

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**June 6, 1985**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

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

**Non-Controversial Bills**

**Bill No. 84 — An Act to amend The Horse Racing Regulation Act**

**MR. SHILLINGTON:** — Thank you, Mr. Speaker. As chairman of the Standing Committee on Non-Controversial Bills, I wish to present the 10th report of the said committee which is as follows:

As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 84, An Act to amend The Horse Racing Regulation Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 88 — An Act respecting the Consequential Amendments resulting from the enactment of The Department of Finance Act, 1983**

**MR. SHILLINGTON:** — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 88, An Act respecting the Consequential Amendments resulting from the enactment of The Department of Finance Act, 1983, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 88 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I mover that Bill No. 88 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 89 — An Act to amend The Heritage Fund (Saskatchewan) Act**

**MR. SHILLINGTON:** — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 89, An Act to amend The Heritage Fund (Saskatchewan) Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill 89 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 90 — An Act to amend The Rural Municipality Act**

**MR. SHILLINGTON:** — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 90, An Act to amend The Rural Municipality Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill 90 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill 90 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 92 — An Act to amend The Urban Municipality Consequential Amendment Act**

**MR. SHILLINGTON:** — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 92, An Act to amend The Urban Municipality Consequential Amendment Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill 92 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill 92 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 96 — An Act to amend The Agrologists Act**

**MR. SHILLINGTON:** — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 96, An Act to amend The Agrologists Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill 96 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill No. 96 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 98 — An Act to amend The Management Accountants Act**

**MR. SHILLINGTON:** — As chairman of the Non-Controversial Bills Committee, I wish to report

Bill No. 98, An Act to amend The Management Accountants Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 98 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill No. 98 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 99 — An Act to amend The Crop Insurance Act**

**MR. SHILLINGTON:** — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 99, An Act to amend The Crop Insurance Act, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 99 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill No. 99 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 101 — An Act respecting the Profession of Optometry**

**MR. SHILLINGTON:** — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 101, An Act respecting the Profession of Optometry, as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 101 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill No. 101 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**Bill No. 97 — An Act to amend The Critical Wildlife Habitat Protection Act (No. 2)**

**MR. SHILLINGTON:** — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 97, An Act to amend The Critical Wildlife Habitat Protection Act (No. 2), as being non-controversial.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 97 be waived.

Motion agreed to.

**HON. MR. MCLEOD:** — Mr. Speaker, I move that Bill No. 97 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

### INTRODUCTION OF GUESTS

**HON. MR. EMBURY:** — Thank you, Mr. Speaker. It's a pleasure to introduce to the members of the House today, 23 students from Lakeview Elementary School, grade 4, and their teacher, Mrs. Becker.

Mr. Speaker, this school has had a long and grand history of service to the city of Regina, partly because it educated me, and partly because it has done a fine job in the Lakeview area for many, many years. I'm happy to see them here today. I mention to the House that my daughter is in that class today.

I hope that they enjoy their stay with us today and learn something about the parliamentary procedure. I'll be meeting with them later this afternoon for drinks. I would ask all members to make them welcome.

**HON. MEMBERS:** Hear, Hear!

**MR. MYERS:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly, six students from St. James Elementary School in Saskatoon. They're accompanied today by their teachers, Isabelle Clark and Marlene Pulak, and accompanied by their chaperon, Lyle Clark.

I hope their stay here is informative and educational, and I will be meeting with them after question period. I would like all members of the Assembly to join with me in welcoming these students here today.

**HON. MEMBERS:** Hear, Hear!

**MR. MARTENS:** — Thank you, Mr. Speaker. It's an honour for me, on behalf of the Minister of Education, to welcome a group of students from the Central Elementary School in Swift Current. There are 60 of them — grades 3 and 4. They are accompanied today by their teachers, Shirley Brennan, Jo-Ann Lambert. Their chaperons are Debbie Simonson and Glen Rittenger. Their bus driver is Del Allison.

I hope they have a good time in the city here today, and I hope that they find the proceedings here in the House informative and educational. And I'll be meeting with them later on to discuss what went on here. Let the Assembly welcome them, please.

**HON. MEMBERS:** Hear, Hear!

**MRS. BACON:** — Thank you, Mr. Speaker. It is with pleasure today that I welcome to the Legislative Assembly, on behalf of the member from Bengough-Milestone, a group of grade 7 and 8 students from Spring Valley High School in Spring Valley, Saskatchewan. They are accompanied by Al Morhart and Pat Machmer.

I will be meeting with them at 3 o'clock for pictures and to answer any questions you have. And I would ask all members to join with me in welcoming them here today.

**HON. MEMBERS:** Hear, Hear!

### ORAL QUESTIONS

#### Inventories of Potash Mines Affected by Lay-Offs

**MR. KOSKIE:** — Thank you, Mr. Speaker. I'd like to address a question to the minister responsible for the potash corporation.

The minister has just justified his plan to lay off nearly 1,200 Saskatchewan potash miners this summer by claiming that PCS has too much product in storage; too much inventory on hand. Can the minister, today, provide the Assembly with the actual inventory figures for each of the Saskatchewan Potash Corporation mines — that is, Lanigan, Cory, Allan and Rocanville?

You had promised to give this information to the House, and can you now provide the breakdown in accordance with the mines?

**HON. MR. SCHOENHALS:** — Mr. Speaker, I would indicate that in responding to this question I'm also responding to the one I took notice to the other day.

In terms of capacity tonnes in place, in storage, as of the end of May and the percentage of capacity utilization, I would indicate that in Allan there are 98,000 tonnes, which is 65 per cent capacity; at Lanigan there are 84,000 tonnes, which is 37 per cent capacity; at Cory there are 121,000 tonnes, which is 49 per cent capacity; Esterhazy, 49,000, 54 per cent; Rocanville, 162,000, which is 78 per cent; and off-site there are 360,000, which is 90 per cent. The total amount of product presently in storage, at least as of the end of May, is 875,000 tonnes, which is 73 per cent of capacity.

Mr. Speaker, the important thing to note in assessing that is that while that is not certainly 100 per cent, you have the option, as has been indicated by the private sector over recent days who are all taking similar action — you have the option of holding the lay-offs, which we very much regret, but have to take place during this summer, or the option of going ahead, producing full out, filling the bins to capacity, and then holding the lay-offs in November or possibly December.

I don't think anyone, including the workers, while they may not agree with either option, certainly would sooner have the first to the second, and consequently the announcements that we've been discussing in this Chamber for a week or more.

**MR. KOSKIE:** — As a supplement, I wonder if the minister can also provide — you did in a general way — the capacity for out of the mine amount of inventory as 360 . . . 90 per cent capacity. I wonder if you can also provide to us the breakdown of the individual storage outside of the . . . in the States, in the United States, and give us the particular capacities of each of the storage facilities that you have in the States, and some are in Canada. So I would also like that information if you can provide that.

**HON. MR. SCHOENHALS:** — Mr. Speaker, I'll obviously have to take notice of a question as detailed as that. I'll attempt to return with that and bring it back to the member.

**MR. KOSKIE:** — A supplement to the minister. In respect to your figures dealing with Lanigan — and that is of concern to me and to the workers of the Lanigan potash mine — your own figures indicate that there is a total capacity, from the information that I have, of 306,000 tonnes of potash capacity at Lanigan, and there's about 84,000 tonnes in storage, which represents really 27 per cent of the capacity of storage. So there's very, very small amount of the bins being filled there. And with that kind of unused storage capacity, why are you precipitating the laying off of a large number of potash workers in the Lanigan mine at this stage?

**HON. MR. SCHOENHALS:** — Mr. Speaker, I think the answer to that is fairly obvious. The 37 per cent capacity at Lanigan, while it is slightly lower, we are approaching the problem not only on a corporation basis, but we are meeting with and discussing with the private sector mines as well. We believe we have an industry problem here. We are trying to address it on an industry basis.

However, as far as the corporation is concerned, I think we indicate that as a corporation we have 73 per cent capacity. As far as storage is concerned, obviously that's the main reason. It's my understanding, and I don't profess to have the full details here, that there's one other factor. There are two product types primarily that are produced at Lanigan. They're produced simultaneously. I understand that the storage capacity for one of those types of product is much, much higher than the other one. But since they're produced at the same time, there's that additional problem.

But basically it's the fact that it is a corporation and, in fact, an industry problem, rather than a specific problem at one individual mine.

**MR. KOSKIE:** — A new question to the minister. I want to indicate — and this is the concern of the workers at Lanigan — I have the Potash Corporation of Saskatchewan Mining Limited, Lanigan division, daily production reports. And if I look at the production report of May 20, there was 93,000 tonnes in inventory. If I look at the May 26th, there's 86. If I look at the June 2nd, it's down to 84,000.

What . . . In the view of the workers there, there is less and less inventory, and at the same time you have given them notice for an indefinite lay-off. How do you justify that to those workers?

**HON. MR. SCHOENHALS:** — Mr. Speaker, I think I've answered that question. The problem is based on the industry; it's based on the corporation as a whole. Consequently, we have that concern. I think we're answering the same question again, Mr. Speaker. The answers haven't changed.

**MR. KOSKIE:** — A new question to the minister. Mr. Minister, will you agree, in fact, that in respect to the . . . a part of the cause of the shut-down and the laying off of 1,200 workers in the potash mines of Saskatchewan, the publicly-owned mines, that part of the result is results from what you have done as a government policy, and that is to turn over a substantial amount of the offshore market to the private corporations?

The total amount, as you will know, Mr. Minister, in 1982 was 1.8 billion tonnes that PCS sold; today with record sales of offshore, they sold 1.8 billion. It dropped from 43 per cent . . . from 62 per cent of the market down to 43. So isn't part of the problem is that you have, in fact, turned over to the private sector?

**HON. MR. SCHOENHALS:** — Now, Mr. Speaker, again we have that old argument that has been debated in a number of forms. The fact of the matter is, in the numbers that the member presents, the 60 per cent was 60 per cent of Canpotex at that time. Two mines . . . Two companies were not involved in Canpotex. The shares were simply different. But I would like the member to stand and explain why, in any rational or economic sense, it makes sense for any government to pull back and leave space for the private sector. It doesn't create any jobs for them; doesn't create any jobs for us. There's no economic benefit. Surely, you don't assume that we think there's some political upside in laying people off.

I wish that the mines were running full out, all of them. I wish we had two expansions under way. I wish we were selling it at \$200 a tonne, and then we could give them all a 25 per cent increase. However, those are not the facts of the market. These decisions are based on the facts of the market. The private sector are also indicating that there will be between four- and six-week lay-offs at all their mines, as well.

So I think it's evident that this is not a unique problem to PCS. It's an industry-wide problem. We've taken the only reasonable action we can. The workers have indicated that if there have to be lay-offs, they would sooner have them in the summer. Consequently, we've indicated . . .

As far as policy is concerned, I don't think there can be any rational reason for advocating what you indicate. I think it's a perfect example of empty socialist rhetoric.

**SOME HON. MEMBERS:** Hear, Hear!

**MR. KOSKIE:** — It's a good thing this Assembly is filled with Tories because you wouldn't get a clap if you're out in Lanigan talking to the miners, I'll tell you.

I'd like to ask you, Mr. Minister, you say the private sector is also having to shut down and are losing markets, and there's a buildup of inventory. I read a recent report by the president and chief executive officer of IMC (International Mineral and Chemical Corporation) indicating that their markets were doing very well. And they indicated that they had been in the business for quite a while, and that had given them a better position.

What I'm asking you: if you are going to be sharing with IMC and the other privates your contracts and the contracts which we had for PCS when you took over, then why don't you demand that the privates share their markets with the public sector?

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. SCHOENHALS:** — Mr. Chairman, as I've indicated in a number of forums, there has been no sharing of markets with the private mines. That's just not, in fact, the case. I would recommend to you the verbatim of the Crown Corporation debates. There's no question about that. As I indicated, I was absent from the House yesterday. We met with private sector companies to get their indications. My indications are that it will be necessary for shut-downs, not that that's something we're very pleased about. We would sooner everyone was working, but there will be shut-downs at the private sector mines as well.

#### **Departure of Former Saskatchewan Workers' Compensation Board Chairman**

**MR. SHILLINGTON:** — Thank you very much, Mr. Speaker. My question is to the Minister of Labour. It deals with the police investigation into the activities of Mr. Peter Grady, your former deputy minister, and your hand-picked chairman of the workers' compensation board.

Mr. Minister, I suggest to you that you owe a full and truthful explanation as to why this \$68,000-a-year political appointee is now under police scrutiny. Mr. Minister, I ask you: can you assure this Assembly that when Mr. Grady was dismissed as chairman of the workers' compensation board, he did not walk away with a severance package?

**HON. MR. MCLAREN:** — Mr. Speaker, my reply will be no different than I explained to the same member when I had my estimates the other night. I mentioned to the member, yes, well I had asked for Mr. Grady's resignation. He has gone. I accepted it. We learned following that there was some questions and, in fact, we have turned it over to the legal authorities, and that investigation is going on right now, and I have no intention whatsoever to change my replies that I made that night — in question period the other day — until I have a report from the RCMP.

**SOME HON. MEMBERS:** Hear, Hear!

**MR. SHILLINGTON:** — New question. Mr. Minister, you were informed yesterday that you're perfectly free to answer the question. And I do not understand, Mr. Minister, if you gave him the severance package, why you won't say so. Surely you can make a clear, simple statement on this matter, on this portion of the matter. Surely you can give the people of Saskatchewan a guarantee that this political appointee, a man whom you fired for improper conduct presumably, did not receive a severance payment from the Government of Saskatchewan or the workers' compensation board.

Will you not even answer in a simple, clear fashion this aspect of the matter?

**HON. MR. MCLAREN:** — Mr. Speaker, I've answered this question numerous times already over the last few days. And the whole investigation that is taking place on the dismissal, everything will come to light, whatever the RCMP will find, and I'm sure everybody in the province of Saskatchewan will know those results. And until I get those results I will not be answering any further questions on this matter.

**MR. SHILLINGTON:** — Supplementary, Mr. Minister. You said everything will come to light when the investigation is complete. Is the minister now undertaking to file in this House, at the first available opportunity, the report given to the Minister of Justice with respect to this matter, a matter that you refused . . . an undertaking you refused to give the other night in your estimates?

**HON. MR. MCLAREN:** — Mr. Speaker, I'm not making any guarantees whatever as far as the RCMP investigation is concerned. There may be nothing to it. We'll wait and see, and I'm sure that will come to light.

**MR. SHILLINGTON:** — New question for the Minister of Labour. Mr. Minister, I want to know whether or not Mr. Grady's dismissal had anything to do with the fact that he was moonlighting while serving as a \$68,000-a-year chairman of the workers' compensation board.

The suggestion, Mr. Minister, is that he was moonlighting as a consultant for out-of-province clients, was charging the workers' compensation board for travel expenses which were, in fact, related to his consulting work.

Are these, Mr. Minister, the matters which are now under police investigation?

**HON. MR. MCLAREN:** — Mr. Speaker, I've indicated that we dismissed Mr. Grady because we, in our mind, did not feel that he was carrying out the duties that we expected of him as chairman of the workers' compensation board, and that's why the dismissal took place. And as I said, there is an investigation going on by the RCMP and we'll wait for those results.

**MR. SHILLINGTON:** — New question. Mr. Minister, your silence is all too convenient on this matter, and unjustified. You hired Peter Grady as your deputy minister in 1982 with great fanfare. Last year, Mr. Minister, you hand-picked him to become chairman of the workers' compensation board at a five-year term at \$68,000 a year. He was your political appointee.

Do you not feel an obligation to inform the injured workers of this province, out of whose funds presumably all of this will come, whether or not they're going to lose money, thanks to the questionable activities of your political appointee? Do you not feel some obligation to give them an explanation?

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. MCLAREN:** — Mr. Speaker, the answer to your question is no, as of today. But in due course we'll all know.

### **Inflation Protection of Old Age Security Payments**

**HON. MR. BLAKENEY:** — Mr. Speaker, I direct a question to the Premier, and it deals with the fact that the Mulroney budget has eliminated full inflation protection for old age security payments to Canada's senior citizens, including 122,000 seniors who live in Saskatchewan.

Mr. Premier, as you will know, groups of senior citizens, such as Senior Citizens Action Now, have already sent telegrams to the Mulroney government in Ottawa demanding that full



inflation protection be reinstated for old age security payments. Senior citizens are signing petitions throughout the province demanding the return of indexing.

My question is this: the senior citizens are demanding a return of indexing. Will you be joining the senior citizens of Saskatchewan in calling on the Mulroney government to reinstate indexing for old age security payments?

**HON. MR. DEVINE:** — Mr. Speaker, I can advise my hon. colleague that I will be examining the impact of indexing on seniors. I will be looking at it very closely. If I think it needs to be changed and needs to be adjusted, I will be making corresponding recommendations to the federal government. We're examining it under various economic scenarios, as I mentioned yesterday, I believe, from the member from Shaunavon with respect to various rates of inflation or other programs that are in the budget, or various other kinds of things that we're doing. The whole combination of things that affects seniors, we're looking at it very carefully, and I'll be responding accordingly.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. We have a comment that something will be examined. I would like to ask a straightforward question, and I would appreciate a direct answer if you feel that's possible. Will you or will you not urge the Mulroney government to reinstate full indexing for old age security payments?

**HON. MR. DEVINE:** — Mr. Speaker, there are many ways to get money into the hands of the seniors that need it — many ways. Indexing is one way. And the hon. member knows that there are many programs that affect seniors, and there's many ways that you can deal with that. Indexing is one.

And I'm going to be examining all the ways the seniors get money — from whom and from where and how, and how the impact of indexing changes may have an impact on those various kinds of programs. When I get them all put together, when I examine them, then I'll be making my corresponding recommendations to the federal government.

We have had our own programs, and obviously you and I disagree. You encourage rebating the rich; I don't like it. I think we should have more money to low-income seniors. I have always said that we should have reforms so low-income seniors get more money, and that will be within the light that I'll look at this indexing program.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Premier. In view of your comment that you believe that low-income seniors should get more money, what do you need to study in order to know that the pensions of low-income senior citizens, those getting guaranteed income supplement, should not be de-indexed? What do you need to know to know that that's a bad idea?

**HON. MR. DEVINE:** — Mr. Speaker, there are many ways that you can provide income to seniors. There are many programs. I mean, you've been in government long enough to know that there's a whole basket of programs. We're going to examine what is in existence today, what's been there in the past, what has been proposed. And when we look at it all, and we think we can design something better or fairer or make recommendations, we will be quite prepared to do so. And that's what the process is today.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Premier. There are many ways to take away income from senior citizens, and one of the obvious ones is de-indexing.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. BLAKENEY:** — Mr. Premier, these seniors have survived the depression; they helped to fight world wars for freedom, many of them; they built the special kind of province we have;

they worked hard; they are now in retirement. Will you not ask the federal government to honour pledges made by that party when they were campaigning for office that they would not de-index pensions? Will you not do that? Do you need to study to know whether you'll keep your election pledges?

**HON. MR. DEVINE:** — Mr. Speaker, we provided 100 per cent increase in SIP (Saskatchewan Income Plan) to senior citizens in this province — 100 per cent increase.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. DEVINE:** — My hon. friend was in government for years, and he provided . . . 11 years, and seven years he didn't provide any increase at all. He stands up very self-righteously today and says, well why don't you look at . . .

**MR. SPEAKER:** — Order. Order, please. Order, please. It's impossible to hear either side, the question or the answer, and I would ask for decorum.

**HON. MR. DEVINE:** — Mr. Speaker, there are programs that we have introduced that have provided more income to seniors than they've ever had in the history of Saskatchewan — more programs. We are going to examine those programs in conjunction with the brand-new federal programs. When we put them all together, and when we look at the whole question of the reform of the taxation system, I believe under our government and under the federal government we will come up with ideas that will provide more money to seniors than they've ever had in the history of this province.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. In view of the fact that the party for which you and many of your colleagues campaigned, in their recent campaign specifically promised that they would — and I quote Mr. Brian Mulroney in Sherbrooke, Quebec on July 26, 1984 — specifically promised that they would “reinstate complete indexing of old age pensions to the actual cost of living as of January 1, 1985” — and that's the direct quote — in the view of that promise made by now Prime Minister Mulroney, for whom you and your colleagues campaigned, will you not now urge the federal government to honour that commitment and remove all de-indexing proposals from the federal budget?

**HON. MR. DEVINE:** — Mr. Speaker, I can only say that there are many, many programs that have an impact on seniors. We are looking at the entire package. We are looking at the whole question of reform and how we deal with it.

**MR. SPEAKER:** — Order, please.

**HON. MR. DEVINE:** — The reason, Mr. Speaker, that we have support for the whole question of tax reform is to make it fair, so that lower-income people can have more money. We are putting this indexing proposal in that whole review. We are examining each of the programs. We'll be discussing this with our federal counterparts, and then we will be making suggestions. And I'm sure the public will find them of interest.

**MR. SHILLINGTON:** — Thank you very much, Mr. Speaker. New question to the Premier. Mr. Premier, your answers underlie the reason why you ought to be interested in the issue. Underlying your answers is the clear recognition that society expects that senior citizens will have a decent standard of living and that governments will provide it. If the federal government backs out, the provinces are going to have to pick up the problem.

Mr. Premier, if you won't take an interest out of it for compassionate reasons, will you not take an immediate interest in the problem for financial reasons? Because if they back out you and your

Minister of Finance are going to have to pick up this problem.

**HON. MR. DEVINE:** — Mr. Speaker, I can remind the hon. member that we have provided a great deal of money, new money, to seniors — much, much more than the previous administration in Saskatchewan, much more — and every senior enjoys that. And we are going to be looking at tax reform and other programs in conjunction with the federal government to make sure that seniors, and particularly those that have low income, are going to be looked at fairly.

We have provided more money to seniors in the last three years than they provided in the entire 11-year program. The increases were very, very large. We'll stand on our record. We'll encourage the federal government to live up to the kind of record that we have here. We're going to examine their program in light of our program, and we'll be making appropriate recommendations to them.

**MR. SHILLINGTON:** — New question to the Premier. Mr. Premier, do you not believe that it is in the best interests of this province, and your beleaguered Minister of Finance and his even more beleaguered budget, to continue to have the federal government maintain a presence in the field of old age pensions?

Will you not admit, Mr. Premier, that now is the time to make representations to Ottawa? If you study this matter for a couple of years, which is the average length of the study of any problem in this province now, the opportunity to change the federal government's mind will be past. Do you not agree, now is the time to make representations to the federal government to maintain the indexing and maintain pensions at a constant level adjusted for inflation?

**HON. MR. DEVINE:** — Mr. Speaker, the hon. member tempts me — tempts me — to go through all the things that we have implemented in three years because he refers to the fact that all we do is study . . . (inaudible interjection) . . . You said we study things for two or three years, implying that we don't deliver.

Mr. Speaker, if he is going to make implications that we just study and not deliver, I suggest that I should at least have the opportunity to tell you what I've been doing for three years and the programs that we've been implementing for three years.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. DEVINE:** — But I won't. I won't, Mr. Speaker. I won't. All I'll say is that we have implemented many, many programs.

**MR. SPEAKER:** — Order, please.

**HON. MR. DEVINE:** — We've implemented many programs and we don't study them very long.

With respect to the impact on seniors, we're reviewing it daily. We will talk to our federal counterparts with our own ideas, looking at the complete question of what we have done, which has been substantial for seniors; and what we propose to do through to do through tax reform, with the complete endorsement, I might add, of the Premier of Manitoba (your party), the western premiers, now taking it to the national level — full endorsement to discuss tax reforms so that we can be fair, and particularly fair to low-income people so we won't continue to rebate the rich like the NDP has been doing for the last 10 years.

**SOME HON. MEMBERS:** Hear, Hear!

## INTRODUCTION OF BILLS

**Bill No. 102 — An Act to amend The Power Corporation Act**

**HON. MR. BERNTSON:** — Mr. Speaker, I move first reading of a Bill to amend The Power Corporation Act.

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

**Bill No. 103 — An Act to repeal Certain Acts respecting the Payment of Grants or Rebates of Property Taxes**

**HON. MR. EMBURY:** — Mr. Speaker, I move first reading of a Bill to repeal Certain Acts respecting the Payment of Grants or Rebates of Property Taxes.

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

**Bill No. 104 — An Act respecting Rebates to Senior Citizens**

**HON. MR. EMBURY:** — Mr. Speaker, I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of this Bill, recommends it to the consideration of the Assembly. And I move that a Bill, An Act respecting Rebates to Senior Citizens, be now read the first time.

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

**Bill No. 105 — An Act to amend The Superannuation (Supplementary Provisions) Act**

**HON. MR. ROUSSEAU:** — Mr. Speaker, I move first reading of a Bill to amend The Superannuation (Supplementary Provisions) Act.

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

**Bill No. 106 — An Act for the Protection of the Health of Persons exposed to Radiation and for the Safety of Persons in Connection with the Operation and Use of Radiation Producing Equipment and Associated Apparatus**

**HON. MR. MCLAREN:** — Mr. Speaker, I move first reading of a Bill for the Protection of the Health of Persons exposed to Radiation and for the Safety of Persons in Connection with the Operation and Use of Radiation Producing Equipment and Associated Apparatus.

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

(14:45)

**ANNOUNCEMENTS**

**MLA/Press Ball Game**

**MR. KATZMAN:** — Mr. Speaker, before orders of the day I rise to report on last evening's ball game.

The sixth annual battle between the humble politicians and the press gallery took place last night under ideal weather conditions. At stake was the Mike Sharpe Memorial Trophy named after a former member of the legislative press gallery who died of cancer.

Probably the best game in the history of the competition was played last night. The MLAs thumped the media eight to five, snapping the gallery's one-game winning streak. The series is

now tied at three victories apiece.

Outstanding in his field again, Mr. Speaker, was the Redberry MLA who clobbered a mammoth home run and sprinted like a gazelle in the outfield to snag flies.

The only other home run came from the Minister of Social Service who was appropriately assisted by two tractor tires and a sand-box.

Left and left-centre field, of course, were covered by the two NDP northern members from Cumberland and Athabasca. The Cumberland MLA's bat improved the looks of the *Star-Phoenix* correspondent, Larry Johnsrude, who's sporting a brand-new shiner today in the right eye.

**HON. MEMBERS:** Hear, Hear!

**MR. KATZMAN:** — Circus catches were made by Murray "the vacuum cleaner" Mandryk of the *Leader-Post*, and the connection of Thunder Creek and Moose Jaw MLAs. Canadian correspondent, Joe Ralko, pleaded for mercy with the MLAs after hitting Saskatoon Westmount MLA with a bean ball. He said it had nothing to do with Bill 53.

The Premier evened the score with CBC reporter, Dan Oldfield, with a second base flip of the glove.

The Deputy Speaker accepted a prestigious and expensive gift for all those who did not come to play. Those who did not participate include columnist Dale Eisler; gallery president, Carol Boese; the Deputy Premier; Minister of Finance; and the member from Assiniboia. So the Deputy Speaker accepted an oversized baby pacifier for those people.

The recreation minister showed he can handle a softball as well as a curling stone, although sometimes he was well off the broom.

Once again the press gallery hoppers took the loss with good taste and humour, filing a protest this morning with the Supreme Court of Canada over the judge's — excuse me, the umpire's — less than fair rulings.

Of course, Mr. Speaker, you and I know we are the best umpires in our appropriate games.

**HON. MEMBERS:** Hear, Hear!

**MR. THOMPSON:** — Thank you, Mr. Speaker. I want to, on behalf of the opposition, add my congratulations to all the participants last night, both members of the MLA team and the press gallery team. It was a game that was well played. I want to say that the women took a major part in the game, and I might also add that they played well.

I also want to congratulate the member from Moose Jaw North who managed the winning team. And at the start of the game, from the CBC, Dan Oldfield indicated to me, Mr. Speaker, that he was the manager. However, after the game was over I'm not too sure if he still laid claim to that.

But I do want to congratulate both the managers for managing the game last night. It was a well played game, and I want to say that every year when we play these games there's always a certain individual or individuals who we tend to overlook. Today I want to add, on behalf of all the members of the MLA team and I know on behalf of the press, our sincere congratulations for a job well done by the member for Rosthern.

**HON. MEMBERS:** Hear, Hear!

## **ORDERS OF THE DAY**

## GOVERNMENT ORDERS

### SECOND READINGS

#### Bill No. 94 — An Act to amend The Income Tax Act

**HON. MR. ANDREW:** — Mr. Speaker, I rise today to move second reading of a Bill to amend The Income Tax Act.

This Bill, Mr. Speaker, introduces a new direction in personal income tax in this province, but more importantly, Mr. Speaker, even more importantly, it introduces a new direction for the income tax system in this country.

What we have with this Act, Mr. Speaker, is the first step towards a move towards reforming the personal income tax system in this country. And any reform of the income tax system, Mr. Speaker, seems to me to require at least three main items. One, we must build a system that is seen and is fair to the average person. Number two, we must build a system that is simple and more understandable to the average person. And number three, we must begin to build a system in this country that is referred to as tax neutral. And by that I mean the income tax system should not be used, as too often it has in the past, to try to direct people's investment decisions in one direction and another.

Let me deal with each of these in order as the general direction by which we must move, and, I submit to you, that this Bill begins to move.

First of all, the question of fairness is I suppose in the eyes of the beholder. But let's look first of all at a general overview of what people see as the unfair nature of our tax system. The low-income people see various deductions and exemptions and expenditures and write-offs, and the list goes on.

And what they're basically saying is, those are not available to me, and they're not available to me for a variety of reasons. They're not available to me because I don't have the surplus money, one, to invest in. Number two, I don't have the expertise or the wherewithal to know how to invest in them. And that is something that only can be done by others and not by me.

We also see in this where we have in Saskatchewan over 600 people making in excess of \$500,000 and paying absolutely no tax at all. People in this country, Mr. Speaker, are prepared to pay tax. They're prepared to pay their fair share of tax because people in this country have grown up and have built what we believe is a very modern, a very effective, and a very real system of services to society.

People are prepared to pay for the education of their children. People are prepared to pay taxes so that we can have a health care system in this country that we can all be proud of, or they're prepared to pay taxes so that we can have a system of crime prevention or crime protection in this country. And the list goes on. They're prepared to pay, provided that they have a sense that they are not paying more than their share, while others are not paying what they believe to be the case.

As well, Mr. Speaker, we have people in a high income bracket, we have people in a high income bracket that are saying of the system: my, the progressive rate is so high that it takes and begins to take the incentive out of the system. Those that have to pay, their argument goes, 50 and 60 per cent, you start to build out the incentive.

So you ask that person or that person asks himself, what should I do? Should I continue to work and pay up to 60 per cent of my income towards tax, or do I look for other options? And quite

frankly, what has developed in this country is a system by which they look to the various tax expenditures that this country has built up over time as ways of avoiding that.

And the records show, Mr. Speaker, that the higher the income, in fact, the higher the rate that people participate in tax expenditures, and in the end, progressively, the lower the rate they pay.

So the system must be built to be fair, Mr. Speaker. There is two arguments as how you make that fair. There are those that argue that we must cleanse the system with a modified flat tax. We happen to subscribe to that. There are others that believe that we should move towards a minimum tax, what they call a minimum tax on the rich, which is a parallel system, if you like. And so you end up with two systems.

While we support the former, the federal government, in the most recent Wilson budget, supports the minimum tax on the rich. That process has been approved or supported by the members opposite in their resolutions of their party as well as the Liberal-NDP coalition in Ontario.

The second thing about a tax reform, Mr. Speaker, is, it must be made simple. And the reason it must be made simple is two-fold, or three-fold, if you like. One is, what is developing in this country is the cost. The average cost to file a tax return today in this country is in excess of \$50 per taxpayer — over \$50. And one has to question, is that \$50 the best way to spend the money?

But far more important with regard to simplification of the tax system, Mr. Speaker, is this: you cannot convince anyone of the fairness of a tax system or, for that matter, the fairness of the expenditure of a government unless they have a better understanding of: (a) is and are the people paying an equivalent amount of money, and then from that determine where it should be spent. And so it must be simplified.

Number three, Mr. Speaker, the tax system must be . . . we must move in this country towards much more tax neutrality. And what I mean by that is the following.

What we are seeing today in our society is major and significant economic decisions, whether they're being taken at the corporate level, or whether they're being taken at the personal level. Those decisions are being guided, not by the proper economics or the economic rationale of making or taking a decision, but they're being taken and made based on the rationale of how we would maximize the amount of tax we pay. And that demonstrates, I think, sets out in Canada one of the shortfalls of the tax intervention system that we have, in fact, developed.

Take the example of many of the mergers today. Many of the large corporate decisions today are being made based on how they can maximize their tax return in those corporations; not made on how they're going to build the new economy, or how they're going to build new industry, or on how they're going to make decisions that will increase the economy by building more jobs; but how they're going to avoid tax, or how they're going to lessen the rate of tax that they pay.

The other part — and much has been made of the fact that this particular legislation does not address the question of MURBs — and quite frankly, I wished it had been able to — but let's look at the wider question of the MURB, Mr. Speaker.

Those that have bought MURBs — I would say over 50 per cent, and perhaps more, that have in fact purchased MURBs over the last five and six years — if you go to those people today and ask them, why did you buy that MURB? Did you buy it so you could build more housing for people, or did you buy it so you could avoid taxation? And the massive and the great majority of people bought those MURBs, Mr. Speaker, so they could avoid tax — so they could avoid paying tax.

But now five years later you go back and ask those same people with their MURBs, most of them losing money, and ask those people: over the last five years, and over that period of time, if you

had to do it again, would you have bought that MURB? And 75 per cent of those people answer no. They answer no, because in the long run they have lost money; in the long run they have, in effect, done nothing for the economy; and in the long run they have reduced the amount of tax. And everyone has lost, Mr. Speaker. The individual in the end has lost, the government has lost, and I submit to you that the economy of this country has not benefited by that program, or by many other programs.

To put it into perspective so people understand what we can be talking about here, the federal government today, in their most recent budget, had expenditures in excess of \$100 billion — \$100 billion in expenditures. And that means for highways or the transportation component, for their crime prevention, RCMP, the military, interest on the debt, and all the expenses that the federal government has.

(15:00)

But, Mr. Speaker, they also had over 50 billion, or half as much, on what is called tax expenditures, or exemptions or deductions — tax expenditures. What is more important, Mr. Speaker, over the decade of the 70s — and we all know how fast the spending appetite of that government of the 70s in Ottawa, grew — what few people know and understand is tax expenditures grew almost twice as fast. You cannot, Mr. Speaker, come to grips with the problem without coming to grips with that question.

Mr. Speaker, how then do you set about (a) to reform that system? The first premise that you have to look at is the fact that we exist, and we operate, all provinces outside of Quebec operate within a national tax system. And that national tax system says you must operate in the following way.

Now if one was, and one could opt out of that — because it's only agreements, it's not legislation, it's simply an agreement — we could opt out. Alberta or Ontario would opt out of that tax collection arrangement. In so doing we would have to set up our own bureaucracy in which to administer the tax system. For two reasons, Mr. Speaker, one hesitates to do that. One is because you would, indeed, have to build a new system, a new Revenue Canada here in Saskatchewan, and one does not want to do that.

But secondly, Mr. Speaker, in this country if we are to build a proper economy and build a tax system prepared to finance that economy, or finance those social needs that we have in this country, I believe that we must do it as a nation and not as 10 small provinces. Because to do it otherwise, Mr. Speaker, all you will do is balkanize this nation with 10 different taxing systems. So it should . . . If at all possible, Mr. Speaker, we must try to stay within that system.

So what we have done here is move for the first time in history in this country, Mr. Speaker. We have imposed the tax at a point above the basic federal tax. That's the first time that has happened. That requires special permission from the federal government in order to do that. But it's simply a first step, Mr. Speaker. I have stated on many times I believe that this is a first step towards hopefully what I believe is the best and the fairest and the most simple system, which is the modified flat tax.

The program presently being debated in Washington, a debate that this country must be cognizant of, and must be prepared to come to grips with as well, because if we do not, that advantage will be bestowed on the American people — whether they are low-income people, whether they are new economies, whether they are new businesses — is certainly going to have an impact on this country and is certainly going to have an impact on the employment in this country.

It is time, Mr. Speaker, that we move forward with tax reform. This is the first step. The second step will be a green paper, Mr. Speaker, that this government will introduce probably in early



September, followed, Mr. Speaker, by a national or perhaps international tax conference to be held in this province, Mr. Speaker. That was announced last Friday.

Today the organizers of that conference announced two other people that will assist in the co-ordinating of that conference. One is a Dick Martin from the Canadian Labour Congress, who will do his part to involve Canadian labour, organized Canadian labour, because they, too have that similar interest in dealing with a system that must be brought into line with the 20th century, and dealing with a system that will be the most and most advantageous to the workers and the job creation element in this country.

As well, Mr. Speaker, there will be a Bob McConnell, who is the vice-president of Southam News in Toronto who will co-ordinate the thrusts of business, big business and small business, involved in this tax proposal.

The beauty of this system, Mr. Speaker, is as follows. In what you see developing today is a chance, a window, if you like, where you can bridge both the left and the right, the worker and the business man, the rich and the poor, to try to develop a system that is fair to all. Because one thing they all have in common is, quite frankly, they believe the system is fair to nobody, or certainly not to them.

Mr. Speaker, this is an important move in moving in this direction. Let me say only one more thing and that is: we support the modified flat tax as a far more acceptable alternative to the minimum tax for high income. And the members opposite, I think, are on record in the "People and the Economy" task force of 1984, indicating that they should move to a minimum provincial tax. That was endorsed by Mr. Wilson, as I said, is part of the Ontario accord between the NDP and the Liberals.

I think people are making a mistake moving to the minimum tax because you're developing simply a parallel system to the one we have today. They will both be in existence, but what is more important, Mr. Speaker, they will not deal with the fundamental question, and that is the multitude of tax expenditures that we have built up over time.

Mr. Speaker, I would hope that the members opposite in dealing with this legislation, Mr. Speaker, would, in fact, join this debate on that question of the simplified flat tax system. And I suspect that they will shy away from dealing with the question of principle.

Mr. Speaker, we cannot, as the member Moosomin says, live in the past. The surtax that was brought in in Ottawa in this most recent budget was really identical to the surtaxes brought in by the former NDP government in this province. The problem with them, Mr. Speaker, is as follows: it leaves pure every single tax expenditure, every single loophole that exists, and then only taxes with the surtax those individuals who did not opt to use the expenditure, or did not opt to use the loopholes.

So what are you doing? You are penalizing the high income people in different ways. Those that use tax expenditures, you don't penalize. Those that do use the tax expenditure, you don't penalize them. Those that don't, that are seen as pure, they are the ones that pay. So what have you done? You've simply forced people more and further and further into using the system of tax avoidance. And what we find in this country is that, growing and growing.

The other part of this Bill, Mr. Speaker — and I will just advance this and sit down — the other part of this Bill deals with the senior citizens' property tax rebate. And what it does is move that into the tax system as a way, Mr. Speaker, of advancing that rebate or that tax deduction — whatever you want to call it — to those who are in need.

Now there is a debate, and there was many questions in question period today on that question, and too often, Mr. Speaker, we as a society, or we as politicians or members of the media, try to

equate the question of senior citizens as if they all fit in a generalized homogeneous group. And they're not that way. Many of them are unfortunately in need. Many of them do not have the type of income they probably need to live a comfortable life. But that's not the case for all of them. Some of them are far better off than most of us in this Assembly. In fact, an argument can be made that, in fact, many of the senior citizens are better off than the young family raising two and three and four children in today's world.

And so what we have to do as a society, Mr. Speaker, and what is, fundamentally, is whether we are going to reform or re-look at our system, Mr. Speaker, look at our system so that the benefit goes to those in need.

And it's ironic that we stand in this House advancing a theory like that, that I always believed the members opposite subscribed to, and find them saying no. Mr. Speaker, are they saying no because fundamentally they disagree with it, or are they saying no because they do not want to go forward with reform, but they want to stay back where they were and want to look backwards to yesterday?

Mr. Speaker, the debate on this Bill can be sold in one way: are we, as a society, prepared to look at change and look forward, or do we, as a society, want to stay where we are or look backwards? And that's what it's all about, Mr. Speaker.

And with that, Mr. Speaker, I move this Bill to reform the tax Act in Saskatchewan, a Bill that will reform the tax Act of this entire country.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. BLAKENEY:** — Mr. Speaker, I'm happy to enter this debate. We have just heard the minister give his tax reform speech. We've heard it one or two times before, and we're likely to hear it many more times. And I don't know hardly anybody who disagrees with anything he has said, except for the last few words which were meant to be provocative. The great bulk of what he said is eminently acceptable to us, and, I suspect, to a great number of people in Canada. The problem is not what the minister says, but what his party does.

We have no problem with a fairer tax system, not on this side of the House. Indeed, as he points out, if it is going to be addressed, then it has to be addressed at the federal level. And anybody whose memory goes back to the federal campaign of last September knows that the one party which was campaigning on the basis of a fairer tax system was the New Democratic Party, and the party which was not campaigning on that plan was the Progressive Conservative Party. No question of that.

There's no question, Mr. Speaker, of where the party stood federally — the people who have the power to change our income tax system.

Mr. Speaker, the member for Kindersley, the Minister of Finance, said that we should test our tax system by three or four tests. He said we should ask whether it is fair; he said we should ask whether it is simple; he said we should ask whether it is tax neutral.

Now obviously no tax system is going to be completely fair or completely simple or completely tax neutral. So what we are asking then, Mr. Speaker, is whether or not the Bill before us makes our overall tax system fairer, whether it makes our overall tax system simpler, and whether it makes our overall tax system more tax neutral. Now that is what we're going to talk about; what I intend to talk about. I will not have an opportunity to deliver all of my remarks this afternoon, but I want to talk a little bit about these principles.

(15:15)

I agree, Mr. Speaker, that we should have a system which is more tax neutral. Everything that the minister has said about MURBs — by way of Multiple Unit Residential Building tax shelters to use the full name — everything he has said about that, and what he might have said about frontier drilling credits, and what he might have said about film and video credits, and all the other loopholes which have been built into our system — with the thrust of what he is saying, I agree. There are far too many loopholes built into the system, and there are now existing far too many loopholes.

Tax incentives like this are difficult to manage. They're uncertain in their impact. They are uncertain in their cost. They are hidden in their benefits — it's not always clear who gets the benefits. And accordingly, if we wish to offer incentives to get particular objectives in society, a tax cut is frequently the most costly and the least efficient way to do it.

And that's what the minister is saying. He is saying the government of the day wanted to get houses built, and they put in a tax incentive. The government of the day wanted to get oil wells and gas wells drilled in the high Arctic, and they put in certain tax incentives. They wanted to get a Canadian film and video industry, and they put in tax incentives.

And in almost every case the tax incentive has proved to be the wrong way. In almost every way the tax incentive . . . (inaudible interjection) . . . Mr. Speaker, if I may, I'll just take little rest while the member for Cut Knife-Lloydminster exercises his lungs.

I will say this: in almost every case the use of the tax incentive as a way to getting the job done was the wrong way.

The numbers are suggesting that actual cash incentives are a bad thing. At least you know what they cost; at least you know who pays; at least you know who gets it. I note members opposite are busy commenting in direct opposition to what the member for Kindersley has said. They are supporting the idea of tax incentives. They are supporting the idea of more loopholes, not less. I agree with the member for Kindersley and disagree with those members who are saying what we ought to have are more tax incentives.

And we are going to have to look at that particular principle, because it's not good, Mr. Speaker, for a government to say we don't believe in tax incentives for residential buildings as the minister has said, but we do perhaps agree with one for venture capital corporations. We haven't heard that explained. There may be a good case for venture capital corporations; we haven't heard it. And all the arguments which the minister advanced are arguments against that type of a tax incentive.

So we are going to examine this Bill on the basis of whether it makes our system fairer, simpler, more tax neutral.

Let's look for just a moment at what the Bill does and what the government had done in this budget of which this Bill is a part. The government opposite has attempted to say that their budget somehow makes our tax system fairer. I say this, Mr. Speaker: what they have offered in this budget, of which this Bill is a part, is not tax reform, but it is a straight tax increase.

And when I say that, I have in support of my proposition a good number of analysts. I think of the *Financial Times* of Canada who looked at that and said, we like the idea of a flat tax. It's too bad that the Saskatchewan government didn't introduce anything which resembles a flat tax. And that of course is the problem.

I understand the minister's problem. I understand the difficulty because of all the incentives which are built in so early in the federal tax system. I am not quarrelling with the fact that the minister wasn't able to achieve all his objectives. I'm quarrelling with the fact that he claims to have achieved his objectives when he puts in a flat tax which is more unfair than the system we

now have . . . (inaudible interjection) . . .

Well, I'm interested to hear anyone defend the flat tax as a fairer tax than the income tax system we now have. The income tax system we now have. The income tax system we now have is certainly unfair . . . (inaudible interjection) . . .

It's all right, Mr. Speaker, I will just wait until they exercise their lungs.

Now, Mr. Speaker, I am attempting to debate a rather difficult point. I understand why some of the members would not be following the point. But I want to say very, very carefully, that while the idea of a flat tax has attraction, it is attraction in fact only to the extent that is implemented in law. And it is not implemented by this Act.

The whole idea of a flat tax is that you apply a lower level of tax to a tax base from which the loopholes have been stripped. That is what a flat tax is all about. And so far as the loopholes being stripped, the minister has not stripped a single major loophole, except one — only dividend tax credits. Only that loophole (if that's what you call it) has been stripped from the minister's tax.

Every other major loophole — the MURBs and the frontier tax credits and the video and the film and many more — are all there, all available to the sophisticated tax avoider. And he can avoid it for regular income tax and he can avoid it for the minister's flat tax. And it's all there, and no one can deny it.

We'll have an opportunity to pursue this in detail in committee, but there's not a shadow of a doubt that what I say is accurate. I say this: the Bill before us does not make the tax system more fair; it makes it less fair. And I say only a PC minister would stand up and proudly proclaim that a tax which particularly hits families in middle class is a fair tax — is a fairer tax. He doesn't deny that on the same income, with his flat tax, the same tax is paid whether the person is single or whether he has eight dependant children. And he calls that a fair tax. I don't.

I think only a PC minister would stand up and call that a step towards tax reform, which is fairer. This Bill clearly, because of the way it's structured — not because of the way it's described, but the way it will operate in principle — socks people in the middle-income level; socks family people harder than single people; socks people who make contributions to their churches more than people who don't, and so on.

And we will have an opportunity to identify these one by one by one. But it socks the elderly because it takes away their exemption for age; it socks the family person because it takes away his exemption for a dependant wife, it takes away his exemption for a dependant family; it takes away any deduction they may have for substantial medical expenses. These deductions are taken away, while left totally intact are all the tax dodges, the MURBs, frontier credits, and the video credits to which I've referred. Now that cannot . . . whatever can be argued in favour of it, fairness cannot be. And that is what is there in the Bill.

I want therefore to have an opportunity to examine in detail the Bill and the whole structure of the tax system which has been put forward by the minister under his own headings of fairness, simplicity, and tax neutrality. And I'm going to add one more, and that's commitment or promises, what was promised as commitments — some of you will remember that word in 1982 — and what has been delivered.

And in order to give me an opportunity to present these points of view to the House, Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rousseau that Bill No. 76 — **An Act to amend The Education and Health Tax Act** be now read a second time.

**MR. THOMPSON:** — Thank you, Mr. Speaker. I rise to day to debate Bill No. 76, sales tax on used vehicles in the province of Saskatchewan. And, Mr. Speaker, the Bill before us today, the Conservative government's new tough Tory tax on used vehicles, represents a major betrayal of the Conservative's promise to the people of Saskatchewan.

They campaigned on the promise of tax cuts. Especially they promised — every single Conservative candidate promised — to eliminate the provincial sales tax in their first term of office. But have they reduced it? No, Mr. Speaker, they have not. Have they kept their promise? No. Have they honoured their commitment to eliminate the sales tax? No, they haven't. Instead, they have extended and increased the sales tax to used vehicles. Moreover, they have done so in an unfair way, Mr. Speaker. This sales tax increase is absolutely unfair.

They preached tax reform, and we are all in favour of that. No one is not in favour of tax reform. A simpler tax system, a more fair tax system — of course.

But this Conservative sales tax increase before us today does not meet that test. It does not make the tax system simpler. As a matter of fact, Mr. Speaker, when we take a look at how they've extended the sales tax to used vehicles, and it covers many vehicles, it most certainly provides a burden to not only my constituents in northern Saskatchewan where many, many of our citizens up in the North buy used vehicles. And I will go into that a little later and what types that they do. And it does not make the system more fair. It's a betrayal of their promises.

And, Mr. Speaker, when we take . . . when I talk about the betrayal of their promises, and I want to now turn to some of the promises, and first of all I want to turn to the remarks of the Premier of the province. And this was when they were campaigning for election in this province. And I want to quote, Mr. Speaker, from what the Premier said. And I indicated the complete elimination of the sales tax in its first term of office.

That's what the Premier of the province was campaigning on in 1982. And that to me is unfair for an individual who is going around the province campaigning to become the Premier, indicating that if he is elected that he will completely eliminate the sales tax.

Now I want to say, Mr. Speaker, we've gone into our fourth budget, and that's usually the life of any government, and we have seen the elimination of the . . . the complete elimination of the sales tax? And I won't go on to some of the other members' remarks in here, Mr. Speaker. But no, we haven't seen any elimination of the sales tax.

But what we have seen now is an addition to the sales tax — a 5 per cent addition to the sales tax on used vehicles. And including in that . . . And many of the members, Mr. Speaker, and I am not going to use all of them, but I am going to quote from the member from Biggar, who is also campaigning up in Biggar, and he said, and I quote the member from Biggar: "Lower taxes." That's his quote, and it indicates that one should vote for the present member from Biggar.

(15:30)

And this is what the member from Biggar said about taxes, Mr. Speaker:

Lower taxes. Governments at both levels are trying to squeeze the taxpayer for as much as they can. We say provincial income tax is too high and we'll immediately lower it.

That's what the member from Biggar said. And as I have just indicated, we now have a 5 per cent sales tax on used vehicles, and I would suggest that that's not lowering taxes. And I would suggest also, Mr. Speaker, that that is squeezing the taxpayers who are burdened with too many taxes as it is in this province.

And he also indicated that they were going to lower the personal income tax, and we now have seen in the House today the other tax Bill introduced, the flat tax, which is going to add another 1 per cent on the taxpayers of this province.

I say that members who went around this province and were campaigning on the fact that they were going to eliminate the sales tax, the member from Battleford, removal of the education tax, 10 per cent less provincial income tax — we all know that that didn't happen. We all know that we have now seen four budgets by the Conservative government. Four budgets is usually the life of a government. Not many governments present any more than four full-fledged budgets. We have now seen four of them. We have not seen the removal of the education tax. No, Mr. Speaker, but we have seen an addition — 5 per cent addition of sales tax on used vehicles.

And it's quite interesting. I have this information before me, and we see the Minister of Finance, the member for Kindersley, who has just stood up in the House and presented the flat tax Bill which is going to add another 1 per cent on to the taxpayers of this province . . . But I want to quote from what he was saying when he was campaigning in 1982 about taxes. And I'm quoting from the member for Kindersley, the present Minister of Finance who has brought in the four budgets. And I'm quoting:

This measure will be the first phase of a new Conservative government's commitment to the complete elimination of the sales tax in its first term of office, and its commitment to ease the burden of inflation for Saskatchewan citizens.

Mr. Speaker, that is what the Minister of Finance campaigned on in 1982, and that's his quotes — the complete elimination of the sales tax.

I'm going to have a hard time convincing my constituents up in northern Saskatchewan that the Minister of Finance was sincere in what he was saying, because they are the ones, and the rest of the citizens of Saskatchewan who purchase any type of used vehicle, are going to have to pay that extra cost.

And I can go on and on. The member for Redberry, the same thing. He indicates that by phasing out the provincial sales tax by 10 per cent reduction in personal income, and we have just saw another 1 per cent added to that today.

I now want to turn to another commitment, and this one here is quite interesting, Mr. Speaker. When we're in the House today debating the increase of a 5 per cent sales tax on used vehicles, another burden on the citizens of Saskatchewan . . .

And we have the member for Lakeview, when he was campaigning to get elected, and I just want to quote from what he said. And this is quite interesting, what he had said, Mr. Speaker, regarding sales tax. The member for Lakeview, the present Minister of Urban Affairs, said that if the Conservative government was elected in 1982, that they would reduce the provincial income tax across the board by 10 per cent. Now we have just seen the Minister of Finance add one more per cent.

But then he goes down in number seven and he says . . . And this is how he's campaigning; he's

going up from door to door . . . He's going from door to door in Lakeview, Mr. Speaker, and he's campaigning, and here is his promise, from door to door, that if the Conservative government is elected in 1982, that they will reduce the E&H tax by 1 per cent per year until it's eliminated. That's what he was campaigning on, on the tax that they would reduce it by 1 per cent per year.

Mr. Speaker, we have now seen four budgets — four budgets — and we have not seen a drop of 1 per cent a year in sales tax. Mr. Speaker, we have now seen a 5 per cent increase in sales tax on used vehicles, and other taxes.

And I say that for the members who were campaigning and indicating that this is what they were going to do, that the next time around that they're going to talk about reducing sales tax, I'm just not too sure, Mr. Speaker, if the folks out there in voter land are really going to believe the individuals, because it's clearly a promise made, and most certainly after four budgets that have been brought down, and the new addition to the sales tax, most certainly it's a promise that has been broken — broken, as the Minister of Urban Affairs indicated, 1 per cent every year. So that started off in the first budget and was broken. And I think they're going to have a hard time campaigning on that.

And there are many, many of the members that I could quote, Mr. Speaker, to enhance my argument that the sales tax on used vehicles that we are debating in the legislature today is going to be a tremendous burden on the taxpayers of this province who do not always buy new cars or new trucks or new snowmobiles. There are thousands and thousands of individuals in this province, Mr. Speaker, who cannot afford that. And I say that it's a tremendous burden. We have the large amount of people who are on social assistance in this province, or working at minimum wage, who have to pay the extra 5 per cent sales tax to buy a used vehicle.

And I want to just quote for the benefit of the member from — the Minister of Social Services, on when he was campaigning, Mr. Speaker, on the elimination of sales taxes. And this is what the Minister of Social Services was saying when he went around to the doors and the election material that he was putting out. And the Minister of Social Services said that they would abolish the 5 per cent sales tax and reduce personal income tax by 10 per cent.

That's clearly what the Minister of Social Services indicated; that he was not in favour of a 5 per cent sales tax; that he was totally opposed to that. And he campaigned on that platform to reduce it, plus the personal income tax. And today here we are in the legislature, and we are debating whether or not the 5 per cent sales tax on used vehicles should go in or not.

And we in the New Democratic Party say that it's an unfair tax. It's an unfair tax, especially in the times that we are living in right now. When you take a look at the high unemployment, and you take a look at the individuals — the thousands of individuals in the province, Mr. Speaker, who are working on part-time jobs, not making large wages — and they are among the large group who have to go out and look around and purchase a second-hand vehicle.

I know it's happened already where a second-hand vehicle, the sales tax has already been paid. It's already been paid. And it's already that vehicle has been used and resold, and it looks like they're going to have to pay twice on that vehicle. It has not passed as law yet, but my own family has been involved and have been charged the sales tax.

And I think that for the individuals in this province it's a very unfair sales tax, especially when we consider what the individuals of the government were doing — government members; how they got elected. One just has to go through, and I could go through any of them — the member from Saskatoon Sutherland and Shellbrook-Torch River, Swift Current. I can go down to the present Minister of Highways, and we see the present Minister of Highways was not in favour of sales tax. He campaigned against sales tax on used vehicles, Mr. Speaker. The Minister of Highways and Transportation is one member who was out front. He was going house-to-house,

door-to-door in his campaign, and he was totally opposed to a sales tax on used vehicles. He was totally opposed to that.

Now we see that same minister who sits in the House, the Minister of Highways, the member from Wilkie, and I quote, Mr. Speaker, for the citizens of Saskatchewan who are going to be affected by this sales tax on used vehicles, the citizens of Saskatchewan and the citizens of Wilkie who voted for the member who was campaigning against sales tax on used vehicles. He said . . . he was out campaigning, and he said, "This is wrong. There should not be a sales tax."

And I want to quote what the member from Wilkie was saying out on the doorsteps four budgets ago. Four budgets ago. Four budgets ago, and he indicates that he's going to use it again. Well I say, Mr. Minister of Highways, if you're going to use that again, I don't think that the citizens of Wilkie or the province are going to accept that. Because here is what you said. Here's what you said, Mr. Minister of Highways, when you were campaigning to get elected to form a government: "We will completely remove the 5 per cent sales tax." That's what you told your voters on the doorsteps. You campaigned on that.

Now you sit in the House today and you say, that's fine, you should trust me. I campaigned on the fact that I would abolish sales tax. Now we're adding sales tax on to used vehicles, and you support that, and you say that you will say the same thing when you are campaigning again. Well, I say to you, Mr. Minister of Highways, you may have trouble selling it this time.

It's a betrayal of their commitment to tax cuts, Mr. Speaker. There is just no two ways about it. You have to just take a look at all the remarks that were made by the members of the Conservative Party and the Premier and the Minister of Finance, to eliminate the sales tax.

We take a look today at the 5 per cent sales tax that they have now increased on to the used cars, and then we take a look at all the other increases that are coming now from the federal government and their new budget, and you add that on. And they have now added a sales tax. The federal government has a new sales tax in their last budget. If one just adds up all the taxes that have been added to the sales tax alone, Mr. Speaker — we're debating sales tax — if you just add up all the sales tax, and I'm not talking about the other taxes that individuals have been burdened with this year, it's just no wonder that we have so many individuals in the province who are in financial difficulties. They just seem to be getting hit, not only from the provincial Conservatives on the sales tax on used vehicle and other elimination of taxes or rebates; now we see the federal government has come in with a new sales tax, the new sales tax of 10 per cent. And what did they put that on? You know, it's quite interesting.

(15:45)

**MR. SPEAKER:** — Order, please. I've been fairly patient with the member, but he's straying away often from the subject of the Bill, and I would ask the member to try and contain his remarks to the Bill.

**MR. THOMPSON:** — Thank you, Mr. Speaker. I accept your ruling, and I was trying to make a point. Before I sit down I want to talk about once again what it means to my constituents, the 5 per cent sales tax. And I tell you that there are a lot of folks up in northern Saskatchewan who, on a continual basis, Mr. Speaker, are buying used vehicles, not just used cars and trucks, but they buy used snowmobiles, and they buy Ski-Doo's and the likes. And they do that, and they resell them. A lot of them, when they go fishing in the fall, they'll buy a new Ski-Doo, and when springtime comes they will sell that or trade it off for an outboard motor. And this is where they're getting hit with the sales taxes, and it's going to be hard on the citizens up in northern Saskatchewan.

Mr. Speaker, I have much more to say on this Bill, and I would like to have more time to study it, and for those reasons, Mr. Speaker, I beg leave to adjourn the debate.



Debate adjourned.

## COMMITTEE OF THE WHOLE

### Bill No. 68 — An Act to amend The Vehicles Act, 1983 (No. 2)

**MR. CHAIRMAN:** — Order. Would the minister introduce his officials.

**HON. MR. GARNER:** — Yes, Mr. Chairman. Mr. Bill McLaren, chairman of Highway Traffic Board; Mr. Carl Shiels, in charge of safety services division.

#### Clause 1

**MR. LUSNEY:** — Thank you, Mr. Chairman. Mr. Speaker, we went through this in second reading a bit. I'd have to say, Mr. Chairman, that there aren't too many things I would disagree with in the Bill. However, there are some areas that I would like to make some reference to, and I think maybe we could best do that when we go through it section by section, and we'll be able to make some comments on just what each section does, and the changes. And I'll have some comments to make on it, and maybe some objections to what the minister is proposing.

I see there are some amendments here, so I'd like to have a little bit of an opportunity to look at the amendments before we get into them. And with that, Mr. Chairman, if I could have just a moment here to go through the amendments we can then get into it going through it clause by clause.

Clauses 1 to 6 inclusive agreed to.

#### Clause 7

**MR. LUSNEY:** — Mr. Chairman, Mr. Minister, in clause 7, and I noticed you have it in other clauses in the Bill, and it has to do with the police officer, or the arresting officer at the time, naming the place and the time for someone to present a licence or registration certificate. It used to be 48 hours in the past, and I'm wondering why, Mr. Minister, you are changing that where the officer, and if he happens to be in a bad mood at a given time, might say that I want that produced tomorrow morning.

That individual, if he's a working person, may have some difficulties getting time off from his job to produce that registration or driver's licence at the time. Why are we allowing the officer to make that decision rather than leave a specified time period in there where the person involved could produce that registration or licence?

**HON. MR. GARNER:** — Mr. Chairman, it does not change the 48-hour provision. And very hopefully we don't have the member opposite making too many comments like this about RCM Police being in bad moods and that, because I believe they do a very good job out there on the highways in the province of Saskatchewan. Hopefully we can have a better spirit of co-operation with members of this Legislative Assembly than to start condemning the RCM Police.

**MR. LUSNEY:** — Well, Mr. Chairman, I take some exception to that. If we judged everyone by the minister, I'd say everybody will be in a bad mood, and he's making me in a bad mood right now. If he wants to drag this Bill on, I can do it until 5 o'clock. The minister is trying to tell me that someone may not have a very bad day from time to time. Well, Mr. Chairman, I think everyone has a bad day from time to time. And if they're in a position of authority, then, Mr. Chairman, I think we should make it very clear as to how they can exercise that authority. And the minister trying to say that I'm criticizing the RCMP. Well, Mr. Chairman, I don't criticize all the RCMP. But they are human — they're only human, and they can make mistakes, and they can have a bad day like everyone else.

And, Mr. Minister, I know you like to try to blame everyone else for something that you might be doing and you might be responsible for. What you have in this Act, you say it doesn't make any changes. Well it says here — and if you go back to the original Act; I don't have that one here with me — but apparently what the change is, is that it allows the police officer to designate the time and the place for the individual that he may have stopped to produce that licence. And this is what it says here: it is amended by substituting “at any time and place.”

Well, Mr. Minister, where is the 48 hours that used to be in there before? That's removed. Are you going to put it in, or is now the police officer the one that's going to decide?

**HON. MR. GARNER:** — Well, Mr. Chairman, I didn't mean to upset the member opposite, but I think we should set the record straight. What this simply states is that the RCM Police force officer can request the individual come in at a time, not say at 2 o'clock in the morning. They can come in between 8 or 10, and more convenient for the individual person, more convenient for the RCM Police.

As I stated before, Mr. Chairman, the 48-hour provision is still in there. I have the copy of the other Act. If the member wants, I can read him the whole section of the Act, but I think he's capable of reading that himself.

**MR. LUSNEY:** — If the 48 hours is still in there, Mr. Minister, why then do we have to allow the RCMP officer to designate the time and the place? What was the problem with the previous provision in the Act? Was there a problem that you have found that the 48 hours was somehow inadequate or wasn't good enough or someone . . . I don't know what the problem might be, and I would like to get your comments on that, Mr. Minister.

**HON. MR. GARNER:** — Mr. Chairman, prior to 1983 the word “time” was in there when we had a rewrite of The Vehicles Act. At that time the word “time” was omitted from it, and there is basically no change other than putting the word “time” in there. There was no problem with the RCM Police or with the individuals involved.

**MR. LUSNEY:** — Mr. Minister, you have the same amendments . . . some other clauses . . . And if the 48 hours is still there and is going to continue to stay in there, then, Mr. Minister, I suppose one can't get too critical of it. But I certainly would question, if there is going to be some problem with the amendment that's going to, I suppose, maybe impose some hardships on working people, the I think we would have to question that.

In section 7, the 48 hour provision which was in the current . . . or is in the current provision before this amendment, and if that remains in there and you are adding any time and any place, Mr. Minister, is that going to mean that the officer and the individual that he may have stopped will be able to agree on a mutual time and place that they can bring the thing to, the licence or registration to?

**HON. MR. GARNER:** — Well, Mr. Chairman, I'll read the section then to the member opposite, and we'll try it this way. Section 22(1) of the new vehicles Act:

Every driver of a motor vehicle for which a driver's licence is required shall produce his driver's licence or receipt when requested to do so by a police officer, either at the time of the request, or within 48 hours; after that (and it states in there right now) at any place (and the new section will say instead) at any time and place that may be designated by the peace officer making the request.

It's right in there, section 22(1). If the member wants, I can read it one more time a little slower, but that's all it does.

Clause 7 agreed to.

Clause 8 agreed to.

**Clause 9**

**MR. CHAIRMAN:** — There's a House amendment to clause 9.

Moved by the Minister of Highways, amend section 9 of the printed Bill:

- (a) by adding "and" after clause (b);
- (b) by striking out "and" after clause (c);
- (c) by striking out clause (d);
- (d) by renumbering it subsection (1); and
- (e) by adding the following subsection to paragraph 32.2(c): (i)(b) is amended by striking out "province," "territory," "state," or "country," and substituting "jurisdiction."

**MR. LUSNEY:** — Thank you, Mr. Chairman. Mr. Minister, this amendment that you propose here is much like some of the other amendments in the Bill that you have. We're just changing the word to "jurisdiction" rather than the province and all.

Clause 9 as amended agreed to.

Clauses 10 to 18 inclusive agreed to.

(16:00)

**Clause 19**

**MR. CHAIRMAN:** — A House amendment to clause 19. Moved by the Minister of Highways, section 19 of the printed Bill:

amend section 19 of the printed Bill by adding "or" before "class."

Clause 19 as amended agreed to.

Clauses 20 to 25 inclusive agreed to.

**Clause 26**

**MR. CHAIRMAN:** — Amendment to section 26 of the printed Bill:

Strike out section 26 of the printed Bill, and substitute the following:

26 Clause 110(3)(a) is amended by adding: or a place described in section 104 after "highway" wherever it occurs.

**MR. LUSNEY:** — Mr. Minister, could you just explain that change in there, or that amendment?

**HON. MR. GARNER:** — Mr. Chairman, this allows law officers, when in pursuit or under surveillance, or basically carrying out the duties of the law that is prescribed to them, it allows them to be exempt from sections of The Vehicles Act in doing their job.

**MR. LUSNEY:** — Being exempt from what, Mr. Minister?

**HON. MR. GARNER:** — It just basically applies to in parking lots. Where before they had the exemption in the highways, now they are exempt in parking lots, etc.

Clause 26 as amended agreed to.

Clauses 27 to 38 inclusive agreed to.

### **Clause 39**

**MR. CHAIRMAN:** — Amendment to clause 39. Amend subsection 165(3) of the Act by enacting . . . by section 39 of the printed Bill by adding:

while he is prohibited from driving after suspended.

**MR. LUSNEY:** — Mr. Minister, could you just go through this amendment and explain what it does?

**HON. MR. GARNER:** — Mr. Chairman, I will give the member all the aspects of this section. Mr. Chairman, you know, we're talking . . .

**MR. CHAIRMAN:** — Order. Allow the minister to reply to the question.

**HON. MR. GARNER:** — Mr. Chairman, the amendment establishes three categories of driving while disqualified, offences each with a specific penalty: driving while disqualified by the board under section 26,27 and clause 28(2), penalty will be minimum \$500 fine, the same as that for driving while disqualified as the result of a conviction for a n offence under the Criminal Code or The Vehicles Act provisions relating to drinking and driving; (b) of this section, driving while under a 24-hour suspension, penalty will be a minimum of a \$250 fine; (c) of the section, driving while under any other type of suspension, penalty will be a minimum \$100 fine.

Clause 39 as amended agreed to.

### **Clause 40**

**MR. CHAIRMAN:** — We have a House amendment to section 40 of the printed Bill:

Amend subsection 167(10) of the Act by enacting that by subsection 40(3) of the printed Bill by striking out "reason to suspect" and substituting "reasonable and probable grounds to believe."

**MR. LUSNEY:** — Mr. Minister, not having the opportunity to go through the amendments and the Bill, could you just explain why you would want that change, "reason to suspect" or "probable grounds to believe." What is that going t do, the change in those words?

**HON. MR. GARNER:** — Mr. Chairman, this section here, the amendment to subsection 167(3), is being proposed on the recommendation of the Department of Justice. A peace officer's suspicion is not an acceptable . . . (inaudible interjection) . . . You know, Mr. Chairman, it would be a lot nicer, you know, if we could conduct ourselves in this Chamber. When we're talking about important legislation, if some members would really take their jobs seriously about what we're trying to do and not make jest of everything that tries to take place in this Chamber.

Mr. Chairman, I will start it one more time. The amendment of subsection 167(3) is being proposed on the recommendation of the Department of Justice. A peace officer's suspicion is not acceptable standard for suspending a driver's licence for 24-hours. On reasonable and probable grounds" he believes, is a more acceptable standard.

Clause 40 as amended agreed to.

Clauses 41 to 45 inclusive agreed to.

**HON. MR. GARNER:** — Mr. Chairman, I move to report the Bill and thank the officials at not only the department, but the law enforcement officers throughout the province who have worked with us in bringing forth these amendments and changes, and also to the school bus safety review committee that had brought forth their recommendation of the minimum fine of \$250 while passing a school bus that is loading or unloading children.

I believe we have marked a new era in transportation today, and a day that will make the transportation of our children a lot safer in the province of Saskatchewan.

The committee agreed to report the Bill as amended.

### **THIRD READINGS**

#### **Bill No. 68 — An Act to amend The Vehicles Act, 1983 (No. 2)**

**HON. MR. GARNER:** — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

**HON. MR. GARNER:** — Mr. Speaker, with leave, I move that the amendments and the Bill be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

### **COMMITTEE OF FINANCE**

#### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **SUPPLY AND SERVICES**

#### **Ordinary Expenditure — Vote 13**

#### **Item 1 (continued)**

**MR. SHILLINGTON:** — I wonder if you have the information we requested yesterday with respect to travel expenses, Mr. Minister.

**HON. MR. MCLEOD:** — Mr. Chairman, in response to the hon. member, this is the travel of the deputy minister: out of province travel, 8 trips, air fare, \$4,036.60, expenses, \$1,617.06; in-province expenses, \$412 — there were five trips — air fare, \$1,410.56.

**MR. SHILLINGTON:** — I was assuming the minister was going to give me a copy of that. Mr. Minister, could you tell me where those trips were to?

(16:15)

**HON. MR. MCLEOD:** — Mr. Chairman, I will provide a list to the member. The way I have it broken down here is not the . . . I don't have the sheet with just those trips out of province as it relates to the deputy only. So I will send you a sheet that relates just to that, and it will be within — oh, probably before the afternoon's out.

**MR. SHILLINGTON:** — How many trips are there, Mr. Minister, and were any made out of the country?

**HON. MR. MCLEOD:** — I think I indicated to you that there are eight that were out of province. I believe there is one out of the country.

**MR. SHILLINGTON:** — Mr. Minister, was information . . . I'm not sure if my colleague, the member from Shaunavon, got similar information with respect to your travel, Mr. Minister.

**HON. MR. MCLEOD:** — Yes, I provided that information yesterday to the member from Shaunavon.

**MR. SHILLINGTON:** — Mr. Minister, is the . . . I want to ask about a company, Interior Dimension Design Associates. I want to know whether or not the firm has done any business with the provincial government.

**HON. MR. MCLEOD:** — I'm informed that yes, they have.

**MR. SHILLINGTON:** — Can you tell me the nature of the contract that they had?

**HON. MR. MCLEOD:** — The nature of the service was to provide interior design services to the government through this department.

**MR. SHILLINGTON:** — With respect to which building?

**HON. MR. MCLEOD:** — Well I can probably put that together. I don't have a list as it relates to that particular company right here, but I can put that together and provide it to you.

**MR. SHILLINGTON:** — Does your deputy minister know which building or buildings that contract related to?

**HON. MR. MCLEOD:** — Well, that's the question I just asked here, if we have it for that particular company or any other company just on a sheet. And I would say that I would provide that to you, but I'll have to have some time to put it together.

**MR. SHILLINGTON:** — Mr. Minister, was the contract awarded by tender?

**HON. MR. MCLEOD:** — I'm informed that it's on a consulting basis, as was the case and is the case presently. Those are allocated. The consulting service is allocated . . . the contract is allocated.

**MR. SHILLINGTON:** — Mr. Minister, I want to take exception to this. I do so with some considerable reluctance because once again I'm afraid . . . I want to take exception to this particular arrangement. I do so again . . . (inaudible interjection) . . . Well, I'm going to tell you in a moment. I do so, Mr. Minister, with considerable reluctance. Once again, we're dealing with a public servant who is not able to defend himself.

The facts of the matter however appear to be that the principal of the company is Lois Devitt of 2851 Helmsing Street. That I gather is your deputy minister's finance . . . fiancée, I'm sorry.

I say, Mr. Minister, that to award a contract without tender to a fiancée— and I could put it stronger than that if a quarrel breaks out over this — is not appropriate. I don't know what . . . This government patently has no conflict of interest guide-lines at all. Virtually anything goes that you won't get caught at. But, Mr. Minister, I notice the address and telephone for Lois Devitt and your deputy minister in the telephone book are both the same.

I say, Mr. Minister, this is not appropriate to be awarding to be awarding contracts without tender to companies owned by people who are family members of senior people including the deputy ministers. I say, Mr. Minister, it is not appropriate. As I say, it's a delicate matter, and I raise it with reluctance, but I really feel I must . . . (inaudible interjection) . . . Well, all right. I'll sit down and let you tell me why I should have been reluctant to raise it.

**HON. MR. MCLEOD:** — Mr. Chairman, the lady that the hon. member refers to, Lois Devitt, that is true, is the fiancée of my deputy minister. But I would say to the House, Mr. Chairman, there were no consulting contracts and have been no contracts of any kind awarded to this firm since Lois Devitt became the fiancée of the deputy minister. For the kinds of reasons that I mentioned to you yesterday, that's the kind of thing all of us need be sensitive about, and so on. That is in fact the case.

And if you really wanted to argue the case, a fair-minded person might wonder, is it really fair for Lois Devitt to be penalized in her business because she becomes the fiancée of a person who works for the government or whatever, you know, and I understand the other arguments as well. But I will say to you in an unequivocal way that no contracts have been awarded to that firm since Lois Devitt became the fiancée of the deputy of supply and services.

**MR. SHILLINGTON:** — When was the contract awarded to Lois Devitt?

**HON. MR. MCLEOD:** — What I will do, as I've said to the hon. member, we'll put together whatever work that this firm you refer to — and I'm not sure of the name of it, but anyway Lois Devitt's firm — the work that firm did for the government. I'll put that together. We'll pull it together, and send it to you as well as with some dates.

**MR. SHILLINGTON:** — Mr. Minister, our caucus is taking exception to the way your treasury branches are now handling estimates. Everything is: we'll send it to you; we're going to send it to you; we're going to send it to you. That is appropriate where the information is too detailed and too unexpected to expect that your officials, of whom there are a dozen in number, have with them.

I can't believe, Mr. . . . (inaudible interjection) . . . Well the problem is this government never gets it to us. The Minister of Education undertook a month ago, it has to be a good month ago, to send out to us with all reasonable speed, I think was their phrase, the information on the operating grants after the mill rates have been struck. They have been patently struck, and we have not got the information. And that is a common pattern. You people tell us you will send the information and we never get it.

Mr. Minister, I can't believe that the officials with you do not have the information as to when that contract was awarded.

**HON. MR. MCLEOD:** — You asked me for the work that this firm did for the government in the last whatever year, and I said I would provide it to you and I'll put it together. I will provide it. You say that members of the treasury benches on this side have this habit of not providing information or saying that we'll send it to you. I'll say to you that the practice that I used to listen to when I sat in a similar location to what you are was that you would not provide it. So this is a lot better, I would submit, than what happened before.

And all I can say is that I will . . . In this particular case, what I don't have I can't provide. I will give you the undertaking, as one member to another in this House, that I will provide it, and I will provide it with all speed as possible. That's the best I can say to the hon. member from Regina Centre.

**MR. SHILLINGTON:** — That's the very problem, Mr. Minister. This government is capable of no particular speed at all. This government moving with all reasonable speed makes a glacier look

like a moving blur, Mr. Minister.

Mr. Minister, as I say, I can't believe that you don't have those details. I can't believe that those details are not readily available to you, so I ask you, Mr. Minister, again, when the contract — give it to the closest month — when the contract was awarded, and when it was completed, if you know that.

**HON. MR. MCLEOD:** — We have lists, as the member knows, well knows, we have lists of various contracts that are done by various companies with the government. There's no question about that, but I will put this together on one sheet for you, and I have said to you that I will provide it, and I will. That's the best I can do, Mr. Chairman.

**MR. SHILLINGTON:** — Is it to be assumed that you will have it here by 7 o'clock because I don't think we are going to finish these estimates by 5.

**HON. MR. MCLEOD:** — I think we can do it by 7 o'clock.

**MR. SHILLINGTON:** — Mr. Minister, I want to raise an issue which has been raised before with respect to this government's habit of the patronage which is a corner-stone of this government. Patronage. P-a-t-r-o-n-a-g-e.

I have difficulty believing you people know how to spell it because you have made it a corner-stone of this government's activities from the very day you came into office. Mr. Minister, patronage is normally a sign of old age in a government. It's a sign that the government's been in too long. I don't know any government that went into office making patronage a corner-stone of policy as this government has.

Mr. Minister, the particular area that I want to raise with you at the moment, and the difficulty is, Mr. Minister, it is indeed like a rot. It creeps through the government like a rot through a barrel of apples. And it doesn't stop with the ministers. It seeps through to the political aides, the public service. It is, indeed, a rot which seeps through government. And with this government, I regret to say, it has become quite extensive.

Mr. Minister, I want . . . the particular item of patronage I want to raise at the moment is this government's habit of building buildings, leasing them — buildings which will patently be used for nothing else but government buildings — leasing them from your friends.

It is particularly inappropriate that this sort of patronage, and it is patently patronage . . . The government, the major cost of building buildings is the cost of money. Government can get money at a lower rate than virtually anyone else. Therefore, to lease a building rather than to own it, in the end result, is going to cost the government and the taxpayer more . . . (inaudible interjection) . . . Well that's exactly what I'm referring to is the court-house.

Mr. Minister, that is patently a building which will never be used for anything other than a government building. There are buildings which the government may not use exclusively. There are cases where the government doesn't want to commit itself to a long-term occupation of a building, Mr. Minister, and therefore in some instances leasing makes sense where either you don't want to commit yourself to a long-term occupancy of the building, or because you don't want to exclusively occupy it, as is the case with the Cornwall Centre, you share it with others.

But in the case of the court-house, Mr. Minister, it will never be used . . . that building will never be used for anything else, presumably. Presumably, Mr. Minister, that will be the provincial court-house until the building is too decrepit or too small to be used for anything else.

I ask you, Mr. Minister, why you insist on favouring your friends by leasing that building from them rather than owning it.



(16:30)

**HON. MR. MCLEOD:** — Well, Mr. Chairman, we went through this, I believe, last year with the hon. member. I would say to the hon. member that the official opening of the court-house, which has been very well received by the judiciary and by lawyers in the city of Regina, most of them except for the one firm of — what is it? — Dore and Shillington, or whatever. But it's been well received. It has its official opening tomorrow morning at 9, and I would invite here, in front of everyone in the House, invite the hon. member from Regina Centre to be there to observe the opening and see how pleased people are with the new building.

As far as the debate, the hon. member says, why is it that you're leasing buildings from the private sector and so on? I mean, tell me about the Humford House in downtown Regina. Who owns Humford House? The government? It was occupied for a long time by the Department of Highways and other departments of government under your administration as well as under ours. There's been no change in philosophy in that whatever, and I don't see a problem at all. I don't see any difference between the two.

Last year you were convinced that the court-house just could not be built by the private sector. You don't believe in the private sector owning the bricks and the mortar of a building. I believe, and my colleagues as well believe, that that is a good way to go. And in fact the success of that will be demonstrated tomorrow morning at 9 o'clock sharp at the site of the new court-house in down-town Regina, which has been very well received by all concerned.

**SOME HON. MEMBERS:** Hear, Hear!

**MR. SHILLINGTON:** — Mr. Minister, you didn't deal with the particular item. Why the court-house? Why would you lease a court-house? I doubt, Mr. Minister, that there is another government in Canada which has a building built to be used as a court-house, designed as a court-house, which is really not a great deal of use for anything else, which it intends to call the court-house. This is our court-house. In every other jurisdiction, Mr. Minister, the government owns these. These are Crown property. They're an integral part of democratic government as we know it.

I ask you, Mr. Minister, why would you allow . . . why you would lease that building which is, as I say, like the Legislative Building. It is one of the centre-pieces of a democratic government's administration. It is something, Mr. Minister, that we can build cheaper in the private sector because we get our money cheaper. In addition, there is of course no profit margin to pay as there must be with a private developer.

I ask you, Mr. Minister, why the court-house? Why would you be leasing a court-house?

**HON. MR. MCLEOD:** — Well, Mr. Chairman, the court-house . . . And we, as well, went through this in estimates of last year. I recall we, when we came into office, the planning for the provincial court-house — that's the proper term, as you lawyers would know better than I would — the planning for the provincial court-house was in no stage at all. There was no planning. It was in a mess.

There was a need to do something very quickly, to build a court-house to serve the needs of this area. And we went to the private sector and got that done very quickly, as we could attest to by the fact that the opening will be tomorrow.

The fact is the planning is under way, and the planning is under way in the department for the future court-house. The long-standing and permanent court-house that the member refers to will be built in this city, and it will be government owned in the future.

But in the interim period, rather than just leave things in limbo and on hold as you did for se very long, similar to what you did with other debate we had yesterday about the nursing home in Saskatoon so now we have two major cities with major projects which were in limbo and on hold for a long time, we acted in both cases, and to the benefit of the people of Saskatchewan, I might add.

**MR. SHILLINGTON:** — Well, Mr. Minister, there was a day when the government services, or Supply and Services as it's now called, was capable of acting quickly. Before you people came into office and destroyed the professionalism of the public service, the department of which you are now minister was capable of acting quickly, and they were capable of building buildings and bringing them in on time and under budget.

I know that era has passed. I know you people have so thoroughly destroyed the professionalism of the public service that you're not capable of doing that. But there was a day, Mr. Minister, when court-houses could be built by the government at a price which was equal to or better than they could be built privately. They could be brought on . . . and they could be brought on-stream on time.

Are you saying now, Mr. Minister, that you've lost that capability, that you have so thoroughly rifled the public service that you're not capable of providing the services with respect t leasing and building of buildings which this government once was capable of?

**HON. MR. MCLEOD:** — Well, you know, I think the debate on this is . . . it's a matter of philosophy once again. I mean, we'll . . . the member from Regina Centre and I will certainly agree to disagree on this as on many other things.

As far as the member from Regina centre talking about the capability of this department to deliver buildings on time, I can remember being an opposition member when the T.C Douglas Building was built. The T.C. Douglas Building was not built on time, nor under budget. And you know that to be the case. The Sturdy-Stone building in Saskatoon was not on time nor under budget.

**MR. SHILLINGTON:** — Both of the buildings you refer to were on time and under budget, Mr. Minister, and you fired . . . and your predecessor, Mr. Minister, fired the deputy minister who was capable of doing that — Mr. Foley, a person of very real ability.

Mr. Minister, will you give me the . . . will you at least give me the contract with respect to the court-hose so that we may know how much this boondoggle is costing the taxpayers?

**HON. MR. MCLEOD:** — Mr. Chairman, the hon. member well knows those contracts with respect to the court-house have been given out as it relates to the Humford House or the contracts as relates to space . . . as a space to . . . (inaudible interjection) . . .

You're not kidding that you didn't. And you never will again either. The member says they never ran for . . . I can tell you that you won't be in a position to be running court-houses or anything else for a good long time. And none of the members opposite, none of the particular members opposite will certainly be around when it comes time for them ever to come back to power.

But I would say to the hon. member that he knows very well that those contracts are not disclosed in a public way, nor will this one.

**MR. SHILLINGTON:** — But, Mr. Minister, this one is quite different than any other lease. Mr. Minister, you have in the past . . . the department has refused to disclose lease rates with respect to commercial property where others are in competition and where the government can get competitive bids from prospective landlords.

This is quite different. This is a very different situation. You went to your political pals, whom I wouldn't be every proud to call my pals, but you went to your political pals, you got them . . . (inaudible interjection) . . . No, I hope not. I hope none of the people who built this court-house ever call me a political friend.

Mr. Minister, you went to these people; you said, give us a court-house. There is nothing competitive about it. There is no reason why this can't be disclosed. Presumably you're not going to be in the business of renting out . . . of having people build court-houses for you.

This one is different. There is no reason why you can't give us this lease. The other commercial leases you have of the Humford House or the Avord Tower, or whatever it is, are in totally different situations. There's nothing competitive about this, Mr. Minister.

**HON. MR. MCLEOD:** — Well, just to clarify a couple of points, Mr. Chairman. The hon. member says . . . I have to paraphrase, I don't have the exact quote, but he's, you know, the same scandalmongering that went on several times before in here from those quotes. He says, you went to your political pals and you did this and that.

What in fact happened is that we put out a proposal call to build a court-house and have it done on time and under budget and so on. And we put out the proposal call, and the proposals came in. And the proposals came in, and we selected the proposal which would best meet the needs. And those needs have been met. And once again I would say to the member, come to the opening tomorrow morning.

I would just have a couple of things that the member has said, in terms of the costs of building public buildings, with the way in which their philosophy would espouse that all things be done by the public sector as opposed to the private sector, in co-operation with the public sector, which is the way in which we do business. I'll give you some examples. I'll name the buildings: the T.C. Douglas Building, Sturdy-Stone Centre, McIntosh Mall, Sask Tel Head Office — four very high profile public buildings in Saskatchewan, built by the former government, average cost per square foot of gross area, \$115.08 — \$115.08 average cost. That was in 1979 to '81, in that period of time.

I'll give you some ideas of buildings with which we have contracts for office space presently: Bank of Montreal, Canada Trust Tower, the Saskatchewan Place, Victoria Plaza West. These are all in the city of Regina, I believe. The average cost per square foot of gross area, the average cost — and I want the hon. member from Regina Centre to listen carefully — \$78.29.

And he would say that dealing with the private sector, as opposed to building public sector edifices named after former members and all of these little monuments unto yourselves, at a cost in that time of \$115.08 per square foot of gross area, as opposed to our co-operation with the private sector in getting good space, class A, excellent space, \$78.29 average . . . I would say that I would rest my case with that.

**MR. SHILLINGTON:** — No one, Mr. Minister, no one, Mr. Minister, can compare the T.C Douglas Building with any of those other buildings you have described. It is a vastly superior building. The same, Mr. Minister, is true of the Sturdy-Stone building in Saskatoon. That, Mr. Minister, is a building that is superior to any that you might have named in Saskatoon. I'm not sure you named any in Saskatoon.

Mr. Minister, I want to go back to the court-house. I would ask you to give me . . . if you won't give me the contract, at least give me the rental rate per square foot. Surely that's no dark secret.

**HON. MR. MCLEOD:** — No, as the member knows, the same policy holds as held when you were in this chair as minister of Government Services. You did not . . . (inaudible interjection) . . . I

did not name the others, I gave the average costs of several buildings, and I will do that. And the hon. member knows that that is not provided, has never been provided, nor will it be provided because of the competitive nature of the market-place out there.

**MR. SHILLINGTON:** — How many court-houses do you intend to lease, Mr. Minister?

**HON. MR. MCLEOD:** — Well, Mr. Chairman, just so the hon. member doesn't continue to mislead the House, we have leased two. We have a court-house under lease, a court-house facility in Saskatoon. The NDP leased court-houses in Prince Albert from the city of Prince Albert when you were in power. You leased court-houses from the city of Prince Albert — it certainly wasn't a government-built court-house — and numerous court facilities on a part-time basis. And you've done that in the past throughout the province. So I would say in from 50, between 50 and 100 locations, just to guess, under your jurisdiction, you leased court-house facilities in this province. There's no question about that; it's no deep, dark secret.

**MR. SHILLINGTON:** — There is no question about that, Mr. Minister. Indeed, we have leased space for court-houses. We leased it in many communities. I would be surprised if the number was as small as 100. In many small communities in Saskatchewan we lease a Legion Hall or a room off the town hall chambers to be used for court-house space.

This, Mr. Minister, however, is the only building that I know of which was designed as a court-house, which really can be used for nothing but a court-house, which was built as a court-house, which is going to be leased. None of the spaces you referred to were designed to be used as court-houses and are useful for nothing else.

I ask you, Mr. Minister, are there any other buildings in the province of Saskatchewan, designed as court-houses, which are used for virtually nothing else but a court-house, which you're leasing?

(16:45)

**HON. MR. MCLEOD:** — No, Mr. Chairman, there are no other buildings; there are no other places which are leased strictly as court-houses. But the member will know as well that there are a good number of offices and so on. So it's very much a part of the competitive market-place out there in terms of the rental per square foot and so on, there's no question about that.

And that's very much the case as it relates to the offices for the judges and for the sheriffs and clerks and whoever else works out there in the legal world. I don't pretend to know that. The hon. member will know that. But he will know that there are a good number of offices in that building.

And I would ask him once more — and I want you to be there tomorrow on the tour. I'm looking forward to the tour of the new facility myself, and I invite the hon. member from Regina Centre to join me.

**MR. SHILLINGTON:** — Mr. Minister, members of this caucus are far too busy trying to make a determination of how we can deal with all the issues that this government drops in our lap in the space of a normal session. We do not have time, Mr. Minister, on a Friday morning to attend the opening of a Tory patronage, and that is all it is, is a Tory boondoggle.

Mr. Minister, I must insist that there is no reason why you can't give us the rental space. Mr. Minister, you are returning the administration of this province's affairs to something that most provincial governments and indeed the federal government left decades ago, straight pork-barrel operation.

Mr. Minister, you refer to your tender call for proposals. That is nothing in the nature of a

competitive tender. It is so discretionary, there is no way in the world that any one can tell whether or not you gave it to your pals — you always do, so far — whether or not you give it to a friend, or whether or not you award it to which might be termed to be the best proposal.

Mr. Minister, the call for proposals is patently designed for nothing other than to allow this government full and complete control over the awarding of contracts to be sure that they go to your friends, and your friends profit handsomely. I, for one, Mr. Minister, regret very much the practice of this government in calling for proposals.

There is no way, Mr. Minister, that that can in any sense be called a competitive bid. It is far, far too discretionary. So don't hand the public of Saskatchewan and this opposition a bunch of malarkey about the court-house being awarded competitively by calling for proposals. You know full well there is no way in the world that anybody, who makes the mistake of wasting money by putting in a proposal in opposition to some of your friends, there is no way such a person would ever know whether or not the decision was made honestly.

We all know it isn't, because inevitably the people who get the awards and the contracts to build buildings have close ties to this government, Mr. Minister. That is not only patently unfair to the business community of Saskatchewan, and it is, and this government — only this government — is so isolated as to be immune from complaining that's going on in the business community about the lack of competitive tendering for the money this government spends. There's a great deal of complaining in the business community about the unfair way that this government awards contracts and spends its money.

In the province of Saskatchewan, more than in many provinces, the government is a major purchaser and a major spender, and the provincial government is a very major piece of the market in Saskatchewan, and if you're shut out . . . and that has been the case for decades.

When you shut out honest business men — and they are, they are virtually shut out in dealing with this government — Mr. Minister, if you shut out honest business men by setting up a patronage operation, then, Mr. Minister, what you've done is shut out a whole lot of honest business men from working with the government and getting government contracts. And that is unfair, and they are complaining about it. They are complaining about the rotten patronage system which this government runs . . . (inaudible interjection) . . . Well they may be, but they happen to be true. They may be, but they happen to be true.

Patronage — I've said it outside the House and inside the House. I've said it everywhere . . . (inaudible interjection) . . . Mr. Minister, I will. The member from Meadow Lake and the member from Saskatoon Centre are two who have engaged in patronage in a major way, and we dealt with it in your estimates. Oh, I see a shocked look on the member's face. We dealt with it in your estimates a couple of years ago.

At the moment I do not want to get led astray by the babbling of the member from Saskatoon Centre. At the moment we are dealing, Mr. Minister, . . . at the moment, Mr. Minister, we are dealing with this government's practice in awarding . . . in building buildings by having the private sector build them . . . what you call a call for proposals. Then you inevitably award it to people with close ties with the government. That inevitably happens, Mr. Minister.

So I say, Mr. Minister, that one of the reasons, Mr. Minister, why this practice should be discontinued, and discontinued immediately, is because it is unfair to the business community. The other way, Mr. Minister, in case this government has completely forgotten, the other way for this government to build space which it intends to occupy permanently is to call for tenders for construction when the government owns it. If you do that, Mr. Minister, there is a well-recognized system for ensuring that the lowest bid will get the contract.

Mr. Minister, if you own the buildings and you call for tenders, Mr. Minister, you will then be

assured the lowest bidder gets it and that the contracts will be awarded honestly. One of the problems with your system, in addition to its high cost because you're leasing space rather than owning it, one of the problems with your system is that there is no protection to the contractors and no protection . . . there are no protection to landlords or contractors who want to do business with the government.

I say, Mr. Minister, this system you have devised of calling for proposals is designed for no other purpose than to ensure your friends get all the government work, and that people, who might be too honest to deal with the government in that fashion, don't get any.

So, Mr. Minister, I say to you that you ought to discontinue this practice of calling for proposals to lease space. You ought to go back to the system which all other governments use — of owning buildings which you are going to occupy permanently, calling for tenders for them, and ensuring that the taxpayer's dollars are not used to line the pockets of your friends.

**HON. MR. MCLEOD:** — Well, Mr. Chairman, we will continue to hear this song from the NDP because they don't believe in the private sector of the business community in any case. I hear the hon. member talking about people who receive the proposals and so on. What I have said is that there were proposals put out. They're advertised, and duly advertised, and people come in with proposals. We allow the proponents out there to use their own creativity and so on to come in with the project and the building design and whatever to best meet the needs that we have.

And I mentioned the case yesterday of the nursing home in Saskatoon, which when it's finalized, I'm sure even the hon. member from Regina Centre, in a moment of honesty, will agree that that design will be great. And I believe that in a moment of honesty from the member from Regina Centre, he should be, as the MLA for Regina Centre, should be very proud of the building that is now located in the centre of Regina, The new court-house building, I believe, on Smith Street. He says that the business community . . . That member from Regina Centre stands in his chair, and with a straight face, Mr. Chairman, he suggests that he is representing the business community or any portion of the business community in this province.

Now, Mr. Chairman, how a member of that caucus can suggest that, I don't know. I'm not sure that any people who are a part of, or connected to the business community, who may be watching that performance today, could understand how he suggests that he would represent them.

The true fact is, Mr. Chairman, when the proposals come in they do come from people who are representative of the business community in this province. There's no question about that, and honest business people in this province, there's no question about that, as most are. And when the hon. member suggests that those who receive the contracts, and as I believe he says are political friends of the government or whatever, what he really means is that they are business people from Saskatchewan. Business people in Saskatchewan. Mr. Member from Regina Centre, are friends of this government. The business community is a friend of this government, and will continue to be, and we have every indication — and this is what really hurts you, and I know that — you, as well, have every indication that they will continue to be supporters of this government.

**MR. SHILLINGTON:** — Mr. Minister, I will readily admit I do not represent very many business people. Very few of them live in my riding. Very few business people live in my riding, Mr. Minister. Most of them can well afford to live in parts of town that would be described as better parts of town than the one I represent.

I represent a very different group of people. But I'll tell you, Mr. Minister, no one except a Conservative member of a legislature can be immune and can be deaf to the complaining that is going on in the business community about this government's patronage because the taxpayer

isn't . . . patently, the taxpayer is one of the victims of patronage. It is a very, very expensive way to run a government, both because you get people in government who don't know what they're doing, and this government is replete with people who don't know what they're doing, and because, Mr. Minister, . . . (inaudible interjection) . . .

Well, you're going to get off the hook in four minutes, but you're going to be back on the griddle at 7, so enjoy your supper, Mr. Minister. Enjoy your supper, Mr. Minister.

Mr. Minister, it is not only unfair to the taxpayer, but it is unfair to the business community, and no one can be immune from the complaining that the business community are indulging in with respect to this government's patronage. Nobody, Mr. Minister, can be immune from that.

I ask you again, Mr. Minister: why would you build a court-house which will never be used for anything but a court-house . . . then what you're going to use the cells in the basement for? If they're not used for a court-house, why would you build the jail?

Your predecessor in office, the member from Meadow Lake — from Maple Creek, I'm sorry — you're predecessor in office, if my memory serves be correct, leased a building as a jail in Saskatoon. Why on earth would you be leasing buildings such as that except to line the pockets of your friends?

You've never made the argument because you can't. You've never made . . . (inaudible interjection) . . . Well, you've never made that from your feet. And I would like to hear you explain, apart from those silly figures which you use, comparing apples and oranges. You're comparing bicycles and motor cycles when you compare those buildings.

You have never presented, Mr. Minister, a logical argument why a building is cheaper to lease than it is to own. Nobody, Mr. Minister, no business man, Mr. Minister, really believe that. It is, of course, if you can afford to build your building, if you're going to occupy it permanently, if you know your space requirements — it is cheaper to own it than it is to lease it. And that is the way private business conduct their affairs . . . (inaudible interjection) . . .

All right. I'll let you have your chance, but I'd ask you, Mr. Minister, to tell this opposition how it could be cheaper to lease a building such as the court-house rather than own it.

**HON. MR. MCLEOD:** — Well, Mr. Chairman, the hon. member continues to talk with his socialist rhetoric that the public sector can do things more cheaply. I believe I heard him say that when we compare the buildings which the NDP hold up as edifices and monuments to themselves — the T.C. Douglas Building, the Sturdy-Stone Centre, McIntosh Mall, and so on, and they use the Sturdy-Stone Centre in Saskatoon — he calls that as some kind of a . . . he says you're comparing bicycles to Cadillacs or whatever it was that he said, when I mention the private sector buildings that I talked about.

In down-town Regina today, the four buildings which I referred to, which on average, the contracts which we have on behalf of the taxpayers of Saskatchewan . . . on behalf of the taxpayers of Saskatchewan we have contracts which average for these buildings . . . I'm going to read them again — the Bank of Montreal Building, 11th Avenue in Regina. Now you tell me that that's a bicycle of a building as you compare it to the Sturdy-Stone Centre, that glorified parking lot that you built in Saskatoon. Don't tell me that they're . . .

Are you going to tell me that the Canada Trust Tower, the new building on the corner of Hamilton and 11th, is that kind of a building? A beautiful addition to the down-town area of Regina, Saskatchewan Place on Broad Street, Victoria Plaza West on Albert Street . . . I'm sorry, for Saskatchewan Place, Victoria Plaza West, the building, the new design, the first of the twin towers in down-town Regina . . . Are you going to tell me that that building which has basically revolutionized the architecture of down-town Regina . . . And I don't hear anybody in Regina

saying that that is some kind of a second-class building.

Those kinds of buildings, the average rate, \$78.29, on behalf of taxpayers of Saskatchewan, as compared with these mausoleums that you built on behalf of your former members and all the rest of the things — everybody who was a socialist has his name on a building or a park or something in this province — \$115.08 per square foot that is — per square foot.

And don't tell me about the public sector and this socialist idea that the public should own everything and do it cheaper on behalf of the public. It doesn't work in the land bank out in the rural Saskatchewan, and it doesn't work in the urban Saskatchewan as it relates to renting bricks and mortar and floor space in this province.

**SOME HON. MEMBERS:** Hear, Hear!

The committee recessed until 7 p.m.