

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
June 10, 1985

EVENING SITTING

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SASKATCHEWAN HOUSING CORPORATION

Ordinary Expenditure — Vote 51

Item 1

HON. MR. DUTCHAK: — Mr. Chairman, I have with me Calder Hart, president of SHC; Glenn Silliphant, vice-president of programs; Larry Little, vice-president of field operations; Larry Boys, executive director, financial services; and Tom Carter, executive director, research and policy development.

Mr. Chairman, I'd like to make a few introductory remarks before we get into the questioning. Mr. Chairman, prior to 1982 the corporation's history had reflected a supply-side mentality and in 1982 the initial emphasis of this government was to aid the housing industry to get back on its feet.

The stability provided by the Mortgage Interest Reduction Program provided incentive for home ownership, but as you know, the program which is now in place, Mr. Chairman, ensures consumers will not pay more than thirteen and a quarter per cent on their mortgage, and that's been extended to 1988. We feel, Mr. Chairman, that that provides confidence in the people of Saskatchewan relating to their plans to upgrade and go to a larger home or to buy their first home.

Through the efforts of the corporation, the build-a-home program stimulated approximately 6,000 households, many of them being young families. They were able to achieve home ownership. The program alone created some 6,000 jobs in our province.

In the summer of 1983 I commissioned a review of the corporation's mandates and operations. At that time a thorough and serious look was taken at the role of housing delivery in Saskatchewan.

That same year, in the fall of 1983, I commissioned a task force on senior citizens' housing. We wanted to ensure that lines of communication were kept open with our seniors and their particular housing needs were met.

This task force provided a means by which our elderly population were able to present their ideas to government and that we were prepared to both listen and to act, Mr. Speaker. Hearings were held in 10 communities throughout the province, and the report which resulted from this process has been a key factor in the development of our housing programs.

One of the foremost conclusions of the task force report was that senior citizens wish to live in their own homes. We found that previous senior citizen . . . The old home repair program was not adequate, not efficient, and bound by red tape. Consequently, the corporation increased the grant loan from \$650 to \$1,000, and the income level for applicants was changed to make it more easily attainable by a larger percentage of the population of seniors in Saskatchewan. And the administrative procedure was streamlined and grants were made available throughout the full year, instead of a simple winter works program as was evident under the former administration, Mr. Chairman.

These changes resulted in an unprecedented number of applications, and these were processed in record time. Mr. Chairman, in the first 12 months of this program, almost 1,200 seniors' households received assistance in home improvements. By the end of 1984, \$10.9 million in grants had been committed. This program not only allows seniors to stay in their home but also allows them to remain in the communities of their choice. It's also notable that 26 per cent of all grants approved were to seniors living in centres of under 500.

Mr. Speaker, I note that there is some noise coming over from the other side, and that is likely because the home repair program was so improved over that of the former administration. We met with seniors, and seniors indicated that the former government didn't listen to them when they asked for a change in that particular program. And I'm proud to say, Mr. Chairman, that we have listened, and the program seems to be a great success with the seniors of Saskatchewan.

Another major result of the task force was the development of enriched housing, Mr. Chairman. There are many seniors in our province who do not require the level of care provided by nursing homes, but who need some assistance with their daily activities. And one of the other members said, where at? On the weekend, I drove through Shellbrook, Saskatchewan, and they happen to be near completion of a enriched unit which has been so well received by seniors in Saskatchewan.

We developed a housing concept which allows home care services as Meals On Wheels and visiting nursing staff. Services vary from project to project, as they are based on local needs and each community's initiative to become involved. What we provide to these communities is a structure to allow them to assist their seniors to remain independent.

In 1984, 150 units of enriched housing were committed in 13 communities across the province. The corporation also assisted in the delivery of 525 special care home beds and 31 group homes.

Mr. Chairman, another excellent example of our responding to the needs of the seniors is the conversion of the existing structures into seniors citizens' housing. Conversions of apartment buildings are presently being completed in communities of Frontier and Coronach and of course Palliser Place in Regina.

In August 1984, only 13 of 154 suites were occupied in the Regina down-town high-rise. The corporation organized meetings with various interest groups and a number of opinions were examined.

We looked at a number of options, and it was determined that the most viable option was to convert the structure into a senior citizens' housing complex. That is what we did. And today, Mr. Chairman, I'm proud to report that 142 suites are rented in Palliser Place, which is over 90 per cent occupancy.

Mr. Chairman, as for the 26 recommendations made by the task force of senior citizens' housing, action has now been taken on every one of them as of this date.

Just last month a senior citizen, Mr. James Maher, was appointed to the corporation's board of directors. Mr. Maher's appointment will further ensure that communication with seniors throughout Saskatchewan remains ongoing, and that our housing programs take into consideration their special needs.

Since 1982 the housing corporation assisted in the construction of almost 1,400 subsidized accommodation housing units for seniors on fixed income, allowing them to live in comfortable surroundings with the dignity and privacy they deserve.

From 1982 to December of 1984, Sask Housing directly assisted more than 41 new housing starts, resulting in 3,652 man-years of employment within Saskatchewan. Almost 2,800 units were tendered, injecting \$114 million into the Saskatchewan economy.

Not only has the corporation stimulated the economy of Saskatchewan, it's also made strong moves towards improving the efficiency of its housing delivery system. In 1983 the corporation underwent a major internal restructuring, resulting in a more business-like operation. This move was obviously criticized by the opposition. However, these moves have resulted in a million-dollar decrease in the corporation's net administrative costs to the province — from 7.2 million in '83 to 6.2 in '84.

The Saskatchewan Housing Corporation strives to efficiency, and we want to effectively and efficiently meet the housing needs of our province. It's a corporation which listens. I've spoken to you about the responses made to needs voiced by our seniors. And other groups which the corporation is addressing needs of are people of native and Indian ancestry, and physically disabled people in Saskatchewan. And low-income families.

Last year the corporation called for tenders on 638 units worth \$28.2 million to 36 different contractors. No longer is the housing corporation working to compete with the private sector, but it's now working together with the private sector to meet the housing needs of our province.

Mr. Chairman, I think particularly in the case of seniors the corporation is proud of its ability to bring the seniors into the decision-making process of government. When we had our task force we invited different groups — the senior citizens' council, Action Now — to participate in the decision-making process. And as I indicated before, out of the 26 recommendations that we received, we acted on every one.

However, there's still work that we intend to do. There's other concepts that we're working at that seniors talk to us about, and we'll continue to keep this dialogue going with seniors in Saskatchewan because we consider them to be important, and we feel that over the past several years there has been some neglect. And we're simply catching up, and doing what should have been done years ago, Mr. Chairman.

MR. SHILLINGTON: — Mr. Minister, I wonder if you would begin by giving us the names, positions, salaries, and increases in pay of your personal staff.

HON. MR. DUTCHAK: — I have that information. I'll send it over.

MR. SHILLINGTON: — Mr. Minister, have there been any increases . . . Mr. Minister, with respect to the increments on January 1st, '85, when was that decision made to award those?

We've been told the others were retroactive to January 1st. Would you tell me when the decision was made to award the pay increase.

HON. MR. DUTCHAK: — It would be made in the last 45 days, and perhaps the member can advise . . . the information I sent you was my office staff. Did you require the executive of the corporation as well? I'm sorry, I didn't get that clearly.

MR. SHILLINGTON: — It was the next question, yes.

HON. MR. DUTCHAK: — I'll send that over as well.

MR. SHILLINGTON: — Mr. Minister, it's not now a new issue, but I want to make the same protest in these estimates that we have in others. Mr. Minister, I've just received the salaries of the officials. Were there any increases with respect to any of these individuals within the last 12 months?

HON. MR. DUTCHAK: — Yes. I'll send those over as well.

MR. SHILLINGTON: — Mr. Minister, I want to issue the same protest here as I have elsewhere. In a day when you freeze the salaries of the ordinary public servant; when you freeze minimum wage for three years, as you have; when you do not have enough money to feed people on social assistance, such that they are going hungry; it is hypocritical to be increasing salaries, as you have here, by 4.3 per cent and 3.5 per cent and 3.7 per cent. Surely, Mr. Minister, the rules that apply for public servants, for social welfare recipients, and the rules which you have suggested ought to apply to the private sector — surely, Mr. Minister, those also ought to have applied to your personal staff.

This government has done some hypocritical things in its time, but this, I think, is one of the worst, and it is one of the least excusable. You have talked about increases in productivity, at least other ministers have. Frankly, Mr. Minister, that just doesn't wash. There is no way of measuring the productivity of personal staff, and no way of knowing whether they're more or less productive than they were last year. And to suggest that you are awarding increases for increase in productivity is a completely transparent excuse for rewarding your own friends and treating them differently than you have the ordinary public servants. So I want to make that protest of these estimates as we have of others. It is just so hypocritical for you to treat your political staff differently than you have the ordinary public servants.

HON. MR. DUTCHAK: — Well, Mr. Chairman, I think on this point we're going to have to agree to disagree, but just to illustrate the fallacy of the argument of the member opposite: he indicates that we've rewarded our friends. Some of these friends that have acquired a percentage of increase were friends that were employed in the similar positions under the former administration. And the member must realize — and I hope he's not trying to mislead the public on this issue — these people do not receive the usual incremental increases and, in fact, a good number of the out-of-scope people did not receive any increases at all.

(1915)

I think, you know, we try to run the corporation on the basis of providing these increases to the people that have excelled in their production, and we use the best system possible for determining that. I believe that the civil service in the Saskatchewan Housing Corporation would resent the innuendo just presented by the member opposite, that because they got increases it was because of some friendship with me. And I think he owes these people an apology.

MR. SHILLINGTON: — Yes, I'll do that. Having made the suggestion that I ought to apologize and resign, I think I really have no choice and . . . The minister is, of course, being silly when you make that suggestion.

I was referring, Mr. Minister, to your personal staff. I was not referring to ordinary public servants. My remarks clearly were referred to your personal staff, and I don't withdraw those. I do not, of course, make the same remarks about the ordinary public servants as you may have suggested.

Mr. Minister, I want to deal with what I think is a more substantive — if it's less glaring, it is, I think, more substantive — and that is the record of this government with respect to housing starts.

It is clear, Mr. Minister, that housing is not a priority with this government. There are no new initiatives apart from the area of senior citizens' housing, which has resulted in a lot of task forces, a lot of talk, and precious little action. Apart from the senior citizens, there isn't even any talk of any new programs. In fact, in the past three years you've been turning back the clock.

You did indeed enrich the Senior Citizens' Home Repair Program to keep up with inflation, but

that is nothing more than a continuation of a program that you inherited from us. There was your build-a-home program, another program you borrowed from the federal government.

But there are quite a number of entries on the negative side of the ledger. There were significant cuts in the co-operative housing program in '83-84. You had a million dollars, Mr. Minister, in that program in '83-84; in '85-86, you're down to \$450,000 — less than half. There is no commitment to co-operative housing.

In an area where . . . I know it is not your department, but with respect to the rent controls, you have abolished rent controls. It has been replaced with a bureaucratic, inefficient, and cumbersome system of rent review.

You have — and again I know this is not your department, but it impinges directly on housing and its cost — you have removed the home owners' grant, the renters' rebate grant, for no other reason than to assist with your financial difficulties.

There's been no policy, no initiative, no leadership. We have been open for business, but the slogan has been as unsuccessful in housing as it has elsewhere. And it's worth remembering that in this case you ought to have had some contact with those whom you were attempting to attract, because many of these large developers — none of whom, I think, have a head office in Saskatchewan now — many of them campaigned openly for you people in 1982. And it's little surprising that they have been so stingy in their support and investment in this province ever since.

And unlike members opposite, who make extravagant claims and back them up with nothing, I want to refer the minister to the 1984 edition of the *Canadian Housing Statistic*, published by Canada Mortgage and Housing in March of '85.

Table 10 shows the housing starts in a variety of different areas. With respect to the total housing starts, in all cases, in almost all cases (some exceptions), housing starts are lower than they have been in 10 years. The total housing starts in Saskatchewan in 1984 were 5,221. That has not been at that low a figure since 1974, and that's as far back as their statistics go, Mr. Minister. I suspect you'd have to go back a good deal further than 1984.

The population of this province — and it's worth remembering — the population of this province has increased by 100,000. Mr. Minister, another way to look at this is the average number of housing starts for the eight years the NDP . . . For the eight years for which the record of the NDP is shown in this table of statistics, the average number of housing starts was 9,706. During your three years in office, the average number of housing starts is 6,437. That is less. The decrease, Mr. Minister, is almost a full 33 per cent; in fact it is.

There are a number of conclusions, to be drawn from these facts. But the main conclusion is that open for business, a total blind unthinking reliance upon the private sector, has not worked. I say to you, Mr. Minister, there is a role for the Saskatchewan Housing Corporation. I urge the minister to get on with the job, and pursue it. A blind faith in the private sector has not worked, Mr. Minister, and any way you read the table of statistics, it shows that,

HON. MR. DUTCHAK: — Well again I suppose we can agree to disagree, and I want to tell the member that I don't have blind confidence in the private sector; I have genuine confidence in the private sector.

And I noted a few things said by the member opposite, and it appears clear that he continues to mislead the public on his statements. And I just want to correct him because I hope people aren't misled by these kind, these kind of statements.

First of all the member dealt with the Seniors' Home Repair Program and indicated that the

former administration had the same program, and it is simply increased now because of the effect of inflation. That's simply not true. The program used to be a winter works program and it is now a full-time program. It was raised from \$1,000 maximum to \$650. We also got rid of a good deal of the red tape, and didn't substitute it for any other colour tape either. And it's a efficient process. The process was suggested by the seniors to us.

And the member doesn't have to take my word for the success of the program, because I'll give him some numbers to illustrate the success, which really refutes his explanation based on inflation. In the first five months of the program, we approved 11,752 applications under this program.

And I just look over the years of the NDP administration, and in 1982 — well, 1981; let's take the full year — 1,290 applications were approved in the full twelve-month period' 1980, 2,006 applications. You can contrast that to over 11,000 in five months, so obviously the seniors of Saskatchewan feel that this is a different and better program, and it's not simply the effect of inflation.

Now in terms of the future, and our present programming for Saskatchewan Housing Corporation, we . . . Housing is a priority for our government. That's why we helped people retain the ceiling of thirteen and a quarter per cent on their personal mortgages, because we felt we want to pay attention to people who own and build their homes as well, as well as the subsidized home owner.

Now in terms of our policy for the future, again I'm firm when I state that we will not do what the former government did. We don't intend to build rows of empty houses for no one, just to say that units were built in Saskatchewan. In fact we're still trying to cure some of the problem left by the former administration.

And I think we have to think about the taxpayers these days. And we have to realize that as the economy grows, demand for housing increases. And that's what we have to look forward to.

We have to continue to build the economy. We can't create a false housing economy by having the Saskatchewan Housing Corporation simply arrive into town and build houses that aren't needed, and that's really what was done under the former administration. And I can say firmly today that I don't intend to do that.

MR. SHILLINGTON: — Mr. Minister, you talk about rows and rows of empty houses. Let me remind you, for instance, that the number of single, detached houses built in '84 is half what was built in 1974. And of course it's a third, up to a third of what was built in some of the intervening years. Mr. Minister, I'm wondering where you see rows of empty new houses?

HON. MR. DUTCHAK: — Now I've just checked the housing stats. For the member's information, and he used 1974 as an example, and that was a year that we had 6,390 housing starts. But the member's attempt to tie this into the result of a government's policy simply doesn't make any sense, because if you look at 1980 or '81 for that matter, the housing starts dropped to half of 1974. So if you follow the member's logic you would have to say that his government was only half as good as it was in '74. So that kind of a thing doesn't really make sense, and the public surely expects more.

The number of increases is the result . . . It's an economic function. And when more houses are required, more houses will be built. And it's as simple as that, and I don't see the relationship that the member is drawing from.

An example of some of the houses with vacancy problems: I'll use the one that easiest comes to mind, at Morse, Saskatchewan, where, as you recall, last year in estimates you went over this

with me at that time and I indicated that the houses, in fact, were built and then boarded up without having anyone live in them at all.

MR. SHILLINGTON: — Mr. Minister, I think you're quite right. I think that the housing starts is an economic indicator, and when it says about this government's economic policies is one that I would not have admitted if I had been handling these estimates, Mr. Minister.

The population of this province is 100,000 more now than it was in 1974, and yet you have half the number of housing starts. Mr. Minister, you referred to the fact that the single, detached houses in 1981 were as low, and that's not true. They were actually about 3 or 4 per cent higher.

But Mr. Minister, the total number of housing starts in the province are 12 per cent lower than they have ever been in the province and that's the only one that's close. The rest of them get up over 20 per cent.

But Mr. Minister, you're quite right; you're quite right. Housing starts is a barometer of the economy. With 100,000 more people in this province, one would have thought the demand for housing would have been higher, but it hasn't. And you're quite right; you put your finger on the reason. The reason is because with this government in office, and with the economy which you have managed to create, with economic hardship which you have managed to create, nobody is prepared to take a risk. Nobody is prepared to assume that they're going to have a job. Nobody is prepared to put any faith in the future. The act of buying and building a new house is indeed, Mr. Minister, an act of faith in the future. Nobody has any faith in the future, Mr. Minister.

I say to you, Mr. Minister, you're right — quite right, quite right. To say that the reason why the number of housing starts is so abysmally low is because the economy is abysmally bad is correct. That, Mr. Minister says volume, speaks volumes, about the failure of your open for business approach.

HON. MR. DUTCHAK: — Well I think in this House we're quite accustomed to listening to things such as we just heard — no real constructive suggestions as to how to improve certain areas that may need improving in the province, and no real identification of areas where we have problems. And one can only assume that the member has not identified any problems in his constituency that he wants to bring to our attention regarding housing.

(1930)

Clearly the member doesn't understand household formation and the fact that you can't simply build 10,000 units a year indefinitely in a population that is just beginning to grow in the last year or two. And even though the member had a rather brief stay in his cabinet in 1979 or 1980, I think he would be aware at that time of some of the discussions that this government went through in determining how active the housing corporation should be.

All I'm saying is my position is that the housing corporation was too active in areas where the private sector could have done the job, thereby leaving the taxpayers with a rather healthy bill to foot in regards to the expenditures. And Palliser Place in Regina is a prime example, where the taxpayers were asked to forego \$4 million which was unnecessary to forego.

And these kinds of activities have been now curtailed, and the housing corporation is now stressing our areas that we consider important — such as the seniors in Saskatchewan, the people of modest incomes — and I might reiterate again, we don't intend to build houses for the sake of building up the numbers of houses built in Saskatchewan.

MR. SHILLINGTON: — It is so typical of this particular member that the answer to every question begins with a personal attack. I don't intend to respond, Mr. Minister, to those personal attacks, except to say that personal attacks are not normally regarded as a sign of an intellectual

giant.

Mr. Minister, I want to return you, if I might, to the questions of your estimates. Mr. Minister, you have found money for — and very large sums of money — for those who, in the views of this government, rate. You've found very large sums of money for oil companies, very large sums of money for Manalta Coal. I can go on and on . . .

MR. CHAIRMAN: — Order. The estimates before the committee is Sask Housing Corporation. I'd ask the member to stay on the estimates.

MR. SHILLINGTON: — Well I want to point out, Mr. Chairman, without questioning your ruling, that this minister claims . . . He just finished making the statement that they have no money for housing. They were going to be responsible. They were going to worry about the taxpayers' dollars.

All I was saying, Mr. Chairman, is that their concern is somewhat selective, because when it comes to oil royalties and what they've done for the oil companies, they have not shown great regard.

So I point out that I am responding to something that the minister said, and I think it was on point. I didn't call the minister to order when he made the comment. It was, although I disagree with the policy . . .

AN HON. MEMBER: — You're challenging the chair.

MR. SHILLINGTON: — No, I'm not. I'm saying . . . I'm accepting his ruling. I'm just pointing out how I come to make the comment. So I say, Mr. Minister, that I think that the minister was in order. He was explaining why the housing starts are so awful. I wouldn't have offered that explanation if I'd been him, but he offered that explanation. I was pointing out that their concern for the taxpayer has been highly selective.

Mr. Minister, you have — as I said and I will not repeat; I will not test the patience of the chairman by repeating it — you have very large sums of money for those whose interests you have some regard for.

This government apparently has no money for home builders — those who build homes for a living, be they tradesmen or be they the contractors, who are going through an extremely difficult period. Talk to . . . And I know this government doesn't believe in talking to trade unions. They're instruments of the devil in your view.

But talk to the trades. You'll find out that carpenters, and that trades which are involved in building houses, the unemployment rate is extremely high. Forty, 50, 60 per cent unemployment rates are not unusual with some of the locals, Mr. Minister.

If you were to take some money that you lavish on big oil, Manalta Coal, etc., and put some of it in the housing corporation, you might do yourself — you might just accomplish something instead of having it disappear like water into hot sand. You might, Mr. Minister, if you put some money into this corporation and put some money into programming, you might, Mr. Minister, be able to increase the number of jobs. You might, Mr. Minister, be able to do something for the contractors which are going through a very difficult period.

Money put into housing results in economic activity faster, I think, than money put into any other area of construction, for the simple reason that there is, Mr. Minister, really no lead time involved in building houses. With respect to virtually any other building, there is a lengthy design period; the architects and the engineers design it. With respect to houses, as soon as you can get the materials on site, you're off and running.

So if you were to put some money which you frittered away elsewhere into housing, Mr. Minister, you might indeed be able to create some economic activity which is badly needed. I don't think Mr. Chairman, will invite me to get into the unemployment rate in these statistics, but if I were so invited, I could point out to you that this province needs the jobs. The job creation record is the third worst in Canada.

Why, Mr. Minister, don't you try to do something about that, in an area in which you could, in housing, where expenditures would result almost immediately in economic activity?

HON. MR. DUTCHAK: — Well first of all, again the member raised a series of points, and he started out with mentioning the intellectual content of our conversation. And there was no intent on my part to elevate this conversation to an intellectual level, because there's enough confusion on the other side as it is.

On the question of putting more money into housing, I think it's easy for the member to say that, but he really didn't follow that comment with any constructive suggestion.

For example, the former government put \$4 million into Palliser Place, but what I'm trying to say is that it didn't help any. For example, on land assembly programs, the former administration, the former government put \$300 million into Cut Knife, Saskatchewan, which shouldn't have gone there, and it didn't create the jobs. It didn't create any economic activity except for the one individual that was lucky enough to have received that amount of money from the minister of the day.

The member, a little while ago, said he didn't have the confidence in the private sector as far as house building, and he followed that by saying that he wanted us to provide more work for the home builders. Now I want the member to know that this government keeps constant contact with the home builders, and we listen for ideas and suggestion as to how things could be improved in the building field, and we've acted on some of the proposals.

However, I'm not sure what the member is getting at. If he has anything that makes any sense, we'd be pleased to hear it. Thus far his conversation has been void of that fact, or that advantage.

MR. SHILLINGTON: — I suppose, Mr. Minister, you ought to be forgiven. Anybody who has to defend the abysmal record in housing starts that you do should be forgiven if he has no arguments to make but simply has to depend upon what I described as personal attacks.

Mr. Minister, your housing starts were bad in '84. There's no doubt but what '84 was a bad year. It was, as I said, the worst on record. But, Mr. Minister, according to a document put out by your corporation, "Housing in Saskatchewan," the urban housing starts up to the end of April, I gather it is, 1985, are down another 28 per cent.

I ask you, Mr. Minister, do you not feel a further deterioration in a record bad year, do you not feel that should be some inducement to provide some kind of programs, something besides the smoke and mirrors and the huffing and puffing that you're doing about senior citizens' housing? Do you not think, Mr. Minister, that you ought to have brought in some programs to do something for the housing industry?

The contents of your remarks when you introduced this subject that you've got no programs apart from all the noise you're making about senior citizens housing. So I ask you, Mr. Minister, do these statistics published in your own publication not give you some cause for alarm?

HON. MR. DUTCHAK: — Well Mr. Chairman, I'm not alarmed because I know what is happening in the province of Saskatchewan. I know what's happening in the oil fields. I know what's happening in northern Saskatchewan. And I know that economic activity produces

increased building starts. However, there has to be a population and the need for houses in order for houses to be built. It's a fair concept.

I use an example of Lloydminster. The government is not required to go in there and build dozens of houses, because the building starts are going to happen because of activity with the upgrader. In Kindersley, Saskatchewan, it's the same way.

Government policy creates economic activity, which creates increased demand. It's a simple process. And in northern Saskatchewan it's the same way. With the gold fields and the uranium industry in full swing, the demand increases even in the northern communities, because people are getting jobs, people are working, and the need for housing construction is there.

The member opposite . . . I find difficulty in accepting the argument. He represents the party that wants to close down the uranium mines, and I don't know how that is going to increase the demand on housing. And I can use other examples. They don't like to trade with the Americans, and I don't know how the lack of that economic activity will increase the demand for housing.

He uses the figure — 1984, 5,200 starts — and he's insinuating that there is something wrong with that figure. Well I look through the years of other governments, and we had years that were even below that; for instance, the first year of the NDP administration fell to 4,845 starts. That was during the election year when they took over from the former Liberal administration. In other years, I just see 1981 with 5,972 as being the number of starts, and 52 isn't that much below that.

So I'm really not sure what the member's getting at, if he is being partisan as his comments or if he truly, simply doesn't understand the area.

MR. SHILLINGTON: — Mr. Minister, if your housing starts continue to deteriorate, if that figure holds, and if it doesn't get any worse — which I guess would be your hope, is that it doesn't continue to deteriorate throughout the year — then the number of housing starts this year is going to be very, very low. You would be down to under 4,000 housing starts. That is, to put it mildly, something that would bother me.

In the short run, Mr. Minister, there's a urgent need for the jobs and economic activity which those houses represent. In the long run, you're building up a debt of housing. And when this government finally has the courage to call an election and is swept from office and a more normal economy returns to this province, Mr. Minister, when a more normal economy returns to the province, the lack of housing starts through these years is going to catch up to us with a wallop.

And I fear what is going to happen is what we saw in other jurisdictions during the '70s, runaway house prices — which are fine if you own the houses; suddenly your net worth suddenly increases very markedly. But for young people it's a disaster, because they can't afford to buy houses.

So Mr. Minister, in the long run the very low number of housing starts is not in the best interests of the province. In the short run of course it isn't either, because you lose the economic activity.

Mr. Minister, your comments about relying on the cycle, on the economic cycles, make me positively nostalgic. I haven't heard a government which relied on economic . . . which accepted the fact that economic activity should be tied to economic cycles without any attempt by government to iron it out — I haven't heard that kind of a comment for a very long period of time. Governments in all parts of the western world would have, since Lord Keynes enunciated his monetary theories, have attempted to iron out the cycles, have attempted to ensure that economies don't, either generally or any particular sector, overheat in the good times and collapse in the bad times.

That, Mr. Minister, is not very new. And it is not something that's peculiar to NDP philosophy. As I said, the doctrines were enunciated over 50 years ago by the British nobleman. Lord Keynes, and your comments take this province back 50 years. Because all other governments attempt to iron out those economic cycles.

(1945)

And they don't say, well when the economy picks up, housing's going to pick up. That well may be. When you people leave office and the economy does pick up. I'm sure that the number of housing starts will increase. The problem is that in the short run you experience the collapse that goes with recessions. When Tories are in office, they tend to be depressions, but you experience the collapse that goes with recessions.

In the good times, if all you do is allow the economic cycles to take their course, in the good times you overheat the economy as you're almost certainly going to with the area of housing. The debt which we are building up, the lack of new houses, is going to catch up to us, I firmly believe, with a vengeance.

These things go; bad governments don't last forever. And the member from Lloydminster probably thinks he's going to be in office forever. I say, bad governments don't last forever. Governments go; so do the economic activities which they create go. More normal times will return and when it does, we're going to pay the price of your neglect.

So I ask you, Mr. Minister, if you don't think there's just a little something to what Lord Keynes said 50 years ago, that we ought to try and iron out these cycles just a bit. We ought to try and induce more housing in the times of a weak economy, so that in the times of an overheated economy we won't experience the problems that that causes.

HON. MR. DUTCHAK: — Well Mr. Chairman, it's become abundantly clear that the member simply doesn't understand the principles of household formation leading to the demand for housing. And I'll be pleased to send him an in-house study that we did recently explaining this area and giving us some projections for the future. And I'll forward a copy of it to him in the hope that he'll take the interest to read it.

Regarding the member's statement that we should return to normality, I have a hard time identifying what period in Saskatchewan's history he is referring to. If he's referring to the 11 years under his administration, I think that the activities within the housing corporation were anything but normal, Mr. Chairman.

If you can consider throwing \$4 million into Palliser Place or to the Cornwall Centre in excess of what should have been spent — I don't call that normal. If you consider giving \$300 million more than should have been paid for land in Cut Knife, Saskatchewan, which was subsequently investigated at the request of the Crown Corporations Committee — I don't consider that normal conduct.

If you consider inheriting, as we did, between 300 and 400 vacant units in the province of Saskatchewan — I don't consider that normal conduct on the part of any government. This year, when you consider that the housing corporation was forced to write off \$6 million worth of land, worth of value of land which was purchased by the former administration — I don't call that a normal process either, Mr. Chairman.

So I think after we clean up the old mistakes of the member's alleged normal period, we will be able to devote more funds in areas that we require. However, in the area that we have identified as needing funds, such as nursing homes, seniors' complexes, and things like that, we are spending more than any year under the former administration.

And so therefore I really still don't understand what the member wishes to have answered, unless he intends to continue making speeches based on no fact.

MR. SHILLINGTON: — Mr. Minister, I am using the statistics put out by your government and by the government in Ottawa. It is you who are skirting them, Mr. Minister, by suggesting that rather than acting as a critic, which is the role of the opposition, we ought to be devising and enunciating programs in this complex area, which of course is not our role.

It's me, Mr. Minister, who's dealing with the facts. It is you who's attempting to lead the discussion into an area which it should not be led in the Legislative Assembly. When the election comes, Mr. Minister, we'll have a housing program. In the meantime, I suggest we do what we are being paid to do; and that is deal with your housing program, not the one we're going to run on in the next election.

Mr. Minister, what do you think is going to happen to housing starts for the balance of the year? Do you think that the present trends will continue? Do you think they'll increase? Where do you project they're going? Or are you doing no research at all?

Do you have . . . Is your department doing any research as to where these housing starts are going? Because a decrease of 28 per cent, which, if it continues, will take us down to 3,700 total housing starts, is indeed something that you should be concerned with.

So I ask you, Mr. Minister: do you think this is an unhappy phase that the province is going to snap out of suddenly for some reason or other? Is some miracle, will some miracle occur?

Do you foresee some event which will cause a turn-around? Do you think the grasshoppers are going to cause new houses to be built or something? I'm just wondering, Mr. Minister, what you think is going to turn this very serious situation around.

HON. MR. DUTCHAK: — The only miracle I'd expect is if I heard a sensible question from you.

And that, as far as our projections, we're projecting roughly 5,000 units for the next year, and home builders in Saskatchewan are projecting a similar figure, similar to last year.

And I don't think you can expect any magic. It's going to be a consistent trend to build more units in Saskatchewan, and that's tied to some of our economic activity.

We know that the population is increasing. We know people are coming back home to work. We know Saskatchewan is the best place to live and to work. We know that our job creation record is better than anywhere else, and that's going to attract continued numbers.

So I think we can project 5,000 or more for this year, and more for next year as well. We'll have a continual growth in building.

And I also want to add that I used the figure of 300 million for the Cut Knife give-away, and it was 300,000 in that case, and I want to clear that for the record.

MR. SHILLINGTON: — Mr. Minister, why do you believe that the semi-collapse which has set in to date — a decrease of 28 per cent — why do you feel that's going to change?

HON. MR. DUTCHAK: — The figures that we have show a 3 per cent difference, not a 28 per cent difference. And if you look at the numbers of starts over the years, you'll see that the number we had last year and expect this year is fairly consistent, except for the extreme high years that we had, such as 1977. So it is cyclical in nature, and it also is dependent on family formation.

So it's something that we anticipate will continue growing in Saskatchewan as people continue to come into the province and get the jobs that are being created. And as young people continue getting jobs in the oil fields and in manufacturing in Saskatchewan, they'll buy houses and build houses.

The only turn-around that I can expect is if we ever see a change in government, we'll see people move back to Alberta and British Columbia, and I guess have vacant houses to sell. But I don't expect that that'll happen.

MR. SHILLINGTON: — Lots of houses in Conservative Alberta to buy. Mr. Minister, the number of housing starts decreased by 40 per cent last year. So far this year, for the first five months, it has decreased by a further 28 per cent. During that period of time, Mr. Minister, the population has increased as people have had to return from some of that good old Conservative prosperity in B.C. and Alberta.

Mr. Minister, what is it about the next six months in this province that you think is going to turn this record around? Because it really does represent a tragedy. It represents a tragedy in the short run, that the number of housing starts should be down by 28 per cent, and it represents a tragedy in the long run. And I really want to know, Mr. Minister.

I thank you for telling me three times now that you believe the number of housing starts is going to be around 5,000. I thank you for that. I thank you for all three comments you made which are virtually the same.

What you didn't bother to deal with was why you think the serious collapse of the housing industry, which we have seen so far in the first four months of this year, is going to turn around. Why do you think it's going to turn around?

HON. MR. DUTCHAK: — Well, Mr. Chairman, I don't show a 40 per cent decrease anywhere. I don't know where the member is getting his figures, but perhaps if he can clarify his question, I'll attempt to answer it to the best of my ability.

MR. SHILLINGTON: — Well, I don't know if you read this. I know that this cabinet has set some sort of a high-water mark in terms of being poorly briefed. I guess any government that can be forewarned that there's going to be a debate on the indexing and come into the House as poorly informed as your ministers were today . . .

MR. CHAIRMAN: — Order. The question before the committee is Sask Housing Corporation estimates. I'd ask the member to keep his questions and comments on Sask Housing.

MR. SHILLINGTON: — Mr. Chairman, I just wanted the minister to know it was not a personal attack. The whole cabinet is poorly informed, not just this minister. I just want him to know it was nothing personal.

Mr. Minister, I can forgive you for not reading your own documents, so I'll give you some assistance. It is "Housing in Saskatchewan," Saskatchewan Housing Corporation, name of one Sid Dutchak at the top. The date is June '85; it's the third page; and the housing starts are down by 28 per cent in urban Saskatchewan. I can only assume that they're bad, if not worse, in rural Saskatchewan, where the economy is a good deal tougher.

Mr. Minister, not all of the economic problems that face Saskatchewan people are something that was designed and intended by the Conservative Party. We are more critical of you for not doing anything than we are for what you have done. It is what you have not done, Mr. Minister, that represents your real failure, Mr. Minister.

I don't suppose you particularly invented grasshoppers; I don't suppose you invented drought; but, Mr. Minister, you might have attempted to compensate for some of the problems in some areas such as housing. You might have had a more intensive program. You haven't done that. You haven't made any effort to act as a catalyst in the housing industry apart from 1983, why you had a program which I admit worked, the build a house program — I admit it worked. Mr. Minister, apart from that year, you haven't made any effort to do anything in the housing industry. As you candidly admitted, you wait for the economic cycles to take their course. That, Mr. Minister, is simply not satisfactory, in 1985, to depend upon the economic and fiscal planning that governments had available to them in the '20s and early '30s. And it is not satisfactory to the Saskatchewan people to be on this roller-coaster that you seem to think is part of our pre-ordained existence.

Governments can do something about a weak economy. They can spur, Mr. Minister, and act as a catalyst to private housing. You have done it yourself, so please don't plead ignorance. It's a very credible plea, Mr. Minister, but it doesn't sound well considering the fact that you once designed one program which worked. Why don't you try it again, Mr. Minister? Why don't you try another program? I don't think two programs in four years is too many. I think the world and Saskatchewan could stand two good ideas from this government in four years. I don't think that's too much.

AN HON. MEMBER: — Even repeat the same one.

MR. SHILLINGTON: — Sure, even repeat the same idea, Mr. Minister. We're not asking for miracles; we're not asking for a good idea every year. I recognize that would soon bankrupt this government. But Mr. Minister, one idea every two years doesn't sound like too much. Surely that isn't too much for the Saskatchewan people to ask of you.

HON. MR. DUTCHAK: — Well I'm not sure what the member is getting at. I asked the member to clarify his initial question because he used a 40 per cent figure. Now he stood up and quoted a 28 per cent figure from material that we send out of the housing corporation. Incidentally, we send this material out to all people that would be concerned about housing in Saskatchewan because we're candid about what we do in the housing corporation.

The member is not aware that the recent figures have been adjusted downwards to 3 per cent, and he was reading from last month's report. So he's selectively using the numbers to his advantage of the minute, and he still hasn't given me an idea of where the 40 per cent comes from. However, I'll go on to answering his other question.

He indicates that he's waiting for good ideas. Well the seniors in Saskatchewan think that building nursing homes — 1,500 nursing homes and improvements — are a good idea. The seniors of Saskatchewan believe that the home repair program that we brought in was a good idea. The young people that were scared of the interest rates when the change of government happened and received a thirteen and a quarter per cent interest rate ceiling thought that was a good idea.

Now I didn't think it was a good idea to build houses or to put \$4 million extra in Palliser Place. The members opposite thought it was a good idea. I think the problem here is that we have a different idea as to what idea is good. And we'll continue working on our ideas, and you can simply dream about your ideas. But we don't intend to adopt those types of ideas because the taxpayers can't afford them any longer.

MR. SHILLINGTON: — I would call that being damned by faint praise, having one person clap enthusiastically and one person in an unenthusiastic manner.

(2000)

Let's hear a good clap for the minister. Come on. See, not even with my assistance can we get anything other than the member from Lloydminster clapping. And that isn't much, and it's not coming from very much, I guess I should say . . .

AN HON. MEMBER: — Now that wasn't nice at all.

MR. SHILLINGTON: — That wasn't nice, I must say, that was worthy of the member from Prince Albert. That was worthy of the member from Prince Albert.

Mr. Minister, you still haven't told me why you think the 28 per cent decrease in housing, which I get from page 3 of the "Housing in Saskatchewan" monthly report from Sid Dutchak, why you think that that's going to change. You've talked about everything else in the last four questions, but you haven't told me why you think the 28 per cent is going to become 3 per cent.

HON. MR. DUTCHAK: — As I explained to the member previously, the 28 per cent figure was found in last month's report for the housing corporation. This month's report indicates that the adjusted figure's a 3 per cent difference, due to the rental incentive program between the federal and provincial government. And that's why you see the difference in percentages. So we're looking at a 3 per cent difference, not a 28 per cent difference.

And the member doesn't have a copy of the most recent update from Sask Housing. I'll get one over to him in the next day or so.

MR. SHILLINGTON: — Mr. Minister, would you give me your travel expenses for the last year? Given the fact that . . . (inaudible interjection) . . . Well I don't think this minister is the worst in cabinet. That is a tall order, to be the most travelled minister in cabinet.

AN HON. MEMBER: — To beat the Minister of Highways.

MR. SHILLINGTON: — I don't think this minister's travel expenses quite meet the Minister of Highways'. But I would, Mr. Minister, like to know the total amount of you travel expenses and the list of where you've gone. I don't need, Mr. Minister, an exhaustive list of where you've travelled in Saskatchewan. I would like a list of the out-of-province trips, together with the cost, and the purpose of the trip, and who accompanied you.

And I would ask either for the information or the undertaking to give it to me at a later date, if you come as poorly prepared as most of your colleagues have.

HON. MR. DUTCHAK: — Well the member expressed his concern about government members travelling. I will provide him with the trips, with total expenses. I believe I only had one trip relating to the housing corporation. I believe it was to Ottawa. Interestingly enough, the former NDP minister took some interesting trips to San Diego, Las Vegas, and places like that, and that appears on our records. So I can assure the members opposite that they should have no concern with my travel in relation to the minister with the former administration.

MR. SHILLINGTON: — Mr. Minister, you said that you have only had one trip with relation to housing. Have you had any other trips that are charged to some other area other than housing?

HON. MR. DUTCHAK: — Yes. I attended a number of conferences in Toronto and Ottawa regarding constitutional matters on aboriginal affairs.

MR. SHILLINGTON: — First prize is a trip to Ottawa, second prize is four days at the constitutional conference. Mr. Minister, I don't know if we get to that under a separate vote or not; I don't know. Perhaps I can have your undertaking to provide it in any event. I don't know. I just don't know whether that's a separate vote, a separate set of estimates we'll be dealing with, or not.

HON. MR. DUTCHAK: — Well those estimates happened already, and unfortunately the members opposite don't attend that readily and I believe there were one or two members in their seats when those estimates were done and the questioning took place. I believe there were four or five trips to Ottawa and Toronto, and they were simply for aboriginal constitutional matters, and no out-of-country trips in housing or on that side of it. I don't recall whether the information was asked to by the member that was questioning me at that time.

MR. LINGENFELTER: — In the areas of sheltered housing, Mr. Minister, I believe you were referring to that earlier, a concept of sort of between the nursing home concept and the low-cost senior citizens' housing. Can you tell me how many units you have on stream for the coming year? I know that you had, I believe, given a list, but can you tell me again the number of units. And you may have a different name for it. It may not be called sheltered housing, but a concept where there would be a central eating area, and then the living quarters for a number of seniors in the same unit where home care would be involved, or possibly involved.

HON. MR. DUTCHAK: — Last year we announced 150 enriched units — and those are called enriched units. And this year we are making further announcements of 146, and those are being finalized within the next 30 days. And 150 were announced last year. Many of the projects are in completion stages now.

MR. LINGENFELTER: — Mr. Minister, what I would like from you is if you could give me a list of the proposed projects for the coming year, and if you could do that by community, and the number of units that will be located in each of those communities. And if I could, as well, the starting date. Completion date — of course you never know how that goes, but if you can give me the starting date for the 146 units and where they'll be located.

HON. MR. DUTCHAK: — The locations of the projects have not been finalized to date, but they will be shortly. All of the projects will be started in this year.

MR. LINGENFELTER: — I wonder if you could indicate one centre that I know has an application in to you, and that's Kincaid, which has . . . I believe they already have the unit constructed and in place, and what they're talking about doing is remodelling. Would that be one that you have ready to go this year, and if so, how many units, and what would the cost of remodelling that be?

HON. MR. DUTCHAK: — That application has not been determined yet.

MR. LINGENFELTER: — I wonder, Mr. Chairman, could the minister indicate whether or not that application is under active consideration at the present time, and whether . . . I'm going to be in Kincaid this coming weekend and talking to some of the people involved, and I would just like to mention to them, if you could give the good news. I'm sure they would be very interested in whether or not you're still considering it. If it's been ruled out, they would like to know that as well.

HON. MR. DUTCHAK: — I wouldn't want to indicate anything to encourage the member to indicate that it was going to happen this year, because these matters are . . . the applications are considered on the basis of need; first of all the availability of the land, and the priorities that we determine. And all of the applications are under active consideration, and we expect shortly to be releasing the information as to the ones that we're proceeding with in this year.

MR. LINGENFELTER: — The minister says that need and land would be the criteria. And given the fact that the land, of course, is already there because the building and the need they have already proven . . . and I would be led to believe that I could assume that this weekend when I'm visiting with those people that I could make the announcement. If the criteria is need and land, both of those have been firmly established, and therefore I would expect that I would not be premature in telling them that the minister has taken this to cabinet and has gotten approval and will be moving ahead with it.

And certainly I would be giving credit to the minister at the time for proposing and getting it on the go because I think that these projects — that not only you as the minister, but previous ministers have worked on — is a very important and much needed style of housing units, which go a long way to meeting that gap between the nursing home, very expensive nursing home beds, and the low rental units. And I'm happy that you are moving ahead with 146.

And if you're saying that in Kincaid, need and the land availability are the only criteria, then I guess I will just assume that that will be one of the projects you'll be announcing later this summer.

HON. MR. DUTCHAK: — I'm not personally familiar with the Kincaid application. It may be that it's a fairly recent one. We determine need on the demographics — the population of seniors, and the other facilities within a community. And as the member knows, we've had a waiting list in many communities for nursing homes and similar facilities. And enriched housing units do provide an important facility which takes the strain off the nursing home demand which has developed over the years. And we will be communicating with the town of Kincaid in due course.

MR. LINGENFELTER: — I wonder whether the minister could inform me what the cost of a unit would be in the enriched housing. Do you have an overall cost and a comparable cost for low seniors' rental accommodations? When you are doing the construction work, what do you allow, sort of as a budgetary item, for enriched housing units? I believe nursing homes are running now around 65 to 80,000 per unit, and what would this enriched housing run you?

HON. MR. DUTCHAK: — We've been coming in just over the \$50,000 mark, including the cost of land, per unit.

MR. LINGENFELTER: — Could you give me the funding schedule? Is it still 8 per cent by the local community; and what would be the provincial and federal governments cost-sharing on those projects?

HON. MR. DUTCHAK: — The program is still under Section 40 formula, and it's 75, 20 and 5.

MR. LINGENFELTER: — Well, you'll know that the Minister of Health has made the announcement that under the nursing home construction program, which had been 8 for the local community, 72 for the feds, and 20 for the province, that there's been a drastic change. And I believe the local community is now paying 15 per cent, and the provincial government 13 per cent.

Is there any move within your operation to shift the responsibility from the provincial government to the local government as has been done in the Department of Health?

Is there a study or discussions going on at the present time that a change like that could be expected as soon as the Assembly adjourns? I know there's rumours around that you will be moving in that direction shortly after the session adjourns. But I wonder whether or not you can tell us whether you're planning, or whether there's discussion going on to make those changes at the present time?

(2015)

HON. MR. DUTCHAK: — We're looking at a number of possibilities which try innovative new attempts to provide the housing required.

For instance, we have groups that have approached us to look to other methods of delivering, rather than the old system, because they know that they are not high on the priority list, and

we're actively working in that regard.

In relation to the nursing home situation, I don't think anyone could dispute the facts that there are more nursing home beds being built in Saskatchewan than ever before.

In fact, in the last three years 688 have been built, as opposed to 245 in the previous 9 years. So we had a backlog, and obviously it was caused because our population's ageing by two and a half percentage points a year, plus the fact that the former government had a moratorium on nursing home construction for a time. All those things have applied pressure on the situation, and we're building as many as we can. And we have to look at innovative ways of producing more beds, more enriched units, more housing units for seniors because of this growth in the seniors' population.

We're also finding, in the last couple of years, that seniors are tending to want to live in their home communities, in the small communities of Saskatchewan. This is also something that we're more open to now — building nursing homes, building enriched housing units in small towns so seniors can retire in the area where their family lives and works. And that is also a change.

So all these things have to work together, and we certainly are open to new, innovative concepts. And I think the member will be pleased with some of the new concepts that we come out with within the next year or two on the enriched housing side as well.

MR. LINGENFELTER: — I just want to get it clear on the funding of the local communities on these projects: are you giving a commitment that in the coming year there will not be any shift to the local communities from the 5 per cent that it now is? Basically that's what I would like to know. Can you give us a commitment, and to the communities of the province who are looking at enriched housing this year, that you will not be shifting to a higher than 5 per cent commitment from the local community? Just a simple question. If you give me an answer, then I'll get off that one.

HON. MR. DUTCHAK: — We don't have any plans to change the funding commitments in the ones that were announced last year or the ones we're announcing this year.

MR. LINGENFELTER: — Then, Mr. Minister, one other short question. It's on the conversion of the housing unit in Frontier from, I believe it was, a rental unit to a senior citizens' housing unit. Is that going to be an enriched housing unit when you finally get it completed?

HON. MR. DUTCHAK: — Yes, it will be.

MR. LINGENFELTER: — I would just like you to give me the final cost of what that project will be costing your department?

HON. MR. DUTCHAK: — The cost of that will be \$215,716, and that's a conversion of 12 family units into 11 seniors units and one lounge area.

MR. CHAIRMAN: — I'd ask the members to ask the questions from their feet so that it gets on the record.

HON. MR. DUTCHAK: — In answer to the previous question, it would be an enriched unit and fall within that category.

MR. SHILLINGTON: — I want to get into the area of housing in the North. I opened up a file, and the headline of the *Star-Phoenix* on November 28th, '84, says it all: "Housing needs in the North now extreme."

Mr. Minister, I happened to be in La Loche in March of this year. There were a number of

problems, one of which is there've been no houses built since this government took office. That was a complication of some weight. The program under which the houses were being built was also a problem. It did not readily dovetail with the needs of the community.

Mr. Minister, I can understand why this government does that. It does that for the crassest of all possible reasons. When this government looked at the electoral map on April 27th of 1982, there was only one area where they had nothing to lose, and that was northern Saskatchewan. Patent, they weren't going to win the seats in the next election. It's an area of the province in which you had noting to lose.

AN HON. MEMBER: — What about P.A.?

MR. SHILLINGTON: — So I can understand why you . . . it was less apparent at that point in time that they are going to lose P.A. That's become apparent now.

But Mr. Minister, that is the only rational explanation I can offer for what you've done to the people of northern Saskatchewan. My colleague could put this more articulately than I can. But one native person in La Loche, when we were there in March, I thought put it rather well. He said, on April 26th, 1982, we — meaning people of the North — we had a steel gate slammed in our faces. And that's true. There had not been a wheel — in the public sense — hasn't been a wheel turned in that community. Not a thing has been built, and there's been no economic activity since that time. Their situation really has deteriorated.

Mr. Minister, why would you allow three years to go by with no housing in La Loche? I'm not sure there were no houses built, but I think probably it's reasonably accurate that there have been darn few. Mr. Minister, why, in Ile-a-la-Crosse, have there been so few houses built? Why, apart from the crass political reasons which are apparently the real reason . . . apart from that, Mr. Minister, are you able to offer any explanation for what you have done to the people of northern Saskatchewan, which is really to shut them out?

HON. MR. DUTCHAK: — Well, again the member asks a series of questions. The two northern members are in their seats; I don't know why the questions are coming from a Regina member trying to tell me about what's not being done properly in northern Saskatchewan.

In reference to la Loche, Saskatchewan, there was no iron gate that slammed shut; in fact, the residents of la Loche are concerned about the intention to close the gates on the uranium mines, as expressed by the NDP of Saskatchewan. That's the only gate reference I've ever heard in the northern part of the province.

In relation to La Loche, La Loche is one of the only communities that we haven't built houses yet; however, at this point, our officials are discussing the conditions of building houses in La Loche. When we formed government, we had talks with the community of la Loche, and quite frankly we did have some difficulty with the representatives of la Loche in that regard. And I remember personally meeting with them.

Mr. Chairman, and member, I want to advise the House that in a period of a little less than two years we faced the demolition of almost seven housing units in la Loche. And I expressed concerns to the members of the community in La Loche that I would not permit that to happen, that I would simply not build more houses if there wasn't some organizational attempt at a local level to protect the government's assets. And we have been having some disagreements on that issue throughout the last two or three years, and I believe we're close to settling the issue now.

The other condition imposed on us by the town of La Loche was that if there were going to be any units built in La Loche, it was a request that they would be built by the designated people within La Loche. Now I also took the position that we did not want to see the return of the cost space under the former administration in northern Saskatchewan.

We are tendering, and that's the process we use in northern Saskatchewan. Northern contractors are involved, northern people are working, and we will not utilize a local condition of that sort in delivering housing units.

So I believe the matter will be worked out, and our people are working with the town of La Loche, and I believe you will see some units built there. However, they will be built on a different understanding because we do run things differently than the former administration.

MR. SHILLINGTON: — Mr. Minister, it's not just in La Loche, it is throughout the entire northern Saskatchewan — everywhere.

Let me quote from you . . . Well let me quote from you a statistic given by the *Star Phoenix* in the same article . . . (inaudible interjection) . . . Well I know the members laugh when you hear the name of any media, whether it be television, radio, or press. I'll tell you, if I was getting the rotten press that you guys are these days, I think I'd take the same view, that they are all your enemies.

Mr. Minister, there's a quotation in the newspaper which says:

In the last two years provincial and federal Crown housing corporations have built only 47 units in the North.

Mr. Minister, if that's accurate or anywhere accurate, then that's a record you ought to be ashamed of. The occupancy rate in northern Saskatchewan is almost three times what it is in southern Saskatchewan. It is not unusual to find 25 people living in a house, or two or three families sharing a house; it's quite common. That doesn't come about because they think that's the way people ought to live. It comes about because there's no alternative.

Mr. Minister, the housing needs in the North now are extreme. You have approached that problem by building 47 houses . . . (inaudible interjection) . . . And if it's 52, I won't apologize for the comments I've made, Mr. Minister.

It is true, the department of Indian affairs has built 355 houses. Those are on reserves, and they are not available to anyone who doesn't have the option of living on a reserve.

Mr. Minister, you've done nothing in northern Saskatchewan. I think you've done nothing because you believe you have nothing to gain politically from the North. I think this has been done for the crassest of all reasons.

And while you may think hard-ball politics is smart politics, I'll tell you it's causing a lot of pain and anguish in northern Saskatchewan where you have 25 people living in a single house. I have no doubt but what some of those houses are being damaged. They weren't designed for 25 people. They weren't designed for two or three families. Of course they're going to be damaged.

You'd destroy most houses on my blocks — on the block in which I live in — if you put three families in them. They were never designed to take that sort of a strain of those are the numbers.

I ask you, Mr. Minister, how can you face a record — those 47 units in the North in the last two years built by CMHC and Saskatchewan Housing Corporation.

HON. MR. DUTCHAK: — Well, again, the member is acting as a spokesperson for northern Saskatchewan residents and clearly hasn't taken the time to research his questions.

For example, in northern Saskatchewan there are roughly 1,500 households that would be considered government households while we have subsidization situations. So you can't

expect us to simply keep building the houses for the sake of employment creation.

We've said early in our team that we would not do that, and I think the Northerners would resent the member using an example of 25 people living in one house in the manner in which he did because he attempted to insinuate that that's common in northern Saskatchewan. It isn't common, and if their need is there, we've simply been acting, and it's not only restricted to government houses.

Take the seniors' repair program, for example, in northern Saskatchewan. Under the first five-month term of our program, 63 per cent more approvals were in force than under the total five-year program under the former administration. So we're much more active in some areas in northern Saskatchewan.

As far as indicating that we have nothing to lose because we can't win the two seats in the North, I suppose my only answer is, we'll see.

MR. YEW: — Thank you, Mr. Deputy Speaker. I want to follow up on more specific information, Mr. Minister, regarding your housing program for northern Saskatchewan.

(2030)

Recently I met with some of your senior officials, and I've also discussed housing matters with other local government representatives in my constituency, Mr. Minister, and I understand that certain surveys and studies have been conducted by your department re the northern housing programs for the North. And I'd like to know, at this point in time, Mr. Minister, what your government is preparing to do . . . what your government's prepared to do in terms of housing needs and the type of involvement you foresee with the local government bodies and the northern contractors living in the northern administration district?

HON. MR. DUTCHAK: — I suppose I can sum up the process by saying that we're attempting to take an intelligent approach to housing development in northern Saskatchewan. We're meeting with the local communities. We determine where the problems are, relating to shortages and also vacancies, which do not exist in some communities.

We also are doing our best to acquire success in terms of northern contractors bidding on government jobs. We recently began a program where we had seminars in local communities in northern Saskatchewan and brought northern contractors in to help them in bidding not only on government jobs but private sector jobs. And this is going to help to increase northern participation at a reasonable cost which is responsible to the taxpaying public as a whole.

So we're doing all this on a local basis. We have community workers; we've got people that are talking to the municipalities, talked to the leaders, and we generally keep in touch. And in some areas, if we feel that if there is a need that we're not aware of, we certainly welcome the representation from the northern members.

MR. YEW: — With regards to your . . . (inaudible) . . . housing program, Mr. Minister, through your surveys and studies conducted by your department, have you introduced any policy or legislative changes to the regulations and to the housing programs in general, and with respect also not only to the allotment of housing units but also to the delivery mechanisms?

HON. MR. DUTCHAK: — No, we haven't made any significant changes under that particular program, however, we have invited local communities to indicate to us where they can see things working better. We, I suppose, run the corporation with the view that nothing is carved in stone. If there is something that's more appropriate for a northern community, we're prepared to look at it. But thus far we haven't made any significant changes on the regulatory side.

MR. YEW: — Mr. Minister, you do agree and acknowledge that you have had surveys and studies conducted in terms of your housing policy and programs for the North. Are those surveys or studies available to the public?

HON. MR. DUTCHAK: — Yes, they will be. We're just completing it now, and they're going to be available to northern communities and people in northern housing.

MR. YEW: — Okay. Getting back, then, to those final reports, Mr. Minister, you indicate that those reports will be assessed and analysed with the northern local governments and northern local housing groups. Am I to understand, Mr. Minister, that you will not only have some consultation but also definite involvement of northern local governments and local housing groups, as well as housing recipients in terms of those new policies that your reports or your studies may come to a conclusion about.

HON. MR. DUTCHAK: — Yes, Mr. Chairman, and we've already done a good deal of consulting with communities. We've invited that consultation process and that'll continue.

MR. YEW: — A moment ago, Mr. Minister, the critic, my seat-mate, the member for Regina Centre, on raising a number of issues, you indicated to the Assembly that for this current fiscal year's operations, you proposed to deliver 5,000 units for this current fiscal year's operations, Mr. Minister.

I want to ask you: just how many of those 5,000 units do you anticipate to deliver to the top half of the province?

HON. MR. DUTCHAK: — No, I believe the member misunderstood the figure I was using. The figure was delivery in the province of Saskatchewan including the private sector delivery. So it's difficult for me to say now what the delivery in northern Saskatchewan would be, although significantly, the percentage of private sector delivery would be down in northern Saskatchewan due to the economic problems and the structural problems that we have in northern Saskatchewan.

MR. YEW: — So, Mr. Minister, correct me if I'm wrong, but I'm of the understanding then that you don't foresee too many new housing units going into the northern administration district. In fact, your projected . . . you foresee that there would be a decline in housing programs for the North.

Certain surveys have been conducted by the communities themselves, Mr. Minister. And as an example, one community anticipated in a survey that they conducted locally, that people in that respective community required at least 167 new housing units or apartments.

And I want to ask you, Mr. Minister: don't you anticipate a need in the northern administration district for new housing units or new apartment units for people, you know, in dire straits about accommodations?

My seat-mate, the member for Regina Centre, mentioned that the community that I was referring to was Ile-a-la-Crosse. Certainly I noted that in the paper it mentions Ile-a-la-Crosse, but I was referring to Cumberland House where I know of a family that has a two-bedroom house with about 17 to 18 housing occupants in that unit, a two-bedroom house. And I'll tell the Minister that it's pretty cramped in there with that many people in that one single house.

HON. MR. DUTCHAK: — Well I suppose the member's question and his preamble illustrates part of the problem that we have. In Cumberland, for example, there's 10 vacant seniors' units right now and six vacancies in the family units. So clearly, when someone indicates that we should go out and build a 167 new houses, we just simply don't buy that.

We do monitor, we do determine whether there was any need. We're presently discussing with the representatives of Cumberland House, however, a manner to deal with these vacancies and try to find people such as you've indicated so we can fill the vacancies.

If the member is familiar with the people and has that information, it will be helpful if you could let us know. And we'll work with the local community to place the people.

MR. YEW: — In my recent visits to Cumberland House and several other communities in my riding, Mr. Minister, I've had a good number of housing problems expressed to me by not only Cumberland House, but also Weyakwin, and Pelican Narrows, and various other communities, including La Ronge.

It's not, you know . . . In many of the communities there are a good number of occupants in single-bedroom dwellings, Mr. Minister. It's really hard on the families to have to share cramped quarters like they do.

My problem and the problem that the people have is simply this, Mr. Minister: it's hard to understand what your policy is with regard to those empty units out there. I agree with you, there's some empty units in the North that could be occupied, like the ones you mentioned, the 10 senior citizens' housing units in Cumberland House and also the six family units that you mentioned.

There is a problem, Mr. Minister. And I want to ask you: what is the problem? Why don't you allow the people to move into these housing units? Is it the — you mentioned the economy is part of the problem. But certainly, Mr. Minister, you know, housing is available, like you say. And how come there's a shortage? You know, there's a good number of people wanting accommodations, and how come you cannot accommodate those people?

How come you have so many vacant family units sitting out there without any occupants in them; so many senior citizens' housing units or apartments, whatever, sitting vacant. Why is that, Mr. Minister?

HON. MR. DUTCHAK: — Well, I think the member should be aware that, for instance in Cumberland House, our difficulty is arranging it so that when a house becomes vacant we can acquire the use of that premises for a family that might be waiting. It's not always that easy. There are a number of legal problems. We have to find the people that vacated the home, go through the legal proceedings of getting it back, and then getting it transmitted over to a new family, and that takes a good deal of time. Presently we are attempting to get the local authorities to co-operate with us in this endeavour. And I believe we are on the right track, and I think it will become more efficient as we delegate more authority to the local community.

MR. YEW: — At present, Mr. Minister, now that you bring up . . . You mentioned a local authority. Just what type of involvement, in terms of formal policy, what type of policy do you have with the local housing authorities and also with the local government councils in terms of occupancy of these vacant dwellings that you talk about?

HON. MR. DUTCHAK: — Mr. Chairman, I'd like to advise the member that we already publicly made a commitment to transfer and delegate authority to local housing authorities, in a similar manner to southern Saskatchewan towns, in northern Saskatchewan communities; and that's what we're working on right now. We're working with the community to be sure that the authorities have the expertise to deal in this area. And we think there's a number of advantages and, unfortunately, in previous years that infrastructure wasn't built. We've indicated that we are transmitting authority and delegating authority to the local community. I believe the process is well on its way now.

MR. YEW: — In terms of vacancies on those family units you discuss, Mr. Minister, and also the senior citizens' apartment units or whatever, how many of those vacancies exist now, Mr. Minister, in terms of the North? Would you have a figure?

(2045)

HON. MR. DUTCHAK: — In 1984 we had a total vacancy number of 166. We had a turnover of 87 in the year, and at year end there was 79 vacant.

MR. YEW: — That's a good number vacancies. Mr. Minister, how come is it that I can't get accommodations for, say, Oliver Beatty of Weyakwin, or Mary Inineau of La Ronge, or Simon Bloomfield in Cumberland House into these vacancies? How come is it that those families can't move into these vacant family dwellings or senior citizens' apartments?

HON. MR. DUTCHAK: — Well I'm not sure if the member has made an attempt to talk to anyone at the Saskatchewan Housing Corporation. But clearly, if those people are in need of accommodation and qualify, there are vacancies in these communities, and I simply want to encourage him to provide that information to our housing workers.

MR. YEW: — The families I've mentioned have approached certain officials at the community level and, as well, at your departmental level, Saskatchewan Housing Corporation, Mr. Minister.

And you come to the point just a moment ago. I think the problem is with your department, in terms of your bureaucracy and in terms of, you just mentioned, the qualifications item. Mr. Minister, I think that's where the root of the problem is. What are those qualifications? How come those people cannot qualify to get into those empty housing dwellings that you discussed a moment ago?

HON. MR. DUTCHAK: — I think part of the problem may be that over the years there was an ownership situation. The rules of 25 per cent of income still apply. That probably deters some people. We've had some requests for rental accommodation, and there's not much of that because of the 1,500 households that were built under the former rules and the present rules. So it could be that some of the individuals you speak of have difficulty in agreeing to pay that portion of their income for housing.

However, I want to encourage the member; if he know of any of these people, if he's not getting satisfaction, he should simply forward that information to my office, as other members do, and it'll be dealt with. However, I have a good deal of confidence that the people at the housing corporation in Prince Albert and north are dealing with the situation adequately. However, if he does have something, I'd be pleased to review it.

MR. YEW: — I come now to the community of Sandy Bay, Mr. Minister. Approximately a year ago, you might remember that some housing units were moved from the Island Falls site, the former HBMS hydro project there. Some of those empty housing units were moved across into the community of Sandy Bay, and the community of Sandy Bay followed through and requested some help through your department by the Residential Rehabilitation Assistance program, Mr. Minister.

And I think I remember seeing an item or a memo from your office directed to the residents at Sandy Bay regarding the repairs, the renovations required by those people at the community of Sandy Bay.

Can the minister advise me now whether or not those grievance and requests for assistance were met adequately by your department to the people of Sandy Bay?

HON. MR. DUTCHAK: — Yes. If there are any other concerns, we haven't been made aware of

those concerns.

MR. YEW: — You have been made aware of those concerns, Mr. Minister, but what have you done about them? That's my question.

Are those houses now repaired? Renovated? Have the occupants moved into the housing units that were moved from the Island Falls project into the community? Have the foundations been completed. Have the renovations been completed and the families moved into the new or renovated housing units?

HON. MR. DUTCHAK: — We gave the individuals the applications, required information consistent with our policy, and to our knowledge they haven't got back to us with the required information and position.

MR. YEW: — Well, that was a good long time ago, Mr. Minister, that those applications that the letter to yourself — I have a copy of that petition to yourself, Mr. Minister, a petition requesting assistance from your department to help the single families individually.

I believe there is approximately 21 or 22 families that requested assistance from yourself to assist for the repairs, the renovations of those houses that were moved from the Island Falls hydro project site, and I'm sure that it's close to a year, if not over a year, since that petition was presented to you. And I'm really surprised, Mr. Minister, that you haven't responded — and that's my understanding — you simply haven't responded. The applications were forwarded, and that is it. There's got to be a problem here somewhere.

Why aren't those housing units repaired, and why haven't they got families moved into those homes?

HON. MR. DUTCHAK: — Well, that's simply not correct. We're simply not aware of any applications that have come to us that we haven't acted on.

And if the member has some specifics, we'd be pleased to entertain those, but the information was provided late last fall to the individuals who requested all the information and conditions. We gave them everything they required, totally. And we simply haven't had anything submitted to us in that regard. And as I indicated before, if the member has some information, then he should forward it to us.

MR. YEW: — Well, getting back to that again, Mr. Minister, I saw a copy of a letter that you directed to the, I believe, one of your employees, or co-ordinators — a co-ordinator between you and the community, a Mr. George Morin. You indicated at the time that the RRAP program could come in handy. You have your officials with you, Mr. Minister. Is it my understanding, then, that no RRAP applications have been approved for that community?

HON. MR. DUTCHAK: — The member may be referring to memos that went before these people were supplied with complete information, and I say again that we simply haven't received these completed applications or the request. And we'd be pleased to receive those if you have a way of getting them to us, if the people are still concerned and interested.

MR. YEW: — Okay, Mr. Minister, I'll table that with the understanding that you will receive those applications as soon as they become available. I'll do some back-tracking and ask the community where the situation is at, at this present time, Mr. Minister, and get back to you on it later, at a later date. But that was my understanding.

Getting back to the housing units mentioned and discussed between our housing critic and yourself, Mr. Minister, I want to ask specifically, how many housing units or — yes, housing units pardon me, and also senior citizen's accommodations — do you anticipate to deliver for

northern Saskatchewan in this fiscal year's operations?

HON. MR. DUTCHAK: — On the unit side, I'd like to advise the member that we expect somewhere between 50 and 75 units throughout the North. And on the home repair program, it's difficult for us to estimate. Last year we had 226 in less than a full year, and with the low population of seniors it's difficult to gauge because it gets to a question of need at some stage, and we will probably see a decline in those requests.

MR. YEW: — Did you say 50 to 75 housing units? Apart from that you'd have probably a lesser number for senior citizen accommodations?

HON. MR. DUTCHAK: — That includes senior citizen units, new units, but doesn't include private sector houses. For example, in Ile-a-la-Crosse the log systems that are being built by the local people in other communities, that's just concerning the delivery that we're involved with.

MR. YEW: — Thank you, Mr. Minister. I wonder if you may provide me with the information about the number of housing units that will be delivered to each specific community in the North, as well as the type of programs that are applicable to the needs of the various housing authorities in the northern administration district.

Going back to some of the meetings, the formal meetings that we had over the course of the last couple of years, you indicated just a moment ago — and I agree — that some of the housing authorities and communities have indicated a need for less expensive housing units, and going back to the log-type of home

I wonder, Mr. Minister, if you have a certain program to accommodate those. You did mention just a moment ago, as well, that you would be assisting, providing assistance, to several communities. But what program are you referring to?

HON. MR. DUTCHAK: — We are looking at a number of concepts now, and we're discussing it with the federal government. Over the past 10 or 15 years, I suppose, there has been a constant request from Northerners to look at more flexibility in the delivery of housing programming. In other words, there was some concern that the houses designed in Regina should not be forced upon Northerners.

So we're looking at a system where we can provide more of an alternative available, and we still haven't formulated the exact details of that type of program. But we're looking at something that's flexible enough. We're finding Northerners want to get into a program where they won't have to saddle themselves with a long-term debt. And we feel that we want to, we would like to cater to that group of people.

So I've consulted with the various communities, visited places such as Ile-a-la-Crosse where the idea was really born, and we feel we're going to come up with another program which allows this sort of a system.

In relation to the houses and numbers built in various communities, at the present time I can't disclose those numbers, or the communities, in light of our present negotiations with the federal government and our detailed planning in SHC and our consultations with the local communities.

MR. YEW: — When can you provide that information, Mr. Minister? That type of information is valuable to the local housing groups and the local government councils in the North, and I'm certain that they would be appreciative if you could provide that information. I understand that certain negotiations prohibit that type of information from going out, but I really can't see why you'd be holding back from giving us, you know, the information required by the people up North.

HON. MR. DUTCHAK: — Well, nothing is being held back. The fact is that these determinations haven't been made, and I expect that we'll make them within the next 30 days or so. And I'm sure the member will be one of the first people to know when that information is released.

MR. YEW: — You always refer to, in the past I've noticed, in the past, the course of the past three years, Mr. Minister, has been a lot of talk, a lot of discussions, a lot of meetings between you and your federal counterparts. We've had nothing but surveys and studies and what have you throughout the North. And I see before me all kinds of headlines here with regards to northern housing: "High payments forcing Northerners to move out of their homes and into log houses"; "Northern housing causes headaches" and "Governments defer on housing with northern local residents": Northerners disenchanted with expensive housing"; "Housing needs in the North," like my colleague mentioned just a moment ago at the beginning of his address regarding northern housing needs, brought this to your attention, "The housing needs in the North are now extreme."

(2100)

Well they have been extreme for a good number of years, Mr. Minister. And former administration didn't do a superb, immaculate, perfect job, but at least it delivered a need, delivered some housing to the residents of the northern administration district, provided employment, provided construction opportunities for the people in the North.

But you, since I can recall, you know, I have heard nothing but surveys, studies, discussions, negotiations with the various officials of your department and your federal counterparts and the communities up North. When, Mr. Minister, are we going to see some concrete contracts and proposals for the top half of this province? Certainly you've had three years to do your . . . do and complete your studies. The North expects some results of those close consultations that you refer to.

HON. MR. DUTCHAK: — Well again the members are straying into an area beyond the question of housing. And I just want to say that our government considers northern Saskatchewan very valuable to the provincial economy, and we consider the people have great potential.

But when you look at all the headlines that you just referred to, and if you calculate where the problems arise to cause the headlines, you'll see that you can trace most of those problems back to the policies of the former administration in delivering those units under the system that was used. We're looking at some innovative new ideas, and it really boils down to economics.

We can't solve all problems in northern Saskatchewan by building houses or creating a super housing corporation. That is not going to solve all the problem. And I've tried to indicate to the member that your party's decision to close the uranium mines also isn't good for northern Saskatchewan.

So when you're referring to those headlines, I think you have to be fair. And if you wish me to answer a specific question in one of the press reports, you can refer to the question. But I would think that if you researched your material properly, you'd find that it's not us, but probably 11 years of bad management in northern Saskatchewan that has created those headlines.

MR. YEW: — You sure know how to get personal there, Mr. Minister. You always go back to the former administration when it comes to management, etc.

Anyway, I did mention, Mr. Minister, that we weren't perfect. The former administration wasn't perfect, but at least, at least they met the challenge. They went ahead and provided construction and housing units that were direly needed in the northern administration district. But you

haven't done a single thing, Mr. Minister.

You have continuously made all kinds of concessions for the . . . (inaudible) . . . and the bond dealers and the big oil companies. Certainly you've made all kinds of give-aways, Mr. Minister, but you certainly haven't done all that much. And I say to you, Mr. Minister, you've had three years now to complete your surveys and studies, and now is the time, you know, to move into resolving some of those housing shortages in the North and doing something about them.

HON. MR. DUTCHAK: — Well, you know, I'm sure the member that just spoke was absent from the House in this session for about 30 days, and I didn't see him in the northern communities when I visited there. And if he would visit the communities and talk to the people about what they think of my performance, he might get a different view of things.

You know, again he's stretching the questioning out so I have to talk about the northern economy, and I'll talk about the new Cigar Lake agreement, Reach, which is going to create several hundreds of jobs for Northerners, things like that. But I don't want to get into all these things that we've done in the wild rice industry and so on, because the estimates we're doing are involved in the housing issues.

Now if he has any specific constructive suggestion on any point, I'd be pleased to consider it. But unfortunately, tonight I haven't heard one constructive suggestion. And I simply can offer to the members opposite that if they happen to think of one, or if someone tells them a constructive idea, I'd be pleased to receive the same.

Item 1 agreed to.

Items 2 and 3 agreed to.

Item 4

MR. SHILLINGTON: — With respect to item number 4, there's been a decrease in this. Recognizing there's been increases elsewhere with respect to senior citizens, what does this represent — fewer requests for assistance with respect to non-profit senior citizens' accommodation?

HON. MR. DUTCHAK: — The figure that the member referred to was really the equivalent to a cash-flow estimate. The activity will not be any less than last year, and part of the reason for the number difference is that there's a number of units now allocated into the nursing home construction area.

Item 4 agreed to.

Items 5 to 7 inclusive agreed to.

Item 8

MR. SHILLINGTON: — Why is that particular one decreased? There is unquestionably no greater need in urban areas than for native housing. Why is that one decreased?

HON. MR. DUTCHAK: — The reason for that is that we're moving away from using that particular delivery method, a section 40 formula, to solve some of the problem. We're instead looking at more creative things such as the Regina Native Women's Project, for example, and features such as that under a different section.

Item 8 agreed to.

Item 9

MR. SHILLINGTON: — Was the 200,000 all taken up last year? Was that all spent?

HON. MR. DUTCHAK: — Yes.

Item 9 agreed to.

Item 10 agreed to.

Vote 51 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN HOUSING CORPORATION

Vote 149

Item 1 — Statutory.

HON. MR. DUTCHAK: — I'd simply like to thank my officials and thank the opposition for the questions.

MR. SHILLINGTON: — Likewise, I wish to thank the minister and his officials for assisting us tonight.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 (continued)

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, last day when we went over some of this, we dealt with budgetary revenue and budgetary expenditure on pages 6 and 7, and we had touched on some of the Heritage Fund revenue. I want to ask the minister whether he thinks the estimates on page 6 and 7 are approximately right.

And I will . . . It's perhaps easier to refer to the ones on page 10 and 11, and are they approximately right? . . . (inaudible interjection) . . . Yes, and what I'm really asking is: assuming that your revenue estimates are right, do you not admit that your expenditure estimates are already way off — are already \$50 million out or more?

HON. MR. ANDREW: — In response to the first one, at this stage of the year, one would still anticipate the revenues fairly close, and I think I indicated that last day.

With regard to the expenditures, the hon. member knows for budgets probably conducted in this province for the last 15 years, you end up with some shrinkage in the area, I suppose, varying 50 to \$75 million.

I don't think there has probably been a budget in some time in this province where there has not been add-on during the year. By and large they are absorbed; some years they are not absorbed. But we are still confident, if your bottom-line question is, whether or not we can hit the deficit target, we're still confident of that.

(2115)

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, add-ons is an interesting little word for our \$25 million here and \$28 million there which is the first month. We haven't got a past yet, and it looks like these little add-ons are here.

You are estimating the budget deficit at \$291 million. Are you still reasonably sure that your budget deficit will be within the range of \$291 million?

HON. MR. ANDREW: — Yes.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I wonder why you would expect me to believe that — not because you are deceiving the committee, but because every other estimate with respect to a budget deficit that you've given since 1982 has been wholly inaccurate.

You started out, and I suppose it's a little hard to say wholly inaccurate, because the first year or so it wasn't too bad. The first year or so it wasn't too bad.

Mr. Minister, you started out with a surplus when you came to office of 139 million for the year immediately before you came to office. The year ended March 31st; you came to office a month later. No question of the surplus, but if you want to argue about it, we presumably can. But not much point in arguing about that; you have certified it a dozen times since then.

You then suggested that you would budget for a \$220 million deficit, and you came in at \$227 million which is within the range — 3 per cent. And next year you predicted \$317 million. This is far from what you suggested in the first budget. In the first budget you said it was going to be \$220 million deficit but this was just a deficit, one deficit, and we were going to have surpluses, and over a four-year period it would all balance. And I can quote you those quotes if you want, Mr. Minister. We were going to balance the budget over a four-year cycle.

By year two, that became essentially a fiction because it wasn't possible to have a \$220 million deficit in year one, as you did, and then announce a \$317 million deficit and say that it was all going to be balanced in a four-year term. None the less you were still saying it was all manageable — manageable — 220 and then 317 you budgeted for, and that turned out to be 331 which I suppose is 4 per cent off, and that is perhaps within the range.

We then are getting up in the 5 or \$600 million range, and you are beginning to acknowledge that you've got a problem. So then you come in and say, well we have turned over a new leaf; no more \$300 million deficits; we're going to cut it back; we're going to cut it back to \$267 million, a cut of 20 per cent.

And you went on to say, Mr. Minister, that in the next year, meaning the one we're now budgeting for, there would be a further cut of 20 per cent. If you want me to quote that, I will be happy to do so.

And, Mr. Minister, there isn't any question of what you said:

I think the policy on deficit reduction was clearly made in the budget speech. We indicated that our budget reduction this year would be 20 per cent; (and you're speaking in 1984) that we will reduce that deficit at least 20 per cent in each of the next years, at least by that amount.

This is *Hansard* at page 2418.

Well, a few quick calculations would indicate that if you budget for a \$267 million deficit and

you're going to cut it by 20 per cent, it's going to be down to 214. That's what we should be talking about, a deficit of \$214 million, if we could place any reliance on what you told us last year, just a year ago.

. . . (inaudible interjection) . . . Mr. Chairman, I'm being tempted to give an outline of the budget, but right now I'm going to ask a few questions and make a few comments first.

You said last year that the deficit would be \$267 million. It was nothing like that — closer to 400 million — 50 per cent out; 50 per cent out. You said that this year would be \$214 million, and even you are saying it's going to be 291 million. Even you are now admitting that we are 80 million or so over, and you're not even acknowledging the extra 53 million.

We are clearly seeing that every single thing you have said about the deficit has proved to be wrong. You could say perhaps with the first year it was right because it hasn't been tested, that you were going to balance it over a four-year period.

By year two it was clear that that was nonsense. By year two it was clear that your second budget deficit was not manageable. By year three you were dealing in the realm of fiction, calling it 267 when it turned out to be 400. By year three you were still adding more fictional comments about you were going to cut it a further 10 per cent, to around 200 million. You are now in here with something approaching 300 million and you are telling us, trust us. Oh, it won't be more than 291.

AN HON. MEMBER: — A little add-on here and there.

HON. MR. BLAKENEY: — A little add-on, a little 25 million here and 28 million there, but trust us.

What, Mr. Minister, what statement about the budget deficit in the past would give anybody looking at the record any assurance that the budget deficit won't be 350 million? What have you said which has been true in the past, such as would cause us to believe what you tell us now?

Would you mind telling us why you believe that the \$291 million figure will be any more reliable than the \$267 million figure before, or the comments about balancing it over four years, all of which was fiction, all of which turned out to be real good candidates for the Governor General's award for fiction, because none of them had any substance in fact when the chips were down.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. ANDREW: — Well, I make a couple of observations. The hon. member first talks about the initial first budget wherein when the hon. Leader of the Opposition was the premier and the minister of finance; the \$139 million surplus — you know and everybody in this province knows — was a joke. We came into office, and the first thing that we were confronted with is \$100 million that we had to pay back of money that you had written in. A hundred million dollars that we had to pay back on equalization.

We also came into this government anticipating that somehow, because we listened to your rhetoric, that there was some money in the bank, and there wasn't — nothing. And the money not only was not in the bank, but it had been gassed away on a lot of programs that were, quite frankly, frivolous and useless, in big, big dollars. So sure we had a deficit, and those deficits have come in by your words, out 2 million here on a \$3 billion expenditure, out \$7 million here on a \$3 billion expenditure.

Now last year, last year we — obviously when we put the budget into place, one did not anticipate it was not going to rain in the month of July in this province, and one did not anticipate that we were going to have a severe drought that we had.

Now if we were to follow your view, we would say well, we have to cut back, folks, in a time of drought. In a time when people needed that assistance, you had to cut back, and we did cut back at places. Then all of a sudden you get — then all of a sudden you lose \$130 million in the federal numbers come November, and then you're stuck with a problem. Well how do you deal with it now that you are two-thirds through your budget year?

The numbers we believe are do-able. If we receive anywhere close to a normal crop this year, I think it'll be in place. If the sun comes out and beats down at a 100 degrees all of July like it did last year, then obviously we are going to miss it, but we have to plan it on being a normal year. We have planned it to be a normal year in agriculture sector.

And this way this province works, if the crop comes in — if the crop comes in, you're going to have a normal year in this province. If the crop is good, but surely that's nothing new for governments, and that's what you have to do.

So with regards to the numbers, if that's the question, we are confident that we can hit the number that we set out.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I note the same litany about the alleged problems in June of 1982. All I want to do was to refer all hon. members, and anyone else who may be interested, to the Saskatchewan Economic and Financial position put out in July in 1984, which is the latest one, and refer them to pages 10 and 11, and it says that there was a surplus of \$139 million in this financial statement signed by one Bob Andrew. And if it isn't true, he should have said so. But it was true, and he wouldn't falsify the statements, and I give him credit for that. And that's a fact; there was that surplus.

As for the alleged absence of funds in the Heritage Fund, again look at page 8 of the same statement, which says that the current assets in the Heritage Fund were \$215 million — \$215 million in current assets. And he says nothing. He says nothing tonight; he says \$215 million in the statement signed by Mr. Bob Andrew, the Minister of Finance, dated July of 1984.

Well they didn't get gone since '84, if they were there in '82. He says they were there in '82; he's right. And comments to the contrary, I think, are just not supported by any of the documents which he issues.

Mr. Minister, do you believe . . . Well let me ask the other question. What happened to the 20 per cent reduction from \$267 million? Last year you stood here, gave your budget address, said you were going to cut back the deficits by 20 per cent per year, said it in no uncertain terms when we talked about your estimates.

I will repeat again that: “. . . we will reduce that deficit at least 20 per cent in each of the next years.” And I emphasize, Mr. Minister, we're talking about 20 per cent down from \$267 million, down to the \$200 million range. Now what happened to that?

Your problems with respect to figures from the federal government aren't going to change this year. What happened to the \$210 or 15 million target figure you held out last year, when now you're bringing in 291, if any credence can be put in that? Frankly, I think no credence can be put in the 291. But on your own estimate — on your own estimate — it should be 215. What happened to the hope we held out, you held out, last year that you would somehow get some sort of small grip on the finances of this province?

HON. MR. ANDREW: — Well what we . . . If you go back to 1984, what happened is we lost \$130 million — we went through that last day — with regard to the federal re-estimate. In 1984 — and that was the budget that just closed — we were using federal numbers of \$714 million. Anticipating that you would then see a growth in income tax in the 2, 3, 4, 5, per cent range. If

you look at the estimate we have this year, it's \$625 million. And so that money that flew out of that tax system at Ottawa didn't fly out just for one year. That system is leaking, and I submit that that program is going to continue to leak unless something is seriously done in Ottawa with regard to income tax.

(2130)

So that's the \$100 million. If you take that \$130 million out of it that we were handed in November, then again in February, the budget numbers for this year, the deficit numbers for this year, would balance out to what we said and what we had targeted — exactly balance out.

The problem we have now — and we've made a significant flip back from that — had we that \$100 million that we were anticipating, the numbers this year would have been down under \$200 million, which is where our target was.

So once you lose \$130 million — when you rely on the federal government that says this is how much is going to come to your province by way of income tax that we are collecting for you; this is our best guess of it — then all of a sudden, whammy, you lose \$130 million, what do you do at that time? You've paid out a goodly part of the budget numbers. You've made commitments on a goodly part of the budget numbers, and you have to deal with that.

Now every province in this country is faced with the similar problem that down, down went their numbers that they anticipated coming in from the federal income tax system. It was off some \$6 billion. Our share of that ended up as 130 million, but every other province faced the same problem of a tax system in Ottawa that, quite frankly, is not working any more. And we paid that price here.

Now, you might ask: had we known that that number would've been \$130 million less back in 1984, would we have taken action to deal with that, either on the revenue side, or on the expenditure side? I suspect we probably would've, and I suspect most other governments would.

But everybody else is facing exactly the same problem. And if you look at the tract and our deficit, outside of Alberta, nobody else is dealing with it anywhere as effectively. In Alberta, only because they have a \$13 billion Heritage Fund — most of it what most people would consider as cash — that generates \$1.6 billion, that they were able to pull from their heritage Fund and put into their budget. Otherwise their deficit would have been much higher.

Manitoba's exactly the same situation. Manitoba's deficit went up. Manitoba's deficit this year went up further than last year. So that system is not peculiar to Saskatchewan; it's peculiar to this entire country, and there's something that has to be done to deal with it.

Income tax in this country has traditionally been the main source of revenue, whether it's the federal government, or whether it's been a provincial government. When that source of revenue becomes questionable, as it is today, then either we have to deal with it or find another venue by which we can tax, or system of taxation.

Now if this country does not have the resolve to address that income tax question, then what we are going to find is deficits going higher and higher and higher across this nation, or programs being curtailed and pulled back.

That system must be resolved. That's what we faced last year in our budget problems; that's what every other province faced last year in their budget problems; that's what the federal government faced last year in their budget problems; and it's going to continue to happen unless we — when I say we, I mean all governments in this country — come to grips with the fact that

the income tax system is no longer working in the way that it's supposed to, or was designed to, and that is to basically be the fundamental revenue source of this country.

It's not happening, and it's going to continue to be problematic unless we are resolved in this nation to deal with that problem. I think the nation has the resolve to deal with it, and I don't see many other options than to do a significant reform of our tax system to make it fair, and to make it simple.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, while that explanation may be accepted by some as an explanation for your poor budget performance for the year ended in March 31st, 1985, it doesn't explain why you're budgeting for this large surplus in 1986.

You knew in November of '84 that you were in difficulties. You brought in your budget four or five months later, and you had not addressed it. You are still budgeting for a deficit of \$300 million and we have had . . . This so-called system of income taxes is not something that has descended upon us since April of 1982. This is something that has been with us for some time, although I will perhaps agree with the minister it's getting worse; it's been something that's been with us for a good while.

As friends of the members opposite have urged this exemption and that exemption on the income tax system, so that this business is exempted from paying effective taxes, that business is exempted from paying effective taxes, all on the supposition that somehow this is going to generate economic activity, and we're all going to get rich on that account . . . Well nothing has proved to be more false. There has been a massive shift, as the minister will admit, of taxes from the corporate sector to the individual sector. And now there are, as he says, very large leaks in the individual sector at the higher income levels. And there is no question of that, and we have examples everywhere.

But this is the fiscal climate in which we operate — which your government, sir, operates — and in which previous governments have operated. And you cannot, in 1985, by saying: hey, this climate that we inherited in 1982 was a rough climate; we didn't catch on until 1985, and that's the reason why we have these big deficits. It won't do.

Everyone faces the same problem, and has faced it since at least the mid-'70s when large concessions to the corporate sector began to be given — or were added to, perhaps, is the way to phrase it.

Again I remind the minister that in 1982, in the face of a leaky tax system, he said, we are going to have a minimized and manageable deficit. In 1983, in the face of a leaky tax system, he said, there's a manageable increase in our combined deficit.

In 1984, when the same leaky tax system was surely known to him, he says:

We believe that all governments must work in concert to reduce budget deficits. It is inevitable that mounting deficits will result in unwanted reductions in government services and tax increases.

As an aside, I say, how prophetic.

I am pleased to announce a 20 per cent reduction in the deficit. The deficit has been turned around without any social disruption. It has been turned around without cuts in basic services, and without major personal tax increases.

And away we go.

These statements were all made in the face of a tax system which admittedly is leaky, but was

known the minister to be leaky. And now, in April of '85, he says: I am pleased to announce that the deficit has been cut by over \$100 million. That, by way of increasing it by 130, and then cutting it back by 100.

Mr. Minister, obviously if someone else would do something in Ottawa, it would help your problems. But you've tried a Liberal government, and they didn't do anything to help you. You've now tried a Tory budget, and that didn't do much to help you.

In the face of what is surely a clear indication that nobody is going to tackle the Canadian tax system and make the wealthy pay; that nobody is going to see that the corporate sector pays a greater share, anything like they paid 20 years ago; that no one is going to plug the loopholes which you so accurately identify and then leave unplugged. In the face of that, are you going to do something to put our own fiscal house in order? Or are you going to continue to blame your troubles on Ottawa?

You used to blame them on Mr. Trudeau and Mr. Lalonde. Now you'll have to blame them on Mr. Mulroney and Mr. Wilson. Are you going to continue to do that and allow our deficit to scale new heights toward the \$2 billion mark? Or are you going to take some action to get our fiscal house in order?

HON. MR. ANDREW: — A couple of observations. With regards to the tax reform, the hon. member makes the observation that tax reform will not happen. We happen to totally disagree with that, because I believe tax reform will happen; I believe tax reform must happen. That's number one.

Number two, I don't think I blamed — whether I was dealing with Mr. Lalonde from the Liberals or Mr. Wilson from the Tories — I don't think I blamed any problems that we had in Saskatchewan on either one of those men. And I've never taken that approach during my three years in this particular job.

It's not the fault of Mr. Wilson, it's not the fault of Mr. Lalonde that that system is that way. That has developed through our society for some period of time; that's now coming to the fore that has to be dealt with.

And it's not, as you say, just the system is leaking solely at the high-income level. Clearly that is happening, but it's also leaking at the low-income level. It's also leaking at the system . . . There's estimates being made today that indicate as much as 27 per cent of the revenues that should be from income tax are not, in fact, there — not because of loopholes, but because of (a) the underground economy, and primarily because people are avoiding and literally not paying their taxes.

Now you ask me, should I get the fiscal house in order, should I have no deficit at all? Well you have to make a balance in this job as to what's important and what is not important. This year 29 out of 32 departments got no increases. Now it seems to me, in normal times, that's pretty heavy medicine.

But in order to do that, we said we had to do it to target it to given areas that we see as important. And one of those is the education system, in particular the university system. And we put up a 10 per cent incremental increase to universities, not for one year but for five years.

And I'm proud of that because I think it's fundamentally in the right direction that society must go. We must put our money to our universities because it's only through higher education, the things like universities, that we have a chance in this nation to compete with the rest of the world who are moving fast towards us on that.

Would you have me do what you did back in the '70s? And here's a letter from you to one Doug

McArthur, February 20th, 1981. All right? And here's what the letter says:

I am particularly interested in knowing how we intend to organize our relationships with the university, the manner in which we intend to reduce the rate of growth of university funding.

I don't believe in that. I don't believe that is fundamentally the right way to go. I believe quite the reverse. It's fundamentally the wrong way to go.

You can't continue to build and at the same time figure out ways by which you're going to cut the funding to university and to higher education. That's fundamentally wrong, and I disagree with that.

Now the reaction to date from our measures towards education have, in fact, been positive. We've had positive reactions from both levels of the university that they have been given (a) some funding. They would have liked to have had more but they are, I think, satisfied that it's a good start — one.

And number two: we're made that commitment over a five-year period to them. A five-year period so that they can plan how they're going to build their university, how they're going to provide a better education to our children, and how that education will be able to be provided in a way that our children of other provinces and other countries.

And that's pretty fundamental, and you don't do that by trying to organize how you reduce the growth and funding to universities — you don't do it that way.

The same thing can be said of nursing homes. We have an ageing population in this country and this province, and you don't deal with that ageing population by trying to place a moratorium on building of nursing home beds — you can't do that.

(2145)

Yet we could have taken the move and said, no, we're not going to fund the building of hospitals; no, we're not going to fund the building of nursing homes; no, we're not going to fund the building of schools and the increased funding to schools; no, we're not going to give more money to universities; no, we're not going to give more money to agriculture and try to plan agriculture down the road over the next five years; no, we're not going to put money into small business and other job creation measures.

So we're going to go totally, in the mentality of the banker, and say that's got to balance this year. And regardless of what happens we're going to cut back on that.

And that's what you're proposing to do — that's what you're proposing to tell us that we should do this year. And I fundamentally disagree with that approach, and I fundamentally think the people of Saskatchewan disagree with that approach.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, we are clearly seeing the minister run for cover. We were talking about the problems of the financing of this province. He said the problems were that the tax system was too leaky and the wasn't raising enough money. I said, well what are you going to do about it? And he says, well you want us to cut spending.

I don't want you to cut spending. I want you to do what you say the federal government should do, plug the leaks in your own tax system. I want you to start raising some money from people who can afford to pay. I want you to do what you're asking Mulroney to do. I want you to do what you asked Trudeau to do — start getting your tax system in order. And I think when

you do that, you'll have some money.

When you're giving away more than \$300 million to the resource companies, you can't be surprised that you don't have money. But you don't, and you have the most deplorable record with respect to the deficits that this province has seen in its 85 years of existence.

AN HON. MEMBER: — Eighty years — just 80 years.

HON. MR. BLAKENEY: — Eighty years of existence the member from Meadow Lake suggests. Fair enough. And the minister warns us where this is going to lead us. He has said on many occasions where it's going to lead us.

But I want to remind him again of his words here. The crunch will really come in 10 to 15 years as more teachers and public servants retire. And that it was just talking about pensions only, but he goes on to say: the problem is an example of government expansion and cannot be viewed in isolation. Ultimately we're going to have to start looking at all our systems — health care and others — and bring them down to a lower standard of living.

This is the minister saying because of the budget deficits which he's been running, because of his unwillingness to tax, because of his belief that budget deficits — at least his early belief that budget deficits could go on forever — he is now evidently revising that, but because of those beliefs he is warning, he is warning that ultimately we're going to have to start looking at all our systems — health care and others — and bring them down to a lower standard of living.

Well I say this, Mr. Deputy Speaker, I think that before we start talking about bringing our health systems down to a lower standard of living, we could start talking about bringing our tax systems up to a more efficient level.

The minister is clear in admitting that our tax system is full of holes, that people who should be paying taxes are not paying taxes, and . . . (inaudible interjection) . . . No doubt, no doubt. I am not quarrelling that he would levy taxes on people in my income bracket, so long as we all paid. But I would expect that people who are as well able to pay would pay, and I would expect corporate entities who are very much better able to pay than I am, would pay more.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — And I would prefer that, I would prefer that to proposals to cut down our health care systems and others to a lower standard of living.

And that's what your government, sir, has been unwilling to do. You have wanted to maintain services. You have been unwilling to levy taxes from your friends, and the result has been massive deficits. And you give no indication that you're going to change. You say, well it's too bad that the federal system is not producing the money, too bad that Trudeau doesn't patch it, Lalonde doesn't patch it, or Mulroney doesn't patch it, or Wilson doesn't patch it. You are complaining about loopholes and you're complaining about the underground economy.

If those are to be fixed, they have to be fixed by an amendment to the federal system. Or if you don't like the word amendment, a change to the federal tax system. Your party, sir, is in a position to do it. They have not done it. I think we have to assume that until it's done, we have to put our own house in order. And we have to go after taxes in this province where people can afford to pay.

You take the position . . . (inaudible interjection) . . . Mr. Deputy Speaker, I don't want to cut anywhere. Notwithstanding what people are suggesting, I want to start collecting some money. I want to start collecting some money from interprovincial truckers who are using our roads for free and who are being cheered on by members opposite saying this is perfectly okay — nothing

wrong with truckers from Toronto to Calgary and using our roads for free. Well I think there is something wrong with it, and I think a government which had all the welfare of the taxpayers of this province at heart would go out and try to raise some money. I suggest to you that there are areas where taxes could be raised which you are not doing. And I have said many, many times, we'll get into this a little later, but I'd like to underline that fact. And the idea that budgets can only be balanced by slashing programs is an idea which I'm sure sits well with members opposite, but does not sit well with this caucus and this opposition.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — We believe that we can maintain a high standard of services, we believe that we can maintain standards of services, and we believe that it can be done with a fair tax system. And we believe that the tax system set out in this budget is not a fair tax system, not a fair tax system . . .

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — . . . because it hits a great number of people who are much less able to pay than many who get through the gates — scot-free — through the gates scot-free.

Members opposite are suggesting that Imperial Oil is small business. Well it's . . . I don't know who the big business is in this province if Imperial Oil is small. I suggest that Imperial Oil to pay their fair share of taxes which they are not now doing, which they are not now doing.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — And I suggest that interprovincial truckers belonging to the CPR, who are getting the use of our roads for free, are big enough and wealthy enough to pay those taxes. Members opposite may think that the CPR is small business, I don't. I think they're big enough to pay taxes. They're not now paying them, and you're not going to make them pay for the use of our roads.

And I think that members opposite are saying Gulf, fair enough. Certainly Gulf and the new Gulf Mobil Corporation, the new Standard Oil of California, whatever they're calling themselves these days is . . . (inaudible interjection) . . . Well, Mr. Speaker, we're having some difficulty with what year we're in.

Last year then, last year they have been bought out by another group — the Reichmanns — who I believe their fortune is only in the small number of billions, but I say billions, Capital B; and I think maybe they would be able to pay a little more in taxes.

I know that this year they have been bought out by another group — the Reichmanns — who I believe their fortune is only in the small number of billions, but I say billions, Capital B; and I think maybe they would be able to pay a little.

Members opposite are taking the position that we have to defend the Imperial Oils, the CPRs, and the gulfs from paying taxes. I think they could pay their fair share. And I think if they paid their fair share, we would have money for services and we wouldn't have deficits of these towering amounts.

HON. MR. ANDREW: — I'll make a couple of observations, First of all, the province of Saskatchewan has the highest corporate tax rate of any province in Canada. And I raised those corporate tax rates — higher than Manitoba, and certainly higher than you ever had them when you were the minister of finance and the premier of this province. That's number one.

We also have the highest corporate capital tax in Canada. We brought that in. We brought in a

tax on railroads. You didn't. We did. Corporate tax, no, no. Last year we instituted a tax on the railroads of \$19 million in this province. That's what we did. Now, that's what we did with regard to those particular taxes.

The article you read from earlier was with regard to pensions. And what it said, if you read the whole article, is that previous governments in this province have left unfunded liability in pensions of \$3 billion, and somebody's gonna have to pay for that. Now some of that was your administration, some of that was Thatcher, some of that was Douglas. But it was nevertheless left there. And it's \$3 billion that the taxpayers are going to have to pay down the road. That's number one.

Number two, the Canada Pension Plan in this country is underfunded, and unless there is some increase in the contributions to the Canada Pension Fund, that fund is gonna run out of money as well.

Now, are we, as a society, and are we, as governments, prepared to address that question, or aren't we? And if not, we're going to pass over to the next government, five and ten years from now, the problem of those large unfunded liabilities in the pension funds.

And that wasn't our fault because that happened some time ago. In fact, to your credit you did some moves to change that, to bring it at least whole from 1979 or 1980, whenever the changes were made. But prior to that there was a large liability built up — \$3 billion estimated now, and that has to be resolved somehow.

Now, you make the point that major oil companies do not pay taxes. And I agree that they don't pay income taxes, and I agree they should pay income taxes. Now, how are we going to change that? You've had that view as a politician in this Assembly for 25 years, and it didn't change in that 25 years. And you've had that view for 11 years, when you were premier, and that didn't change. And it didn't change. Now we this year said, we have to move and try to move this nation towards a more equitable tax system. Now you can be critical of me and say, well you're just blowing in the wind young fellow, you'll never get it done. You don't get anything done if you don't try.

SOME HON. MEMBERS: — Hear, Hear!

HON. MR. ANDREW: — And that's exactly what we're doing on this tax reform measure. And we are going to make some progress in my view.

At least in the federal budget that just came down, there was a paper on corporate tax reform. And that corporate tax reform, I would hope, will deal with some of those fundamental questions that have been raised by you and by many others as to whether or not various sectors of our society are paying their fair share of tax, whether it's on the corporate side or whether it's on the personal side.

But we must move in the direction of trying to deal with that, and I submit to you that to a large degree, that that is not a partisan political position. I think it's a position that has to and must be taken by governments of all political stripes across this country. And our job — and sure maybe it's a large job — is to convince them of the wisdom of doing that.

Now that hasn't been done before in a material way in this nation, for some time, perhaps going back to the late '60s or early '70s with the Carter Commission. It's time in this nation to deal with that. Now, if you argue that you are purer than I am because you are going to rant and rave at the CPR and Gulf Oil, I agree with you. I agree with you, and we are prepared to do that.

Now, we can argue here all night, I suppose, as to whether or not we should pursue it the way we are pursuing it, for tax reform. The only way you can do it — in my view — the only way you

can do it, is to start as we have, to move and suggest ideas by which we can come to grips and start to deal with that. I think that is the appropriate way of dealing with it.

(2200)

Now, with regards to the — with regard to the truckers, and the inability to tax out-of-province truckers, the hon. member knows full well one of the great shortfalls of dealing with that is the fact that it becomes unconstitutional — and I don't take any credit for the new constitution we got, or the way it was changed — that's a fact of life. That's the legacy of the hon. member to this province and this country, was that he gave us that new constitution, my view is we'll rue the day in spades, that we in fact had that type of constitution that you etched out with Mr. Trudeau, but that's a debate for another day.

The committee reported progress.

The Assembly adjourned at 10:03 p.m.