not a thing that we're going to do with every project. It's just an option that can be presented as an alternative for consideration.

**MR. SHILLINGTON:** — Well, we take credit for many innovations, Madam Minister, but the user-pay philosophy is not one that my party takes credit for. One of the old-line parties invented that and I had not heard it applied to buildings before.

Madam Minister, has this government reached its limit in its capacity to borrow money? Otherwise why can't you accomplish the same purpose of sticking further generations with the consequences of your mismanagement by simply borrowing the money and having them pay it back? What on earth is the advantage in leasing it and having the future generations pay the lease cost?

**HON. MRS. DUNCAN:** — You know, in reply to that question I would say, hold the phone, folks; we do have a winner. I don't think we have mismanaged. We are trying to manage a very mismanaged government — a government that has been, you know, from our point of view, seriously mismanaged over the years. And I think what we have done in the short 12 months that we have been in power — we have delivered on our major commitments that we made during the elections. And I don't call them promises. I call them commitments. And it isn't something that you have to do in one year, but we did deliver on our five commitments.

We committed certain things to the people of Saskatchewan and I'm happy to say that we delivered on the five major commitments and we will continue to do so. And I think what we have demonstrated to the people of Saskatchewan through our very good management of government and taking a different approach to things — we have showed the people of Saskatchewan that we can deliver on our promises, our commitments, and they can trust us. When we say we're going to do something, we'll do it.

And I don't agree with your belief that we have mismanaged. We haven't. We came into this government on May 8th and we found that the March '82 budget had been . . . The estimation of expenditures were short by about 190 million, \$200 million, and the revenues projected coming back to the province were in the area of short by \$220 million. So right off the bat, we were in a deficit position.

Now I think we have come up with very reasonable budgets in the last two budgets that so ably presented by my colleague, the Minister of Finance. I think it's recognized by the people of Saskatchewan that we're doing a good job.

**MR. SHILLINGTON:** — Well, it was an interesting political statement, but let me try. If I can, to lead you back to the question that I asked. And let me give you my view — and it may help you to focus your response — of cost effectiveness in building buildings, Madam Minister, because a government has the power of taxation, its credit rating is generally better than that of private concerns. It can therefore borrow money at less. The major cost, Madam Minister, of building buildings is the interest cost.

Since governments can borrow money at a lower cost than private developers can, ipso facto they can build the building at a lower cost. They can borrow money at a lower cost. They can also therefore build the building cheaper, since that is a very major cost to building a building.

I suggest to you that you're not going to save money by leasing buildings. You're going

to cost the taxpayer money.

Ah, I'm relieved to see your deputy back. I was afraid we'd had yet another change of deputies over the lunch hour, as a result of the disaster of your estimates earlier in the day. You had my colleague and I very concerned about that, and I'm relieved to see you back, sir. As I was saying, Madam Minister . . . I was afraid the minister's intuition had got away on her again.

Madam Minister, you can borrow the money cheaper; you can therefore build the building cheaper; therefore it's going to cost the taxpayer less to have you build it than have a private developer build it. I suggest to you, therefore, that if you . . . (inaudible interjection) . . . The only reason you might lease a building is because: (a) you can't do your sums, or (b) you want to benefit some private developer who can obviously have a sure thing if he builds a building and leases it to you over a long term. He can obviously have a sure dollar and a sure profit.

So I say to you, Madam Minister, that the government can build these buildings cheaper. The government ought to be building them, and it is in the highest degree illogical to have a private developer building buildings and leasing them to a government over a long term.

**HON. MRS. DUNCAN:** — Okay. I really wish you wouldn't get so excited. As I stated before, we have a different attitude. We have different ideas. The lease-purchase option is specifically that. It is an option to look at. And sometimes when things get tough, and things could get tougher in the future, and I think the things in Saskatchewan are on the upswing, but that is an option available to government.

And you say that, yes, government can borrow money cheaper than the private sector, and perhaps that's true. But I look back to a land assembly that you people did at a cost of \$4.9 million, and you turn around and you sign a lease agreement with a particular developer for 100 years, and all that developer pays is \$23,000 a year. In 100 years, the government is going to get back \$2.3 million at a cost of \$4.6 million a few years ago. And in our way of thinking on this side of the House that isn't even good business sense. And all I'm saying, it is an option we can look at; it's an option that we can present, and I tell you I would rather go to lease-purchase than to make a deal with a developer, an agreement for 100 years, where he's only going to pay me \$2.3 million, and I've already invested 4.6. That doesn't even make sense.

**MR. SHILLINGTON:** — No, Madam Minister, the Cornwall Centre, the development to which you are referring, does of course come within the jurisdiction of the Minister of Urban Affairs, and he may feel after his lack of success in New York that he needs all the help he can get, but we'll leave that for his estimates, and perhaps we'll deal with those things that come within your estimates, Madam Minister.

You mentioned the question of assembling land. That again of course is something that the government can do cheaper than the private people, because they can expropriate and the private people cannot. So, if assembling land is part of your problem, I say to you that that is something else the government can do cheaper. And please keep us out of the Cornwall Centre. That was a special development with special reasons.

Well, if the member had been around during the estimates of the Minister of Urban Affairs, you might have heard that discussion. Madam Minister, I ask you to respond to that as well. The government can buy the land cheaper, so that's not a reason. The

government can expropriate and therefore get it cheaper in some cases than private developers can, so that's not a reason to go to lease, option to purchase.

Madam Minister, has treasury board ever been dull-witted enough to accept a lease, option to purchase suggestion? Have you ever done that in fact?

**HON. MRS. DUNCAN:** — Well, this might come as a shock to you. I'm not trying to bail out my very able colleague, the Minister of Urban Affairs. The particular land assembly that I was talking about is not here in Regina, and certainly not the Cornwall Centre. It's another land assembly that was done by you when you were in power. As far as treasury board, and it wasn't in Saskatoon . . . The land assembly done at a cost of \$4.6 million, signing a lease for 100 years, with a return of \$2.3 million to the government was, and is a government services project. It's not Urban Affairs.

Anyhow, getting back to your last question . . . Okay, treasury board expects us, in our proposal and on any capital project, to include the lease-purchase option, which we will. And we think that there should be alternatives. Whether you go to it or not is a decision that will be made at that time. But at least we are offering alternatives and it will be included in any proposal that we from this department put forward to treasury board.

**MR. SHILLINGTON:** — Has a lease, option to purchase ever been accepted or adopted in any specific instance in your department?

**HON. MRS. DUNCAN:** — We have entered into one lease-purchase situation. That involves an urban camp in Saskatoon . . . (inaudible interjection) . . . Urban camp in Saskatoon . . . (inaudible interjection) . . . Urban camp. Okay. On analysis, it was cheaper for us to enter into a lease-purchase and own that facility at the end of five years, than to go into a straight lease. And the department right now is working on a proposal to treasury board to go on a lease-purchase and/or build ourselves. We're preparing those figures right now and it'll be going to treasury board within a while.

**MR. SHILLINGTON:** — You said an urban camp. Is that the same thing as a jail, or is it, an urban camp, something other than a jail? I don't know what an urban camp is, and perhaps the minister could help me.

**HON. MRS. DUNCAN:** — An urban camp is a place where we can place low security people, usually in default of fines, and that type of thing. They don't really require the high cost of an actual jail situation, and it gets them integrated back into the communities a lot faster. There's a few around the province.

**MR. SHILLINGTON:** — I say this move to privatize things has reached a new high, Madam Minister, when you're privatizing the jails. It's one thing to privatize SGI; it's another thing to privatize the jails. Before we know it, the Minister of Justice will find the court system privatized — I suppose that's the next step. Madam Minister, was this the subject of any cost-benefit analysis, this privatization of the province's jail?

**HON. MRS. DUNCAN:** — Well, here we go again, just a difference in philosophy, and I really shouldn't be speaking for the Hon. Minister of Justice, but that's a different philosophy. You know, about 75 per cent of the people in our penal institutions today are there because of default of payment of fine, and very non-violent crimes. And for you to suggest that rather than have them become vibrant part of communities and

stick them off in a jail someplace, I can't believe that you just stated that. You being a lawyer — you should have those statistics and know those statistics. But, besides that, urban camps are not something new; urban camps have been around Saskatchewan, around Canada, around the USA, for a long, long time and it's not something new. But, we recognize that we as a government would rather put low security people, particularly the ones that are in there for default of paying a \$60 fine, or an \$80 fine, or a \$150 fine, we would rather have them in an urban camp and we plan to expand the urban camp concept in the province. And in this particular case, on analysis, it was found it was cheaper for us to go into a lease — purchase and own that facility and own those grounds in five years because we hope as a government, that that will be an ongoing program.

**MR. SHILLINGTON:** — Well, Madam Minister, let's not get into an argument over semantics. I would describe the institution that you just mentioned — a minimum security institution, with a rehabilitative process in it. My father's a dirt farmer and described that as a jail, but I don't think he's saying anything I'm not. It is, in fact, a security institution, but I do not want to get into the discussion with Madam Minister, on the issue of whether or not it's a good thing or a bad thing. I'm sure it's the answer to the province's law and order problems. I'm sure it is. Madam Minister, what I asked you is not to defend the urban camp, and we'll use your terms to avoid arguments . . . I asked you not to defend the concept, but to defend it's construction. Did you do a cost-benefit analysis on this — the urban camp? On the business of . . . (inaudible interjection) . . . and I'm asking about the cost-benefit analysis of the concept of leasing it rather than building it.

**HON. MRS. DUNCAN:** — We did do . . . And I indicated to you the last two times I was up, that on studying the proposal, the professional people within my department ascertained that it was cheaper for us to go into a lease-purchase arrangement so that we could own that facility at the end of five years. A facility that we plan to . . . If we haven't bought it, or if it isn't ours at the end of five years, we would continue to lease it. I go to Prince Albert where you have a very straightforward lease arrangement. Don't let it be a continual drain on the treasury. At the end of five years, the urban camp in Saskatoon, the ownership will revert to . . . (inaudible interjection) . . . It's a lease-option, right. That's what lease-option is: at the end of the five-year lease, that facility will belong to the Government of Saskatchewan. And as I say, it's going to be an ongoing program, and in the analysis it was cheaper for us to develop than to rent a facility for the next hundred years.

**MR. SHILLINGTON:** — Well, will you file or provide me with your cost-benefit analysis so that I may share the minister's understanding of why and how it can be done cheaper by a lease option to purchase?

**HON. MRS. DUNCAN:** — I can only indicate to you that to maintain the public competitive system, those figures will not be available. You did the same thing on spaces that you leased. You would never give the breakdown and I think you should appreciate why. Those documents can't be made public.

**MR. SHILLINGTON:** — Well, I'm afraid I must admit to my limitations, Madam Minister, because I don't understand why. I don't understand why you can't tell me where you saved the money in the lease, option to purchase, concept. That's what I am asking you. That's all I'm asking you for. Just tell me where you saved the money. Did you save it on the construction? Did you save it on the land? Did you save it on the interest rates? Did

you save it on the ornaments? Where did you save it? That's really all I want to know.

**HON. MRS. DUNCAN:** — Okay, we're ready . . . (inaudible) . . .

**MR. CHAIRMAN:** — Order, order. Order! Allow the minister to make her comments.

**HON. MRS. DUNCAN:** — In our last estimates you requested sort of similar information which we provided to you on a confidential basis. If you can give me your assurance that this particular cost analysis would be kept confidential, I'd be willing to provide it to you by way of letter.

**MR. SHILLINGTON:** — Okay. I'll certainly give you that undertaking. Would you send it then to 2343 Broad Street rather than to the Legislative Building, where it might not be confidential? If it's confidential, send it to 2343 Broad Street, the law office, and I assure you it'll be confidential.

Madam Minister, I wonder if you would be prepared to give us a list of all assigned CVA vehicles — a list of all the vehicles and a list of who they are assigned to. I know that the members of Executive Council have assigned vehicles. They've had that since at least the '30s. I wonder if you'd give me a list of all the vehicles that are assigned — makes, models, costs, etc. — and the individuals to whom they're assigned, and the position they hold.

**HON. MRS. DUNCAN:** — That is a rather outlandish request. We can provide through CVA the executive vehicles that are assigned to those cabinet ministers, deputies, senior people in the Crowns. But as far as assigned cars to individual departments, CVA has no control over that. That, falls within the realm of each individual department, to assign their allotted number of pool cars.

So I can give you the executive fleet because we do physically look after that. But as far as the assigned pool cars that are with each individual department, university, Crown, we don't have any control over who gets those and for what period of whatever.

**MR. SHILLINGTON:** — All right. It may be the case. Let me be more specific, then. Would the minister undertake to provide me with a list of the make and models, the year, of all vehicles assigned to any order in council appointments, any people appointed by order in council . . . (inaudible interjection) . . . I'm thinking of permanent heads — that's right — and all vehicles assigned to any elected person, whether he be a member of Executive Council or not?

**HON. MRS. DUNCAN:** — I can only respond by telling you once again that we do know where the executive cars are and who they are assigned to. That's very specific in the regulations. They go to deputies, to senior people who qualify under the miles travelled during the year, or kilometres as they say nowadays. But as far as OCs within the department, that would be impossible for us to provide you with that information because we don't know who's an OC in Education or Social Services, and those particular cars that are assigned to that particular department are the responsibility of that department.

**MR. SHILLINGTON:** — . . . (inaudible) . . . see those questions answered on the order paper.

Madam Minister, do I take it that the executive fleet, as you refer to it, includes permanent heads, the members of Executive Council, any assigned vehicles to any other elected individual . . . (inaudible interjection) . . . and the Leader of the Opposition, indeed — a black Oldsmobile. Is that what comprises the executive fleet? I don't know what 'executive fleet' is.

**HON. MRS. DUNCAN:** — That comprises our executive fleet, plus the heads of the Crowns.

**MR. SHILLINGTON:** — Okay. I'll accept that undertaking then to provide the make, model, year of all vehicles assigned to all permanent heads of departments, all GMs of Crown corporations, and any elected individual whether or not he be a member of Executive Council. And I gather I have the minister's undertaking to provide that. I was restating what I understand you to have undertaken. I'd ask you to confirm it. You are agreeing to provide a list of the make, model and year of all vehicles assigned to all permanent heads, all general managers of Crown corporations, and any elected individual whether or not he be a member of Executive Council. If that's what you're undertaking to provide, then that is satisfactory.

I'd also like a brief description of the position held by each person because it may assist me in knowing . . . I may not know all the deputy ministers' names. So if you can provide me, as well, with a description of, 'Otto Cutts, deputy minister of supply and services'; that's all I want.

**HON. MRS. DUNCAN:** — Okay. We will provide you with the list of our executive vehicles that we know who they are assigned to. Okay? You have to understand that some of the Crowns don't deal through CVA. So if there is the odd Crown missing, don't think we are withholding information because they don't all go through us. Okay?

**MR. SHILLINGTON:** — Okay. With respect to the tendering of contracts, have there, Madam Minister, been any contracts which were overspent, which were above the budget?

**HON. MRS. DUNCAN:** — Is this part of the package that you said you can't find, the over-50? . . . (inaudible interjection) . . . Okay. We can provide you with that. Okay. We'll send that under cover.

**MR. SHILLINGTON:** — Okay. A list of all contracts which were overruns . . . And would you also provide me with a list of any contracts for which the lowest bidder was not accepted and an explanation, if there is any charitable explanation, for not accepting the lowest bidder?

**HON. MRS. DUNCAN:** — We didn't let a contract go, or we didn't award a contract to anyone other than the lowest bidder. Unless, like . . . Now, you have to understand — and it's all in the annual report, by the way — the contracts that were received, some are rejected because they don't meet the specifications as laid out in the tender. So those aren't considered as valid bidders on a tender. Just for a point of clarification: when you refer to the \$50,000 contracts, are you specifically saying our construction contracts? Because I think that was your previous request in the estimates of a few months ago.

**MR. SHILLINGTON:** — We were dealing then with government services which did not include the Supply and Services wing. No, I was really asking for both construction and the purchasing agency. Let me be fair and avoid too much detail here. Let's limit

ourselves to contracts over \$5,000 to reduce the size of the information load.

**HON. MRS. DUNCAN:** — I think that's an unreasonable demand. We have over 17,000 files in purchasing alone, and the auditor would catch us on some. Would he? . . . (inaudible interjection) . . . No. But a \$5,000 contract is not an unreasonable contract. That's a run of the mill and if you want anything over \$5,000, they would have to spend months and months and months going through 17,000 files. We don't mind that in the public works side, because those are sort of normal type contracts and there aren't that many. But, from my point of view, I think that's being unwittingly unreasonable, I'll say.

**MR. SHILLINGTON:** — Well, that's very charitable of you. That's very charitable of you, Madam Minister. Let me be clear; I didn't want a description of all 17,000 contracts; what I want are any, which the low bidder wasn't accepted. I would have thought that would have been a fairly short list. Now, if that's a very lengthy list, then that in itself invites some additional questions.

**HON. MRS. DUNCAN:** — I would like to indicate to the hon. member that the purchasing agent within Supply and Services, Mr. Rankin, who has been with the government by 10 years, has indicated that a tender has not gone out except to the low tender. Some tenders are rejected because they don't meet the specifications, they don't meet the delivery date, they don't meet the standards set out. But, to give you a very specific answer, we would have to go through the 17,000 files that we have.

**MR. SHILLINGTON:** — Well, are you saying that there have been no cases since May 1983 — I'm not interested in going back beyond that, unless you are — there have been no cases since May 1983 in which a tender has been accepted for the purchase of personal property which is anything other than the low tender? Is that what you just told me?

**HON. MRS. DUNCAN:** — In terms of the purchasing agency, that's correct. No tenders have gone out unless they're the low tender.

**MR. SHILLINGTON:** — And did I understand the minister to say that no construction bids have been accepted except the low tender in each case?

**HON. MRS. DUNCAN:** — That's correct.

**MR. KOSKIE:** — Thank you, Mr. Chairman, I'd like to ask the minister: can you outline what is the general policy for the use of the aircraft?

**HON. MRS. DUNCAN:** — If you are referring to executive aircraft, the policy in place today is the same policy that was in place under your administration.

**MR. KOSKIE:** — I need my mind refreshed. Would you outline what that policy is?

**HON. MRS. DUNCAN:** — I have nine pages here. I could read them all to you. I might add that this is what I received in my briefing book when I took over and it was just a carry-through from the previous administration. Would you like me to read it?

**MR. KOSKIE:** — I would like you, Madam Minister to outline in a general way what the policy is without reading nine pages and then thereafter that send over a copy of the nine pages.



**HON. MRS. DUNCAN:** — Okay. We could start with who may use the aircraft. There's the Premier, the Lieutenant-Governor, cabinet ministers, Crown or government officials. The Premier has priority followed by the ministers and the Lieutenant-Governor. The Premier, the Lieutenant-Governor and the cabinet ministers may use executive aircraft for official government business only and returning to their constituency if they reside in this constituency and it is not served by commercial aircraft. All flights have to be authorized by the Premier or the Lieutenant-Governor in Council or a minister. I think that's the general thrust that has been in place.

Now, in addition to what I have just mentioned, the following people are also allowed to use executive aircraft under the following circumstances: members of the Legislative Assembly by invitation of a minister only; non-government officials by the invitation of the minister only; and families of the Premier, minister and Lieutenant-Governor when they are on official government business or going to an official government function. And I think that stands pretty well. Like I say, we haven't made any changes to it. We think that it's a good set of rules and we've been following them.

**MR. KOSKIE:** — Yes. Thank you for that information. Could you provide us with a copy of the general guide-lines in respect to the use of the aircraft, just so that we might familiarize ourselves? I think you set out the general use of it. And I take it that members of the Legislative Assembly are permitted to use the aircraft, or at least to accompany a minister, for flights home. That's within the policy, I take it?

**HON. MRS. DUNCAN:** — That's similar also to what it used to be. Members of the Legislative Assembly, unless they are travelling on behalf of a minister to official government functions, are put on stand-by and can be bumped by either the Premier, other ministers Lieutenant-Governor, or government officials. I think you are quite familiar with the criteria.

**MR. KOSKIE:** — Yeah. For cabinet ministers to use the executive aircraft for, you know, flights back to their constituency for the week-end or whatever, you know . . . I recognize the pressures on cabinet ministers and I just want to clearly establish that it is, because you know, as I look through here, you know, Regina to Hudson Bay to Regina, Hon. Neal Hardy and that's flight 139, and then there's 140 — Regina-Kindersley-Unity-Meadow Lake-Regina. And I suspect that many of those are in fact the cabinet minister using a plane in order to go back to his constituency. And I would suspect that in flight 140 — Regina-Kindersley-Unity-Meadow Lake-Regina — it probably conceivably could have dropped off some of the MLAs. And so I'm just asking you, within policy whether or not there is any limits on the use of the plane for cabinet ministers in returning to their constituency. And is it an established practice that in doing so, you know, accompanying MLAs can be returned to their ridings? I don't see anything in particular wrong with it, but I'm just wanting to know the policy.

**HON. MRS. DUNCAN:** — I can only indicate again, the criteria and the rationale for using the planes are the same as what was put down on paper by you people when you were in government. And one of the criteria for using it is that cabinet ministers, the Premier, Lieutenant-Governor may use the executive aircraft for official government business only and/or returned to their constituency if they reside in the constituency and it is not served by commercial airline.

As far as MLAs, if they're on stand-by and want to take their chances of being bumped, it's certainly permissible. I can't remember a certain member from Prince Albert who was

not a minister and used it fairly frequently and a few from Saskatoon. And it only . . . You have to use common sense.

But I can indicate to the member, if you're going to get into specific ministers, I cannot answer on behalf of other ministers. I can only answer on behalf of myself.

**MR. KOSKIE:** — Okay. Now just in respect to personal staff, have there been any additions since the last information that you provided to us? You had a Elizabeth Crosthwaite changed from an EA to a special assistant from . . . went up to I believe \$54,000. Can you confirm whether you still have Elizabeth Crosthwaite as special adviser and what the salary is of that lady?

**HON. MRS. DUNCAN:** — Yes, Mr. Crosthwaite is still with me and her salary, as far as I know, is 54,000.

**MR. KOSKIE:** — I'm wondering whether she qualified for the recent increase at 6 per cent, 3,000. Because I know I checked with the Attorney-General or the Minister of Justice and it seems to me that he came back and gave a correction and indicated that his staff, at least, was adjusted upward with the order in council adjusting senior political staff. And so I would like to know whether the adjustment was made; and if it did, did she get the full maximum, 3,000 in there, and therefore would be at 57,000?

**HON. MRS. DUNCAN:** — Okay. She was at a salary of 54,000. I can undertake . . . I don't know if she got the 6 per cent raise, if it was a general order in council . . . I would assume that she did as did all other out-of-scope employees, get, the 6 per cent to a \$3,000 maximum. I'll confirm that, though.

**MR. KOSKIE:** — And a Doug Thompson, EA constituency, it seems to me that it was \$35,000. Can you give me a confirmation of what amount you paid to Mr. Thompson and does he reside in Regina and work out of Regina?

**HON. MRS. DUNCAN:** — Mr. Thompson is in Regina and I think his salary is 30, not 35, and he would probably fall under the general 6 per cent to a \$3,000 maximum raise, but that's another thing I will confirm with you. That's something that I don't know for sure.

**MR. KOSKIE:** — And do you have any additional executive assistants or special advisers or communication bodies around the shop?

**HON. MRS. DUNCAN:** — No, I don't. I have my principal secretary, a clerk-typist, Mrs. Crosthwaite and Doug Thompson in my office, and myself.

**MR. KOSKIE:** — And can you indicate whether you have any of these nefarious contracts for personal services as the Executive Council demonstrated the brilliant use of?

**HON. MRS. DUNCAN:** — No, I do not have anyone under personal contract.

**MR. SHILLINGTON:** — I could shorten this process up just a bit. I don't have anything more specifically . . . I'm looking at the staff complement, and looking at the expenditures. To put it mildly, Madam Minister, this is quite an egg to unscramble because you mixed up two departments here. Rather than deal with each subvote separately, I'd be prepared to accept the written explanation on this, the explanation

being an explanation for any increase or decrease in staff, and the reasons for an increase if that's the case; reasons for the decrease if that's the case; whether or not any positions decreased had people in them; if so, were those people transferred or dismissed?

With respect to the funds, you could give me the undertaking to provide the same information, that is an explanation for any increase or decrease in funding; if an increase, where; a decrease, where; and if you would give me that information I would be prepared to accept it.

I may say—he's not in the House, and it's a shame because I rarely compliment him, and I hate for him to miss this rare opportunity, but the Minister of Urban Affairs, in his capacity as minister of culture and youth, undertook to provide the information and it was provided in quite a satisfactory form. So if you could provide me with that information, I wouldn't ask you to deal with each individual subvote. I'm really just building a data base.

**HON. MRS. DUNCAN:** — Certainly, we can provide you with that information as quickly as possible.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

#### **Item 8**

**MR. SHILLINGTON:** — Madam Minister, this building was under a 10-year renovation program. I would appreciate it if you would give me an indication of where we are on that 10-year renovation program. I guess I really want to know what remains to be done in that 10-year program.

**HON. MRS. DUNCAN:** — Yes, we still have the south wing to remodel, for want of a better word. We've had a few problems. The excavation that's taking place right now with the piles was sort of an unexpected thing. The settling hadn't been calculated into the 10-year plan. And we feel that the major renovation should be finished shortly. Then there's just a few little things to finish up. It's going fairly well, I think.

Item 8 agreed to.

Items 9 to 16 inclusive agreed to.

#### **Item 17**

**MR. SHILLINGTON:** — Madam Minister, this was an area in which there was a change in the purchasing agent. I'm not sure that I understood Madam Minister correctly. You may have told me earlier who the appointee was. You may respond in writing if you like, but I would appreciate knowing the name of the appointee, the salary and qualifications. We can save ourselves a bit of time . . . I'm going to ask you the same question under the Queen's Printer, since I understand there was also a change there. And if I could have that either now or in writing, we can go on.

**HON. MRS. DUNCAN:** — The purchasing agency right now is being headed up by Ken

Rankin who has been with the department for 10 years. And the Queen's Printer is . . . He's acting . . . The Queen's Printer position is vacant at this time.

Item 17 agreed to.

Items 18 to 21 inclusive agreed to.

## **Item 22**

**MR. SHILLINGTON:** — Sorry, Mr. Chairman, I was on, my feet on the subvote 22. I may have been remiss in not addressing you, but I didn't realize you didn't see me.

Madam Minister, this was transferred from Highways and Transportation. I'm curious as to why that would be transferred from Highways and Transportation to your department.

**HON. MRS. DUNCAN:** — We consider ourselves a central service agency and we do business for up to 16 or so agencies. A lot of them . . . I shouldn't say a lot of them . . . Some of them require survey and mapping expertise and we as a government feel that we like to have a one-stop shopping concept and that's why a lot of things are happening in Supply and Services. And we think that we will . . . What it will do really is to co-ordinate and distribute information to agencies requiring it. We think it's a good approach to take and we're quite excited about what's happening in the department.

Item 22 agreed to.

Item 23 agreed to.

## **Item 24**

**MR. SHILLINGTON:** — Madam Minister, what sort of a weird aberration is this supposed to be, a deficit . . . 'To provide a net expenditure (recovery) of (from) the Central Vehicle Agency Revolving Fund (Statutory)' What is that supposed to mean?

**HON. MRS. DUNCAN:** — You're going to like this. That indicates a profit generated from Central Vehicle Agency will be flowing into the Consolidated Fund, as a result of the changes from advance account to revolving account.

**MR. SHILLINGTON:** — I may say, Madam Minister, that is truly a delight to see someone who isn't hell bent on destroying the finances of this province.

Madam Minister, apart from selling vehicles — and I don't know if that's been done — how is a profit achieved? I'm curious about your wizardry; I'm truly an admirer of yours, Madam Minister.

**HON. MRS. DUNCAN:** — You're going to love this one, too. It's just a different approach that we have. We feel that we, as an agency, can provide super service, and still make a dollar. There's a set rate what we charge departments for the use of the vehicles. And if we can keep our maintenance, etc., we can actually capitalize on the moneys coming.

**MR. SHILLINGTON:** — I . . . Well, let me express my heartiest congratulations on this turn of good fortune, Madam Minister. Have you changed the rates at all or is simplified . . . (inaudible interjection) . . . I'm not sure if I was ahead on this one, but I am curious.

Have you changed the rates, Madam Minister, that you are charging on this affair?

**HON. MRS. DUNCAN:** — Okay. We've increased the rate slightly, but the profit that we expect to realize by the end of '84 mainly is because of better maintenance programs, more utilization of the existing cars, the move to more sub-compact cars, and that type of thing. And the gas tax has something to do with it.

**MR. SHILLINGTON:** — Tell me, do you have any . . . How does the number of vehicles compare? Do you have fewer or less vehicles, or the same number — fewer or more or the same number?

**HON. MRS. DUNCAN:** — I'm not sure if this is the information you wanted, but in '81-82 we purchased 1,137 vehicles to complement the fleet; in '82-83 we purchased 1,178 vehicles to complement the fleet; and in 1983-84 we expect to purchase 922 vehicles to complement the fleet.

**MR. SHILLINGTON:** — All right. You may respond to this in writing, if you wish, but could you give me the corresponding number of vehicles you retired in each of those years?

**HON. MRS. DUNCAN:** — Yes, we can provide that in writing. It'll just take a few days or so to compile those figures.

Item 24 — Statutory

#### **Item 25**

**MR. SHILLINGTON:** — Could you give me the corresponding figure for last year? I'm not sure where I'm supposed to find it in all this. Would you give me the corresponding figure for last year?

**HON. MRS. DUNCAN:** — This is rather complicated and it corresponds to an item on page 76, and if you like we can provide the differences in writing. Okay?

Item 25 — Statutory

#### **Item 26**

**MR. SHILLINGTON:** — I'd appreciate the same undertaking with respect to this subvote as well.

**HON. MRS. DUNCAN:** — Yes, we will.

Item 26 — Statutory

Item 27 — Statutory

#### **Item 28**

**MR. SHILLINGTON:** — Madam Minister, have we ceased to make grants to the cafeteria board now? There's nothing being granted to them? Or did this disappear into some other subvote?

**HON. MRS. DUNCAN:** — That's correct — there's no longer a grant to the cafeteria board. They'll be working on a break-even premise, and we've also added the cafeteria of the T.C. Douglas Building to fall under the jurisdiction of the cafeteria board.

Item 28 agreed to.

Item 29 agreed to.

Vote 13 agreed to.

## **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

### **SUPPLY AND SERVICES**

#### **Capital Expenditure — Vote 14**

Items 1 to 7 inclusive agreed to.

#### **Item 8**

**MR. SHILLINGTON:** — I have the suspicion, Madam Minister, that this is the winding down of some program, but perhaps you'd explain to me the rather sharp decrease in expenditures under this subvote.

**HON. MRS. DUNCAN:** — Could we provide that in writing to the member?

**MR. SHILLINGTON:** — Yes, that would be satisfactory, Madam Minister. As well, I would ask you to supply the list of projects which you have budgeted capital funds for. I think you call it your project array. But if you could provide that list to us, in writing of course, I would appreciate that. I am referring, of course, to each subvote — if you could supply it for each subvote.

**HON. MRS. DUNCAN:** — Yes, we can provide that.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I want to ask a brief question with respect to your proposals for office accommodation in Lloydminster. I wonder if you can tell me what the state of a proposed office building in Lloydminster is at the present time.

**HON. MRS. DUNCAN:** — Right now we are surveying the market and the market need and what's available there and what the impact of the provincial office building would have on that area.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, does that mean that you are planning to go ahead unless the market survey dictates otherwise, or is it rather that the project is on hold until you gather more information which will include this market information?

**HON. MRS. DUNCAN:** — It's on hold until we get the market information. There was some concern expressed — substantial concern expressed — as to what impact a provincial building would have on the space already available in Lloydminster. We gave a commitment that we would check that out to make sure that we weren't unnecessarily creating an overabundance that might or might not already exist in that particular city; and that's what we're assessing right now.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, when do you think you will likely have that assessment work completed so that you will be in a position to know whether or not the construction of the building would create excess capacity?

**HON. MRS. DUNCAN:** — Hopefully that information will be to us and analyzed before fall.

Item 8 agreed to.

Vote 14 agreed to.

## **SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE**

### **RESOURCES DIVISION**

### **SUPPLY AND SERVICES**

#### **Provincial Development Expenditure — Vote 14**

Items 1 to 3 inclusive agreed to.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I inquire with respect to the provincial building, which was well along in its planning stages more than a year ago. I saw the models of the proposed building and its proposed juxtaposition to the Plains hospital more than a year ago, and would ask the minister why there is not provision in this year's budget for at least a start on the provincial lab building.

**HON. MRS. DUNCAN:** — The siting problems have still not been resolved and presently a committee has been set up to review the problems and recommend solutions. And the committee consists of representatives from Health, Supply and Services and the Plains Health Centre. And the final recommendations will be presented to the Wascana Authority and treasury board for approval.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, what are the nature of the siting problems?

**HON. MRS. DUNCAN:** — The infrastructure as it relates to sewer and water are posing some very serious potential problems and this is one thing that we're trying to come to grips with.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, could the minister be a little more . . . give us a little more detail with respect to the nature of the sewer and water problems? This is after all beside a general hospital which was designed to be a considerably larger hospital than it now is. While a lab is a consumer, all right, of sewer and water services, no one denies that, it is not a spectacular consumer and I ask what she is suggesting is the nature of the problem.

**HON. MRS. DUNCAN:** — One of the problems is that the Plains hospital board has indicated that there are some functional relationship problems to the existing facility and they have specifically asked the Department of Health to consider an addition to the existing building instead of a free-standing building that was originally proposed. And they want a resolution of the functional relationship problems, and I think one of the problems was that were it a free-standing building the services would have to be provided by ourselves rather than under the authority of the Wascana Authority, and this is well and good in times of plentiful water supplies, but there are some critical areas that really have to be resolved. In fact, I think I spoke of this before; if these particular problems cannot be resolved satisfactorily, either by our department, Health or

the Plains hospital, another site will have to be considered.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I refer to the restoration of Saskatchewan House, and ask whether it is considered that that project is complete for the time being, at least, until someone decides to restore perhaps another area of Saskatchewan House . . . (inaudible interjection) . . . I thank the member for Moosomin for assisting me with . . . Now I repeat my question. And this has to do with Saskatchewan House. And there was a proposal for the regeneration of the first floor of Saskatchewan House and some other major areas of it. And it's my understanding that that project is substantially complete. And is that what this means — that that project is complete?

**HON. MRS. DUNCAN:** — That is correct. I might add that I was at a function there last week with quite a number of out-of-province people, and everyone was duly impressed with Saskatchewan House. And I think it's something we can all be proud of.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I ask the same question here with respect to the archives building. Does this indicate that the project will not go forward, or not be commenced during this fiscal year? And could the minister outline why this project continues to be on hold?

**HON. MRS. DUNCAN:** — Well, as I answered the member from Regina Centre, this particular building falls into the category of a few other major projects, and it just comes down to a matter of economics. And we felt, when we were looking at the needs of the people, that programs such as continuing education, manpower, road ambulance — those types of direct service programs — were programs where we had to have the funding. The archives, though personally I would like to see an archives and I've talked to the archivist about this — I figure it would be marvellous — but at this point in time we just don't have the money for such a building.

I might indicate that we are looking for a semi-permanent place for the archives, a building that would reflect the importance of such a function for the citizens of Saskatchewan.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, a couple of questions following from that: has the project been completed in its conception? That is, have you accepted a site for the project so that when funds become available, the site for the project and the broad general design which is in existence, will be acceptable, or are those matters still open?

**HON. MRS. DUNCAN:** — Okay, the site was never resolved firmly. We are still looking at the former Diocese of Qu'Appelle as a possible site, and we're still in negotiations with the Wascana Authority and I think they would like to see it close to there, but maybe on another site. But currently the project has been put on hold until we can build one. Hopefully, we'll have it built; I think it's an important part of history that has to be restored or housed permanently in a good facility. I think we're looking at alternate spaces for the archives in the interim.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, this may not be strictly in order but I will ask it anyway. This has to do with the alternative accommodation and is it intended that the alternative accommodation will be provided by the Department of Government Services in what might be called the Lakeshore Building of the McCallum



Hill people. I would have to locate it approximately at the corner of Hillsdale and 23rd, behind that property.

**HON. MRS. DUNCAN:** — We are still at the evaluation stage and that is one of the alternatives being looked at at this time by the planning department.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, you may not be able to answer this and if you can't, I understand it. Are you able to tell me other properties which are being evaluated?

**HON. MRS. DUNCAN:** — We are looking within our own inventory of space plus a few other locations.

Vote 14 agreed to.

**MR. CHAIRMAN:** — I'd like to thank the minister and her officials.

**HON. MRS. DUNCAN:** — I would just like to take this time to thank my officials for their prompt answering. I'd like to thank the members of the opposition for the spirit in which they asked the questions.

**MR. SHILLINGTON:** — I'd like to thank the officials for their co-operation. I hope some of them survive until the next set of estimates. I'd like to thank the minister for her co-operation and hope she survives until the next set of estimates.

## **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

### **REVENUE AND FINANCIAL SERVICES**

#### **Ordinary Expenditure — Vote 18**

##### **Item 1**

**MR. CHAIRMAN:** — Would the minister introduce her officials, please.

**HON. MRS. DUNCAN:** — Thank you, Mr. Chairman. My deputy minister, Paul Robinson; Keith Laxdal, E&H tax expert known right across Canada; Gerry Kraus, one of the most efficient comptrollers across Canada, and Ken Brehm — he was with me in Supply and Services, and just a jack of all trades.

**MR. SHILLINGTON:** — Madam Minister, would you provide us with — you can do it in writing if you like — salary and qualifications of your deputy minister, or acting deputy? I'm not sure of the capacity of this individual . . . (inaudible) . . .

**HON. MRS. DUNCAN:** — Yes, we can. Is it just the deputy you wanted, or anyone else, just to be specific?

**MR. SHILLINGTON:** — No, just the deputy.

**HON. MRS. DUNCAN:** — Just the deputy? The deputy minister, whose educations are an Honours B.A., psychology, from the University of Waterloo; an M.B.A. in finance from McMaster University; registered industrial accountant in Saskatchewan. Awards:

graduated first in undergraduate psychology; won the R.H. Walter award; dean's honour list in his M.B.A.; three first-place medals in the R.I.A. program. His work experience; he was originally on secondment from Saskatchewan Power Corporation, February 1983 to May 1983. Assignments: assisted in co-ordination of the first budget; advised on finances of Lake Diefenbaker pipeline proposal; employed by Saskatchewan Power since June, 1980. The list goes on and on. His salary is \$68,000 per annum.

**MR. SHILLINGTON:** — Madam Minister, my learned friend from Quill Lakes covered your personal staff in Supply and services. Do you have any personal staff which will relate to this department for which we did not get the details in Supply and Services?

**HON. MRS. DUNCAN:** — No, the staff complement in my personal office here in the building is the same as under Supply and Services.

**MR. SHILLINGTON:** — Madam Minister, I want to deal with an issue which arises actually out of public accounts. Your officials have been very helpful in dealing with it in public accounts, but I would appreciate the opportunity to get your views on it as well, because that opportunity of course is not afforded in public accounts. It relates to a problem which is not a new one — I'm not going to suggest that . . . This administration has created many problems for the province, but this I don't think is one of them. It's kind of an old chestnut.

The problem is that we do not seem to be doing an adequate job of auditing people who have licences to collect and remit sales tax, and the concern as expressed by the Provincial Auditor, and as expressed by the members of the public accounts committee, is that we are not doing an adequate job of auditing these books, and we may not be getting all of the revenue. As I say, the issue has been outstanding for some time. To put it mildly, the cost of a couple of auditors or a couple of additional staff would pale in comparison with the potential revenue we're losing. This is a very large revenue item — sales tax and other taxes of that sort.

I raise it particularly, Madam Minister, because I notice item 3, revenue operations, your staff is cut 68 to 60, lowering the partial man-years, or person-years. Audit and investigation, which may be more directly the point, is cut from 61.4 to 59.3. I wonder, Madam, in the context of these staff reductions, how you plan to go about solving what I think your staff admitted in public accounts, has been a problem.

**HON. MRS. DUNCAN:** — I can indicate to the member, in response to his question, the reduction in the staff complement has to do directly with the removal of the gas tax, so we actually don't need those auditors in those positions. It might be worth noting that the recovery with almost the same number of staff has gone up significantly each year, and I think that reflects on the general efficiencies and productivities that we find amongst this, what I would consider a highly trained, efficient group of people.

**MR. SHILLINGTON:** — Well, is Madam Minister denying that the problem exists? I caution you that if you do, you'll be quarrelling not only with the Provincial Auditor who feels it does, but your own staff of another department who admitted that the problem does appear to exist. I would ask Madam Minister's view on whether or not the problem exists, and then I'd appreciate your comments on what you're doing to solving a problem which appears to be common ground that we do have a problem.

**HON. MRS. DUNCAN:** — Well, I wouldn't want to argue with the Provincial Auditor and

that's not the stand of my department. We're not arguing with the Provincial Auditor that perhaps there is a dollar or two left out there that might be missed, but I might indicate to the hon. member that the field audits that are done — in '72 we recovered \$1,286,000 with a staff complement of 25 and with a staff complement of 24 in 1982-83 we recovered \$4,347,500, just on the field audit assessments. And also a new thing that was introduced in 1980-81 which we refer to as desk audit assessments — that resulted in another \$3,034,000, just on the field audit assessments. And also a new thing that was introduced in 1980-81 which we refer to as desk audit assessments — that resulted in another \$3,034,000 being recovered. So if our point . . . The point we like to make is that even with almost the same staff complement we have greatly and very significantly increased the recovery of E&H tax throughout the province, even though we don't argue with his contention that we aren't getting every dollar that's out there.

**MR. SHILLINGTON:** — What are you doing to solve the problem then?

**HON. MRS. DUNCAN:** — Well, I think the figures clearly state what we are doing. In 1972-73, \$1,286,000 was recovered by field auditors; in '80-81 that rose to \$2,545,000; in '81-82 it rose to \$4,872,000; in '82-83 it went down a bit to \$4,347,500. And the desk audit, where they just do telephone calls and whatever, which was instituted in '80-81, significantly increased the total of tax revenues flowing back to the province. So I think . . . What I'm saying is that even with the same, almost the same staff complement, the finances generated back to the province as a result of either a field audit or a desk audit has gone up significantly every year. And I think that's attributed to the type of people that we have working in that particular branch.

**MR. SHILLINGTON:** — I don't deny, you've got the very best.

Does the department plan to institute any additional measures to ensure that the system doesn't penalize honest businessmen? — and of course that's what it does. To the extent that the system permits businessmen to avoid the remission of tax where it's appropriate, you of course penalize those who are honest and do it and reward the dishonest and slothful who don't. So I ask you, Madam Minister, do you plan any additional steps to further enhance the recover of tax by your department?

**HON. MRS. DUNCAN:** — Well I can indicate to the member that probably 90 or 95 per cent of the businesses that have E&H licences are honest. We go on a three-year cycle, where we do a compliance in-depth audit. Some of the people we just drop in on a morning or an afternoon. We select compliance audits by very strict audit criteria: whether there's been any problems in the past, the age of the particular business, the type of business it might be. But we feel that using the resources we have available to us, the increased recovery of E&H tax — and plus the fact that the recovery of the E&H tax has significantly went up every year — we think we're doing quite a good job. And I might add that the call from the auditor for increased auditors was resisted, and I might say somewhat strongly resisted by the previous administration, too, because I think you, too, must have recognized the figures that were available to you at that time.

**MR. SHILLINGTON:** — Well I don't intend to pursue the matter beyond their mutual . . . (inaudible) . . . Your department has agreed to come back to the public accounts committee with a detailed report in July, and we will look forward to discussing it with them at that time. That may be a more appropriate place for it. I really wanted your views on the subject.

A subject which is more directly a matter of concern for Madam Minister if the Mortgage Interest Reduction Program. During the election, voters were urged to vote

Progressive Conservative; some numbers of them did in fact. They were given reasons to do that.

**AN HON. MEMBER:** — . . . (inaudible) . . . induced them with much money.

**MR. SHILLINGTON:** — Right. You induced them with much money. I missed the source of that comment, but it's quite accurate; promises of much money.

For instance, Madam Minister, the voters in Maple Creek were urged to vote Progressive Conservative — indeed, urged to vote Joan Duncan — and the reasons for that extraordinary suggestion were contained in the advertisement. One of them was, 'Your Home is Number One — The Progressive Conservative Mortgage Interest Reduction Plan.' I don't know how familiar this is to the member, but I'll read it to you:

Thirteen and a quarter guaranteed maximum mortgage rate . . . Maximum \$50,000 mortgage . . . Principal residence . . . Current mortgages, renewal and mortgages on new homes . . . No means test . . . A real program to help real families. It's that simple . . . PC . . . There's so much more we can be.

Madam Minister, the problem which has arisen seems to have arisen because in fact that promise wasn't kept. To use the language of the ad, 'thirteen and a quarter guaranteed maximum mortgage rate' doesn't appear to have been achieved by all of Saskatchewan's citizens.

Let me assist Madam Minister in understanding the nature of the problem by reading from an editorial in your favourite newspaper and mine, the *Star-Phoenix*. I want to read this to you verbatim because I know it'll be of endless assistance to Madam Minister:

Members of the governing Conservative Party continue to object strenuously to any suggestions that their mortgage interest reduction plan is anything but equitable, or that it in any way violates the promises of last spring's election campaign. What these objections have accomplished has been to confirm that there is validity to the criticisms that have been made.

**AN HON. MEMBER:** — . . . (inaudible) . . . letter to the editor?

**MR. SHILLINGTON:** — No, this is an editorial.

The PC Party campaigned on the promise that no one in Saskatchewan would pay more than 13.15 per cent for a residential mortgage (and I quoted you one that you may have been familiar with) and while party advertisements were still making that claim last month, the fact is that some mortgage holders are paying more.

I could, Madam Minister, go on. Let me see. I want to ask you some questions about this program.

As I understand it, Madam Minister, the subsidy represents the difference between what I believe you refer to in the mortgage as the composite rate and thirteen and a quarter per cent. Is that accurate?

**HON. MRS. DUNCAN:** — Well, a home-owner's assistance is equal to the difference

between the required monthly principal interest amount that is payable under his own agreement and that amount that would be payable based on a thirteen and a quarter interest rate. And the level of assistance is, as you very well know, subject to a maximum interest rate that is calculated weekly.

**MR. SHILLINGTON:** — And that is what I have referred to, I think, as the composite rate. I think that's your phrase. How is that composite rate arrived at?

**HON. MRS. DUNCAN:** — The average maximum interest rate is calculated weekly by taking the average interest rate for a one-year closed mortgage, based on the nine major lending institutes across Canada and it's established under a Sask Housing Corporation weekly survey.

**MR. SHILLINGTON:** — Could you tell me what the composite rate was on July 1, '82, when this program went into effect?

**HON. MRS. DUNCAN:** — We'll even do more than that if you're willing just to let us send it to you. We'll supply you with the maximum weekly rates since the institution of the program.

**AN HON. MEMBER:** — Have you got it there?

**HON. MRS. DUNCAN:** — No, we don't have it all here. We definitely don't have the July '82 figures with us. We'll give you each weekly figure from July '82 right up to the present. We can get it to you fairly quickly. We don't have it with us though, I'm sorry.

**MR. SHILLINGTON:** — For the purposes of my questions, are we on common ground that the composite rate on July 1st was 19.25 per cent?

**HON. MRS. DUNCAN:** — Mr. Laxdal indicates that the fellow that knows all these figures is on his way down, so we'll get that shortly.

**MR. SHILLINGTON:** — I gather he was in the government gallery. Okay, I'm just going to leave the subject for the moment until he arrives, and perhaps you'd be good enough to tell me when he arrives.

Madam Minister, you have had a decrease in the subvote, administration, of two votes. I wonder if you could give me the details of those decreases in positions, and whether or not they were filled, and if so, what became of the incumbents.

**HON. MRS. DUNCAN:** — It has to do with the reorganization, and it was the combination of administration and personnel and training, and moving most of them over to Supply and Services.

**MR. SHILLINGTON:** — Did I understand . . . We'll finish this up. I see that that official if with you, but let's finish up this first. Did I understand you to say that the reductions of staff complements in subvotes 3 and 4, and the reduction of funding in subvote 3 and the static nature of the funding in subvote 4 are related to the abolition of the gas tax exclusively? If not, what other elements contributed to the lower staff complements and lower funding?

**HON. MRS. DUNCAN:** — It's primarily the gas tax positions, plus some of the people that

were in MIRP whose jobs became redundant as the program wound down, but you know we had people hired to take care of the influx of applications at the beginning and as those sort of levelled off, those positions were no longer required.

**MR. SHILLINGTON:** — Were all of the positions vacant, or were they people who were incumbents who were dismissed?

**HON. MRS. DUNCAN:** — No one was, say, lost their jobs except the temporary employees that had been temporarily hired to facilitate the MIRP program. Some of them went to revenue, supply and services out of the fuel tax division, one went to mail and , some went to office services, and that type of thing. But the only people that actually lost their job were the temporary people that were hired to take care of that, what we expected and what resulted in a huge influx of applications for MIRP, but that was part of the understanding of that job.

**MR. SHILLINGTON:** — Okay, let's go back then to the Mortgage Interest Reduction Program. Was the interest rate 19.25 per cent — the composite interest rate on July 1, '82?

**HON. MRS. DUNCAN:** — July 1, '82; it was 19.25.

**MR. SHILLINGTON:** — Will the person who received a mortgage on July 1, '82 receive the same subsidy regardless of whether he took out a renewal for a one-two-, or three-year period?

**HON. MRS. DUNCAN:** — That 19.25 would apply only to mortgages that were taken out or renewed on July 1st, and they would be subject to the maximum interest rate.

**MR. SHILLINGTON:** — Right. And if he renewed on a two-year term, would he get the same subsidy as if he renewed for a one-year term?

**HON. MRS. DUNCAN:** — Okay. I think we made it fairly clear during debate of the bill and in our kit that went out to the lending institutions that the 13.25 would apply to one-year closed mortgages. And that maximum interest rate was calculated on a weekly basis using a survey of the nine lending institutions. Two- and three-year mortgages generally are a bit higher than one-year closed.

**MR. SHILLINGTON:** — Madam Minister, how do you square that with your campaign advertisements? I repeat your own . . . I repeat the advertisement in Maple Creek exhorting them to vote for one Joan Duncan . . . 13.25 per cent guaranteed maximum mortgage rate. The effect of ending the sentence there is that the ordinary and usual meaning of that sentence is that everybody is guaranteed 13.25 per cent maximum. Now we find out that's only true if you renew for a one-year period. If you renew for a two-year period, you're not guaranteed 13.25. And of course, it is not an answer to say that, 'Why didn't the poor brutes renew for a one-year period?' The reason is because they didn't know. These regulations were not in effect until many months after July 1st. So I ask you, Madam Minister, how do you square your performance with your promises?

**AN HON. MEMBER:** — You were trusted, but not tested.

**HON. MRS. DUNCAN:** — Well, you were tested and not trusted.

Well, okay, I would like to say at this point that I think the Mortgage Interest Reduction Program instituted by our government shortly after we came into office, based on a campaign commitment that we made, I would say that the 43,000 people in the province that have applied for MIRP (Mortgage Interest Reduction Program) can't be wrong. Can't be wrong. Now let's just do a little comparison to a program that was introduced on March 18, 1982 by the previous government, and they called it the home-owner's mortgage entitlement protection program. Okay? Our program applies to all new mortgages, renewals; the home program proposed in your 1982 budget that the public didn't accept, would have applied only to mortgage renewals occurring up to March 31, 1983. Our program will remain in effect until 1985. Similarly that the assistance was provided on an interest rate equal to the greater of 15 per cent or the lower rate paid on that mortgage since January 1, 1979, which was what your home program wanted to give us. And the maximum rate, or the maximum assistance proposed by your home program was limited to 2,400 minus 15 per cent of the family income in excess of 25,000. Ours is not income tested, and under our program there is no income limit. Under your program, families earning \$34,600 or more a year were ineligible, and benefits were based on the first 50,000 of mortgage amounts. You know, I think if you just look at our program as compared to the program that didn't get you elected . . .

And I can only reiterate that the 43,000 people that have applied for MIRP (Mortgage Interest Reduction Program) are extremely happy to get the benefits. And I don't get many complaints, either by phone or by letter. I get the odd person writing to me asking for a clarification of the maximum interest rates. But I really don't get many complaints at all.

**MR. SHILLINGTON:** — Well, I dearly wish that the minister would undertake to answer my telephone, because I'm getting some on this thing. And they continue to come in.

Madam Minister, let me give you some actual examples. And I've had difficulty explaining to these people why this program . . . how this program can operate. And if you can at all assist me, I'd appreciate it. Let me give you an actual example. I will go slow enough that you can copy down the figures.

The credit institution, Madam Minister, was the Sherwood Credit Union. It was a 15-year mortgage. The term was one year. The renewal date was July 1, '82. The principal owing when renewed was \$49,984. Monthly payment was \$748.84. the interest rate was 18.25. The monthly subsidy which went to the bank was \$177. The interest rate was 18.25 per cent. So I assume that person deserves a subsidy equivalent of 5 per cent on his mortgage, which is less than \$50,000. It's 49,000 and change.

I calculated it out. You can do it, I think, fairly quickly if you have a calculator. The amount of the subsidy should have been \$208, as this individual correctly pointed out. What he got was \$177.62. His interest rate was from the Sherwood Credit Union. We, therefore, assumed that it was not above the composite — it would be in the average.

So I ask you to explain to me how this person can wind up \$40 short on his subsidy. Why was his subsidy not equal to the full 5 per cent?

**HON. MRS. DUNCAN:** — I think, perhaps, your assumptions are wrong. I understand that the Sherwood Credit Union do not offer one-year closed mortgages. And they are not always at the average of the other lending institutions. And I can only say if you have a very specific case, I would be more than willing to take it up, look into it for you. What

we found . . . Most of the mistakes that have been made have not been made as a result of people in the department. There have been some delays because the forms weren't filled out accurately. Sometimes the bank will fill in an interest rate on the day that the money went into a particular account rather than the day that the people first went in to apply for mortgage money when at that time the bank . . . (inaudible) . . . that in.

And really I don't know how many people have been rejected outright. I don't think there's more than . . . Out of the 43,157 applications received to date we have approved 41,965; we have returned 1,087, and that's usually because they haven't filled in everything. And surprisingly — this is the figure that I think you should appreciate, and you'll know exactly what I mean when I say that the public in general appreciate and support the program — out of the 43,157 applications received only 83 applications were rejected, and those were rejected mainly because the second mortgage might not have been taken out for the purpose of a house; it was taken out more as a personal loan. Or else the people had an interest rate lower than 13.25. So in general I think you would be hard-pressed to really criticize the program.

**MR. SHILLINGTON:** — No. I don't think I would be hard-pressed. Madam Minister, I fail to understand what Sherwood Credit Union's policy of having a floating interest rate has to do with the calculations. I made no such sophistication. Now there's no such sophistication in my calculations. I just took 5 per cent of the principal and that should have been the amount of the subsidy and it wasn't. It was 440 short. I don't know what the floating interest rate would have to do with that. In any event, the interest rate tracked downwards, not upwards. So I ask you, Madam Minister, why these subsidies fell so short of what they should have been.

**HON. MRS. DUNCAN:** — Okay. It's not simply a matter of deducting 5 percentage points and calculating the interest on that. As I indicated to you earlier, the mortgage interest subsidy program was based on the maximum interest rate, and it's also based on the difference of your payment at 13.25 and your payment at 19.25 or whatever you might have. I can only indicate to the member if he wishes to supply me with the name and address and the hospitalization number of the specific case he's talking about, we'd be more than pleased to look into it for you.

**MR. SHILLINGTON:** — Madam Minister, these examples do persist. I refer you to an article in the *Leader-Post* of April 2nd, '83, which a squabble has broken out between officials in your department, one Russ Moore, and Hugh Hunt with the Imperial Bank of Commerce, and a Ron Perrault with The Royal Bank. A squabble between this government and The Royal Bank, I may say, is a falling out indeed, and this occurred before the debacle in New York. So I assume what happened in New York is not an explanation for this. Let me quote to you some comments out of the article. The headline is: Mortgage subsidy does not cut all loans down to 13.25. The headline sums it up.

While subsidies received under terms of the province's mortgage interest reduction plan have reduced the mortgage interest payments of most Saskatchewan home-owners to a maximum of 13.25 per cent annually, some residents are paying more. Russ Moore, director of revenue operations with the Department of Revenue, Supply and Services, said an unspecified number of complaints have been received from citizens who did not receive as big a subsidy.

He goes on to say:



The government pays the difference between the average one-year rate at the time the mortgage is obtained — the date on which the interest rate is set — and 13.25 . . . Moore said he did not think the government was at fault for the misunderstanding. Adequate steps were taken by the government to explain the program, he said. The government relied upon the banks or the financial institutions to help explain the details of the program.

Madam Minister, do you not think it would have been a better procedure to have been more candid with the electorate during the campaign and not relied upon Canada's chartered banks to try and unravel your election campaign promises? Do you not think you should have been a little more candid with the public during the election campaign?

**HON. MRS. DUNCAN:** — No, that's a bunch of malarkey, and you know it. Honestly. You talk about doom and gloom and negative. I can only stand here and say to you, while your program would have touched up to . . .

**AN HON. MEMBER:** — 47,000.

**HON. MRS. DUNCAN:** — 47,000. You exaggerate. Families earning over \$34,600 couldn't even apply. Yours was income tested; ours isn't. Your maximum assistance was limited to 24,000 minus 15 per cent of family income in excess of 25,000.

And if you are going to be so gullible and believe everything you read in the *Leader-Post*, and the *Star-Phoenix*, if you're going to continue for the next two years or three years or four years to use the *Star-Phoenix* or the *Leader-Post* as your research base, fellows, I mean, that's only good stuff for us.

I can only say 43,000 people applying, 41,000 getting it, of course we had a maximum interest rate put in place. We wouldn't be responsible if we didn't. and if you think we're going to accept any rate that's sent in, you're silly. You have to have some way of controlling it or we'd be irresponsible with the taxpayers' dollars . . . (inaudible interjection) . . . Oh, you talk about promises. At least we were up front with the commitments that we made — more than you guys ever have been. And I'll tell you, the people like our program. They'd like to see eight more of us sitting over there.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Well, I guess I'm going to have to live with that unfortunate consequence, I say to the member from Regina North.

Madam Minister, why didn't you do what you had promised to do, that is, reduce mortgages to 13.25 and provide a separate composite rate for two-year mortgages and three-year mortgages? There would have been no abuse, Madam Minister, in that. It would have simply been keeping the faith. I ask you, Madam Minister why you didn't have a separate composite rate for two-year mortgages and three-year mortgages.

You claim that the banks should have done your explaining for you. The banks didn't take that view, Mr. Hunt said, 'The government should have told us. The situation was embarrassing.' It's a sorry day when you're quarrelling with The Royal Bank. Ron Perrault, The Royal Bank's district mortgage manager said the bank had received a few

complaints from people who had selected the wrong mortgage plan. Perreault said he could count the complaints . . . he could count his complaints. The government should have done more to publicize the details of the interest reduction program. That, Madam Minister, is what I am saying to you, is that you should have done more to publicize the details of that during the campaign. And having not been candid about your intentions, why did you not have a composite two-year mortgage and a three-year mortgage?

**HON. MRS. DUNCAN:** — Well listen, why don't you read the whole article? I think somewhere in there it says you can count the complaints on one hand. Now on this one hand I have five fingers. And if I have only five complaints out of 43,000 applications, I'll tell you I think our program is even better than we ever thought.

Getting back to the establishment of a maximum interest rate, I think it would have been totally irresponsible of us, and there are reasons . . . there are reasons . . . there are reasons why a maximum interest rate was instituted. And one of the reasons is to make sure that home-owners do not receive assistance based on abnormally high interest rates, either from private lenders or others. I could lend you \$50,000 at 40 per cent interest rate; we shouldn't qualify. And you have to . . . You have to put in some safeguard mechanisms. And really, the banks did know, and we tried to communicate it.

You say you have a great number of complaints. Well I would specifically like to know, do you have five, or 10, or 2,000, or 3,000? And put it in proper perspective, for gosh sakes. Put it in its proper perspective. Out of the 43,000 applications received, the 41,000-plus that are receiving benefits under MIRP . . . Now I would say to you, if you had 20,000 complaints, I would say, yes, you have had a great number of complaints. But if you tell me you only have had 10 or 20 or even 100 out of 41,000, I would say you're greatly exaggerating again.

**MR. SHILLINGTON:** — The research staff available to me, Madam Minister, is not what's available to you. I do not have the research staff of cabinet at all. I'll tell you that I have here 1, 2, 3, 4, 5, 6, 7 complaints right here that I have notes on. Madam Minister, no I am not going to name them all. We know what happens to people — we know what happens to people who criticize this government. They're out on their ear. Yeah, they'll be gone. They will be gone because some of these people work for the provincial government. Your retribution knows no end.

Madam Minister, if you can dissuade the Minister of Justice from giving you such invaluable assistance, I want to deal with another aspect of this program. It has to do with security of income tax returns which are available to you. Do I take it it is common ground that you have available . . . that you have access to the income tax return of anybody who is getting a subsidy?

**HON. MRS. DUNCAN:** — I would ask the hon. member . . . I asked you before if you have a specific case I'd be more than pleased to look into it for you. Now you said you had seven complaints there. Now I would like to tell you that those seven complaints represent 0.0002 per cent of the total applications we have received. Now be reasonable; be reasonable about it. You know. And I would say to the hon. member, if he would care to pass over those seven complaints, I would be more than pleased to look

into them immediately in the morning — table them, if nothing else.

Now you were talking about the requirement to have access to income tax, and I'm sorry, I missed your question. I just wanted to say before you get up that that also is acting responsibly. Nowhere on the form are you asked for your social insurance number. You are just asked for permission to be able to get information from Revenue Canada. Now should a person be audited, they would be advised either in writing or by phone prior to an audit being done, at which time their SIN number would be requested. So the campaign that I can vaguely remember because I don't like to remember little negative plays like that . . . The campaign that you people waged, I think, was unfair, uncalled for, and totally misleading, given that the same information is asked on SAP (Saskatchewan Assistance plan), and the former minister of social services is fully cognizant of that fact, and it isn't something new as you people tried to imply at the time.

**MR. SHILLINGTON:** — Madam Minister, I would have no objection to tabling the examples. The problem is that I have written the names — I have written the names of the individuals on top of them, and I'm not going to table their names. I could give you the examples . . . I could give you the examples and I will do that. I will give Madam Minister the information and ask you to respond and explain to me why those individuals didn't get the subsidies which I thought they should have. So let us deal with it in that fashion. I will correspond to the minister and give you the raw data without the names and ask you to respond and explain why they don't get the subsidy that it appears they should.

Madam Minister, I names seven complaints. I'm not suggesting that everyone who got less than what they were entitled to contacted me. I happen to have seven here, and that's a fair number considering the number whose examples I have with me.

Madam Minister, because we are running out of time, I want to deal with the income tax returns. A person's individual income tax return is available to you if you decide to do an audit. The issue of the confidentiality of those files is no academic issue. We spent some days in this House dealing with an episode that occurred because an individual's confidential file — a member of the legislature and my desk-mate — his confidential file was made available to members of your caucus who used it publicly. So the issue . . . (inaudible interjection) . . . They had his confidential file. They didn't deny it, so Madam Minister, the question of the security of those income tax returns is no academic question. I ask you, Madam Minister, what steps have you taken to secure the confidentiality of the information which you have?

**HON. MRS. DUNCAN:** — There you go again — either deliberately or otherwise trying to mislead the people of Saskatchewan and that's shameful. Now, if you look at the MIRP (Mortgage Interest Reduction Program) application: nowhere on there are you required to put down your social insurance number, which is a federal number, but it does specify that you have to realize that should you be lucky enough to have your name come up for a spot audit, our department would contact you for your SIN (social insurance number) number so we in turn could write the federal government and have access to that information.

Now, I am not sure. I don't think they would just send your whole file. The only information we would be requiring was whether or not you, on your income tax file, were deducting interest costs as a business deduction. And for you to stand there and

say that we're going to pass these things around . . . We haven't looked at one income tax file, nor have we requested one social insurance number.

I'll tell you why also, because the people on this side of the House feel that probably 99 per cent of the people in the province are honest, and they're not trying to rip off the government. They're honest, honest, basically honest people who appreciate the program. And this government has a different philosophy than you guys. We aren't going to encumber a program with so darn many regulations and rules and stumbling-blocks that no one's going to apply for it. At the time that MIRP was introduced, interest rates were at a record height . . . (inaudible interjection) . . . Caused by you guys in part . . . Thank you. And we felt as a government that it was our responsibility to protect as many home-owners as possible. And when we say home-owners, we mean the person that might be making \$40,000 a year, or \$35,000 a year, or 20, or whatever. Not like you . . . Anybody over \$34,000 were out of luck. But we feel that there is a whole class of people out there who are contributing to the province, paying taxes, buying goods, and contributing to the growth of our province, and they need as much protection as a lot of other people. And we have . . .

**MR. CHAIRMAN:** — Order, order. The minister is trying to answer, and above this noise you can hardly hear her. Could we have some order here, please?

**HON. MRS. DUNCAN:** — I can only say that we don't want to create programs that you have to put so many stumbling-blocks and so many regulations in place that it just becomes ludicrous to apply for them. I think our farm purchase program was done in the same vein —anything we do.

And I might say with a bit of pride on behalf of the Government of Saskatchewan, we were a leading force in having programs such as this instituted across Canada. People from the MIRP (Mortgage Interest Rebate Program) program travelled to almost every province to help them set up similar programs. And we were a leader in this program. And I'll tell you, the people know it, and the people appreciate it.

And if you want me to look after those seven complaints that you have, I need more than just an example. I need the names, so we can look directly and see why those people are not getting some subsidies that they require, because I would like to have the pleasure to write to them personally, to either tell them why they didn't or how a mistake was made and how it could be rectified.

**MR. SHILLINGTON:** — Madam Minister, your description of what we're going to get from the department varies markedly from the regulations. And that's why I'm asking the question. May I read for your benefit the regulations which you passed? Section 4:

For the purposes of subsection 6(1), the minister shall request, on every application, information relating to a principal residence, including (subsection g) a declaration by the home-owner stating that he is a resident of Saskatchewan and he authorizes the minister to request on his behalf any returns and supporting documents and schedules that he has filed pursuant to the Income Tax Act.

What this authorizes you to get is the return and all supporting documents. And Madam Minister, that's a good deal more than what you just described to me. And it is information which can be lethal if it's not protected. And as I say, confidential files have no . . . Security of confidential files is not an academic issue any more, not with us or

with anyone else. So I ask you, Madam Minister to direct your attention to the regulations which you passed.

And if you're saying these regulations are unnecessarily broad because you have no intention of asking for that information, then I would suggest, Madam Minister, you should amend your regulations.

**HON. MRS. DUNCAN:** — Well, the statement made by the member from Regina Centre absolutely stymies me. You know full well that you cannot access Revenue Canada unless you have a social insurance number, plus the signature giving permission by the person you are trying to access information from. And you know full well that the SIN number is found nowhere — and I repeat, nowhere — on that MIRP form.

Permission is asked to give us permission that if we do an audit, that you will provide us with your SIN number . . . (inaudible interjection) . . . It is so. Now you read that form . . . (inaudible interjection) . . . You read the form! There's nowhere on there where your SIN number is, and you, being a lawyer, should know better. You can't access Revenue Canada for information without written permission plus a SIN number.

And it's not fair. I can tell you one more time: if we want to do an audit on you, you will be contacted by someone in MIRP, saying that 'You have come up for a spot audit. Could we please have your social insurance number in order to access Revenue Canada?' You would know everything — open government, up-front, eh? You would know if you were being audited.

**MR. SHILLINGTON:** — I don't see how that's relevant to my question. My question is . . . And it relates to the regulations. The regulations state, Madam Minister, 'Authorizing the minister on his behalf to request any returns and supporting statements and schedules.' What these regulations authorize you to ask for is everything that you've filed. And there is a great deal of confidential information in that. My question to you . . . And let's deal with what you ask for. Did you tell me that you don't want the returns; you don't want the statements; you don't want the schedules; you want something less than that, and that's all you'll be asking for? Is that what you just told me?

**HON. MRS. DUNCAN:** — I would tell you that it would not be . . . We're asking for approval, is what we're doing, approval to access your income tax information. And I will reiterate that that income tax information cannot be accessed to without written signed consent, plus your social insurance number.

And I am familiar with the regulations, but also I am familiar with the form — the application form that you fill out when you apply to MIRP. And if you go over that very carefully, you'll find that nowhere on there is there a space for you to fill in your social insurance number, which we need, along with your written permission, to send to Revenue Canada, to be able to access your income tax. So what I'm saying to you: that anybody that we do an audit on — and we haven't done any audits to date — anyone that we do an audit on would be contacted either by phone or by mail, informed that their MIRP benefits were under an audit, and we require his or her social insurance number to be able to access Revenue Canada for the information.

Basically the information that we would be requiring would be that you weren't using your interests cost as a write-off against a business. So that's all that we would be interested in. And I can assure the hon. member that I wouldn't even see them. And I really don't care to see anybody's income tax information.

But for you to stand there and either imply deliberately or unwittingly that this is something new is just not right. Social Services requires income tax information. I believe Sask Housing requires income tax information. I believe banks sometimes require income tax information that you give voluntarily. So don't try to say that it's something sinister, because it isn't. And I can only say to you in honesty that we believe that 99 per cent of the people are honest, appreciate the plan. The plan is being accepted, not only here, but in other provinces in the country, and what more can I say? Forty-one thousand people getting benefits under IRP; it's a good program; it's a simple program; it's been a pleasure to administer; we've got a good group of people; the administration of it has been kept simple, by design I might add. And there's a lot of new firsts — the electronic transfer of benefits is a first I think, not only in the province but elsewhere. So I think that we have a good thing going for us.

**MR. SHILLINGTON:** — Madam Minister, when you contact the Department of National Revenue, they are going to tell you, they aren't going to go through that form and tell you: yes, he was; or yes, he wasn't; they're not using this for income tax deduction. They're going to send you the return and supporting statements, and your regulations recognize that. They'll send you the return; they won't do your work for you.

My question, Madam Minister, is: what steps have you taken to ensure that this information will remain confidential and will not become the subject of public discussions, as has happened somewhat recently?

**HON. MRS. DUNCAN:** — Well, I can give this assurance to the member, that all people working within the civil service, I believe, have to take the oath of office, which also includes their commitment to confidentiality of documents. Now if you think that we have someone in the department that might not be quite honest, I would be pleased to know about it. But I think that you know full well the people that deal with that type of sensitive material are probably fully cognizant of their responsibility with that material.

**MR. SHILLINGTON:** — I wouldn't, Madam Minister, have made such a fuss about it. We did at the time it was passed. I would not have made such an outrageous fuss about it, if the use of confidential files had not become the matter of a public argument between your Premier and one of your members. And it did; and it did.

Madam Minister, what steps have you taken to limit access by the employees of your department to this information? What steps have been taken to ensure that only the absolute minimum number of employees can get the information?

**HON. MRS. DUNCAN:** — Any audits that are done using income tax files are done in a secure area; the files are secured; there's a minimal number of people working on files — perhaps one or two. Those people know their responsibility, I believe. And as I said before, they're fully cognizant of the sensitivity of that type of material and it isn't something that's just thrown around; it's in a secure area, and what more can I say?

Item 1 agreed to.

Items 2 to 6 inclusive agreed to.

#### **Item 7**

**MR. SHILLINGTON:** — Madam Minister, can you tell me what was actually spent in

1982-83?

**HON. MRS. DUNCAN:** — About \$27 million. I might add that that's down from the projected 52 when we first started working on the program in May of '82.

Item 7 agreed to.

Item 8 agreed to.

Items 9 to 13 inclusive — Statutory.

#### **Item 14**

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, could the minister advise what superannuation programs are operating? I'm aware of the old superannuation plan — the benefit plan which is based upon years of service and salary. What I am really asking is whether the employees' savings plan that used to have matching contributions for employees who could not qualify for the defined benefit plan is still operating, or whether that has been merged with the new matching contribution plan?

**HON. MRS. DUNCAN:** — Mr. Chairman, before I answer the hon. Leader of the Opposition's question, I'd like to introduce to you the officials from the public employees benefits agency: Mr. Al Palmer, the director; and Bob Bishoff from the plan, executive secretary.

It's still in place, but it is being phased out. I believe the phase-out started in '77; does that answer your question?

**HON. MR. BLAKENEY:** — I think so, Madam Minister. Clearly no one would qualify for that now, because there's no reason why they shouldn't be in the new matching contribution plan. Is there any reason why the whole employee benefit plan couldn't be sort of moved over into the matching contribution plan, holus-bolus, and get rid of one of our several plans?

**HON. MRS. DUNCAN:** — All I can say is that when the new plan was brought in, the participants of the old plan were not given the option of swinging into the new plan, and as you know that was not a decision made by the present administration. So, I couldn't give you the reason why it wasn't, because that was a decision made by your administration.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I don't want to pursue this particularly, except that that employee benefit plan was, as I recall it, one wherein the employee simply paid an amount into the fund and the government matched it, and out of that combined sum an annuity was purchased and that's exactly the same arrangement as the new plan. And I don't know why they need to be segregated, and I ask the minister why they need to be segregated and administered separately.

**HON. MRS. DUNCAN:** — Okay. I understand that prior to the new plan, that employees who entered the government service over a certain age had to contribute to the employee savings account because they couldn't get into the different plan, and that, of course, now is gone because there is no age limit that you can't start paying into the PEBA fund.

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I agree with the minister's statement, but they paid into the savings account, and if I am not wrong, the government matched the amount. That may be my problem; maybe they didn't match it at that time, but only on retirement. But, if they matched it at the time that the employee put the money into the savings account, then it's exactly the same plan as the new one, and I don't know why we need to keep them separate.

**HON. MRS. DUNCAN:** — The other plan, the contribution was only matched on retirement, whereas in the new plan, the match is made on a monthly basis, month by month.

Item 14 — Statutory.

Items 15 to 17 inclusive — Statutory.

Items 18 and 19 agreed to.

#### **Item 20**

**HON. MR. BLAKENEY:** — Mr. Chairman and Madam Minister, I wonder if the minister can tell us whether tat covers all employees in the public service, and whether any other classes of employees are covered by the dental plan, and have the employer contribution paid out of that amount.

**HON. MRS. DUNCAN:** — It basically covers about 14,000 members; it covers everyone except SGEU (Saskatchewan Government Employees' Union) who, in the bargaining process, chose not to participate in the dental plan, and a couple of smaller groups.

Item 20 agreed to.

Items 21 and 22 — Statutory.

Vote 18 agreed to.

### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **PUBLIC EMPLOYEES BENEFITS AGENCY — Nil Vote**

**MR. CHAIRMAN:** — I'd like to thank the minister and her officials.

**HON. MRS. DUNCAN:** — Mr. Chairman, I would also like to take this opportunity to thank my officials for their speed and help, and also to thank the members of the opposition for the pleasant questions asked and the lively debate that broke out at some time.

**MR. SHILLINGTON:** — Thank you, Mr. Chairman. I also want to thank the minister for her courteous attention to our questions and her officials for their assistance in replying.

The committee reported progress.

The Assembly adjourned at 10:00 p.m.