

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

June 13, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Regulations

DEPUTY CLERK: — Mrs. Bacon, vice-chairman of the Special Committee on Regulations, presents the fourth report of the committee, which is as follows:

Since the committee's last regular report in May 1984, your committee has completed a special report on accounting matters which were referred to the committee on June 1, 1984. The report was tabled in this House on April 22, 1985, as Sessional Paper No. 51.

Your committee wishes to express its appreciation to former committee counsel, Mr. Tom Wakeling, Q.C., whose recent departure from the committee concluded 21 years of dedicated service to the committee.

On March 13, 1985, Mr. Dale Canham of the law firm of Rendek, Kaufman, Embury was appointed as counsel to the committee.

Your committee has completed its initial review of 1984 regulations. A satisfactory response was received to one committee inquiry while ongoing consideration is being given to 10 other 1984 regulations.

Your committee has also examined responses on 13 matters outstanding from the review of 1982 and 1983 regulations and has decided to follow up further on two of these items.

Your committee does not wish at this time to draw the attention of the Assembly to any regulation on the grounds set out in its terms of reference.

Your committee has also considered the by-laws, regulations, and amendments thereto of various professional associations tabled as addenda to Sessional Paper No. 59 of the 1983-84 session after May 1, 1984, and Sessional Paper No. 16 of the '84-85 session to April 16, 1985.

Your committee reviewed the by-laws and amendments to ensure that each had proper legislative authority and was in the public interest, with further information being sought to six by-laws.

The committee also considered further responses to three matters outstanding from the review of 1982 and 1983 by-laws, and has decided to follow up further on two of them.

The committee reserves ratification of the following by-laws pending satisfactory resolution of the committee's concerns.

The complete list will be printed in tonight's Votes and Proceedings.

Your committee recommends that the by-laws, regulations, and amendments of the

following professional associations be ratified and confirmed.

Again, this list will be printed in tonight's Votes and Proceedings.

MRS. BACON: — Thank you, Mr. Speaker. I so move, seconded by the member from Saskatoon Eastview:

That the fourth report on the Standing Committee of Regulations be now concurred in.

Motion agreed to.

INTRODUCTION OF GUESTS

HON. MR. DIRKS: — It's my pleasure to introduce to you, Mr. Speaker, and to the members of the Assembly this afternoon on behalf of my colleagues, the MLA from Prince Albert-Duck Lake, a group of 24 students seated in the Speaker's gallery, from grades 1 to 11, who attend at the Prince Albert Apostolic Christina Academy in Prince Albert.

We welcome you here today and trust that your visit will be a profitable and enjoyable one. I'll have the privilege of meeting with you at 3, o'clock for pictures and refreshments, and I would ask all members to join with me in welcoming these special guests this afternoon.

HON. MEMBERS: Hear, Hear!

MR. KATZMAN: — Mr. Speaker, I would also like to introduce a group of students — 54 students from grade 7 in Warman High School in Warman, Saskatchewan. They're here today with us in the gallery, and Warman is always represented every year since I've been a member.

Mr. Speaker, I had the privilege of being with the people of Warman on Saturday with Johnny Gerich as they opened the Brian King Memorial Centre, which represents the good faith that the people of that community have in a former RCMP member who served their community.

I hope they enjoy the proceedings today, and I'll be meeting with you later, and I hope you have a good trip home. I hope all members will join me in welcoming them.

HON. MEMBERS: Hear, Hear!

ORAL QUESTIONS

Aid to Farmers for Grasshopper Control

MR. ENGEL: — Thank you, Mr. Speaker. I have a question to the Minister of Agriculture, and it deals with the severe grasshopper infestation we're facing this spring — the worse since the great Depression.

Yesterday the Premier went to your constituency, Mr. Minister, where the grasshoppers are as bad as they are in Bengough and in Assiniboia-Gravelbourg, and announced hundreds of millions of dollars for the oil companies in tax breaks, but not a dollar for farmers.

I ask the minister: have you lobbied with him and your cabinet colleagues to try and get some funds to provide a simple, straightforward grasshopper control program that would cover half the costs of chemicals farmers need to fight this outbreak?

MR. SPEAKER: — Order, order, please. In *Beauchesne's*, paragraph 359(8), it says:

A question that has previously been answered ought not be asked again.

And the question was answered yesterday, so the question is out of order.

MR. ENGEL: — Mr. Speaker, a new question. My question was: have you changed your mind in light of the infestation and the seriousness of it?

HON. MR. HEPWORTH: — Mr. Speaker, hon. member, over the past several days I've had a chance to tour a large part of the farm area that is, in fact, having to deal with the grasshopper problem, and I've heard a number of things. Number one is, first of all, that the farmers are extremely happy that we did, in fact, announce a program that has been unprecedented in Saskatchewan's history in so far as dealing with them, and that we are working in co-operation with the R.M.s.

The other things I sense out there, of course, are the natural frustrations of dealing with those pests because you continue to deal with the waves and waves and waves of new hatching. But at the same time I sense, Mr. Speaker, some optimism out there. Farmers feel that they have at least a crop worth saving and that they're prepared to try and save it.

I think they appreciate the help that we've given them to try and save that crop, and that is something new out there that wasn't there last spring. The crop has got a good start. It could even be a bumper, Mr. Speaker, and they're prepared to do their part, as we are, in helping see that that crop, in fact, does come off.

MR. ENGEL: — Supplementary, Mr. Speaker. This morning farmers asked me to look at some crops about 16,17 miles east of Assiniboia. I'm sure you're familiar with that area, Mr. Minister. The roadside was sprayed. Ten feet away from the roadside in an area as far as the eye could see there were grasshoppers so thick if you'd go like this you could catch 200.

Mr. Minister, your neighbours down there have sent you . . .

MR. SPEAKER: — Order, please. Displays are not allowed in this Chamber, and the member is quite aware of it, and I'd ask him to remove that from the Chamber.

MR. ENGEL: — Mr. Speaker, I have this for the . . . Your neighbours had that T-shirt made up, and there's a hundred like it, Mr. Speaker. They made a hundred, and they've asked to have one delivered to you, Mr. Minister. They want you to realize that the grasshopper did in the best of them. Areas they sprayed three times within miles of their crop, hatching thousands of grasshoppers per square yard, and nothing is being done about that vast area in the valley north of Assiniboia.

Are you going to extend your program beyond the road allowance onto the 99 per cent of the land that's not being covered that has such a serious infestation of grasshoppers?

HON. MR. HEPWORTH: — Mr. Speaker, it's unfortunate that some in this House would trivialize such a serious issue as the grasshoppers problem with this kind of theatrics. We believe, Mr. Speaker, that in fact this issue is not one that should be trivialized. That is why, over this past winter, Mr. Speaker, we have held grasshopper meetings with the chemical companies, the R.M.s, contacted the railways . . . (inaudible interjections) . . .

MR. SPEAKER: — Order, please.

HON. MR. HEPWORTH: — Mr. Speaker, that is why, to make sure that there is assured supply of chemical, we've made emergency air lifts when necessary, and that is why we put in an unprecedented program in so far as helping farmers control grasshoppers along the municipal roadways.

Impact of Taxation in Federal Budget

HON. MR. BLAKENEY: — Mr. Speaker, my question is to the Premier, and it deals with his refusal to go to bat in Ottawa for Saskatchewan farmers and families and senior citizens over the unfair taxes contained in the Mulroney budget.

Is the Premier aware that the Canadian Council on Social Development has completed a study on the impact of the Mulroney budget? Is he aware that their study confirms what Canadians have been saying since May 23rd — that the Mulroney budget is taking from low- and middle-income people while providing huge tax breaks to the rich and large corporations?

The study shows that the Mulroney budget will increase the disposable income of those earning \$200,000 a year or more by 3 per cent, while a family earning 30,000 a year will see their disposable income cut by 4 per cent.

Can the Premier explain how this budget is fair, as he claims it to be, and is this taxing the rich to help the middle and poor as he claims to favour?

HON. MR. DEVINE: — Mr. Speaker, I've said to the Leader of the Opposition several times that I have complete support from the Premier of Manitoba, the Premier of Alberta, the Premier of British Columbia, and I suspect now, by the end of the summer, all the premiers across Canada to initiate tax reform in this country to make sure that the middle-income people pay a lower tax; that those that have a great deal of money pay their fair share; and that we protect the low-income people.

I have proposed that at the western Premier's Conference. It was adopted by Howard Pawley, Peter Lougheed, Bill Bennett, the Minister of Finance, and me. We took that proposal to the federal government, and we said, you should initiate tax reform. They did in part; they initiated reform in several sections. We said you should also initiate tax reform with respect to the personal income tax systems so that, in fact, we do make the system fair.

We've done that in the province of Saskatchewan. We're encouraging them to do it across the country, and when they get into and review this tax system so that they do make it fair, then you'll see the kind of results we've been asking for.

HON. MR. BLAKENEY: — Mr. Speaker, would you agree, Mr. Premier, that any suggestion that the Premier of Manitoba, the Premier of Nova Scotia, the Premier of New Brunswick, and the Premier of Prince Edward Island supports the de-indexing in the Mulroney budget? Would you agree that any such suggestion is a flat falsehood?

HON. MR. DEVINE: — Mr. Speaker, the Leader of the Opposition knows that the Premier of Manitoba, NDP, Premier of Alberta, PC, and the Premier of British Columbia, Social Credit, agreed with me and endorsed my program of tax reform. And they said that we should take it all the way to the government of the country and talk about tax reforms so that we can make taxes fairer.

Now in the province of Saskatchewan we've provided more and more and more income to lower-income people. And we've done that — more breaks, more assistance. If you take the seniors, just look at it for example: we provided 100 per cent increase in one year to seniors — 100 per cent increase — from 25 to \$50.

That's the reform that I have a consensus for from my western colleagues. And I'll be taking it to the national conference. I believe it's appropriate, and I will continue to argue to the federal government on behalf of low-income and middle-income people that the tax system is reformed so, indeed, that it is fair.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. I was talking about the Mulroney budget. I'm sorry I didn't make that clear to the Premier.

Are you aware, Mr. Premier, that a new study of the Mulroney budget undertaken by The Canadian Press wire service has found that tens of thousands of parents living near the poverty line will lose money under the various family benefit changes proposed in the Mulroney budget? Are you aware that The Canadian Press investigation shows that families earning as little as \$20,000 a year will lose more than \$100 as a result of changes in the family allowance and child tax credit system? And can you explain, Mr. Minister, how taking money away from families earning \$20,000 a year while still studying a minimum tax for the rich is consistent with any measure of fairness or with your proposals for tax reform?

HON. MR. DEVINE: — Mr. Speaker, I said at the time that the budget come down that I agreed with parts of the federal budget that helped lower-income people, and I disagreed with others when they didn't. And I said I would encourage the federal government to look at tax reform so that it can protect low-income people.

I also said I want to encourage the federal government to remove the capital gains tax for farmers, and we were successful in getting that. And that's millions and millions of dollars to the province of Saskatchewan on an annual basis — from 40 to \$50 million.

We have encouraged the federal government to look at transportation charges — and they have — to bring in a new energy accord because the one that you and Mr. Trudeau put together was killing the province of Saskatchewan's energy business. We looked at capital gain tax, and we got those changes here in the province of Saskatchewan. Lower interest rates for farmers in the FCC — we got it for the province of Saskatchewan. We will continue to lobby hard at the federal level to make sure their tax reform measures are fair.

I said in this Chamber, and we passed a resolution, that low-income people in the province of Saskatchewan, and indeed across the country, should be protected. And I also said, and I've said to you, sir, that we should be sophisticated enough and have grown up enough as a country that we don't have to be subsidizing the rich like you did in your administration. I would like to see that stopped. I don't want to see rebates go to the wealthy. I would like to see low-income people protected, and that's why we've initiated and have support for complete tax reform across the country.

SOME HON. MEMBERS: Hear, Hear!

De-Indexing Old Age Pensions

HON. MR. BLAKENEY: — Mr. Premier, I'd like to talk about the Mulroney budget, and I want to remind you, sir, that you've gone on record as supporting the government's plans to cut the incomes of senior citizens by de-indexing pensions. You supported that decision. You've gone even further and suggested in the letter from your Minister of Finance that you wish to end universality. Your leader has referred to universality of programs as a sacred trust.

I ask this: why is your government now resurrecting the suggestion that universality should be done away with, as your federal leader has called the principle of universality a sacred trust?

HON. MR. DEVINE: — Mr. Speaker, the first three comments that the hon. member made were just not accurate, because we have said in this Chamber, and we passed a resolution in this Chamber, that low-income seniors should be protected in full. That's what we said, and that's the truth, and that's passed here. You didn't say that. You said we endorsed the de-indexing. That's not the case. We passed in this House a resolution that said low-income seniors should be

protected, that we should do whatever we can to offset those partial de-indexing. That's what we said. And I will continue to say that low-income seniors should be protected, as should low-income people across the board.

What I want to make very clear is: our reform, in theory and in practice and in philosophy, is to make sure that we have a fair tax system so that middle-income people pay a lower share, or a lower percentage, so that we broaden the base, that the high-income people are not rebated and subsidized. We should have grown up enough as a country to make sure that happens. If we want to look at taxing systems, we can go back and look at your administration for taxing systems.

You increased income tax from 36 per cent to 51 per cent in this province, and that's why you lost badly. They saw you take the taxes from this level to this level, and they kicked the whole works of you out — all of you but eight. They know what tax increases mean and what people of your philosophy mean when it comes to taxes. You tax and build bureaucracies, and you tax and build bureaucracies, and you and Mr. Trudeau have been doing it for years. They booted him out, and that's why they booted you out.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — Supplementary, Mr. Premier. You have indicated that you favour a tax system which taxes the rich and levies lower taxes on the lower-income people. That's what you just said.

Now, Mr. Premier, you well know that the Mulroney budget provides tax breaks for people with incomes of \$200,000 or more, and imposes heavier taxes on people with incomes of \$30,000 a year. You had your Minister of Finance write a letter to Mr. Mulroney about his budget. Did you protest this bonusing of the rich and this savaging of the middle-income people, or was your letter totally silent on that?

SOME HON. MEMBERS: Hear, Hear!

HON. MR. DEVINE: — Mr. Speaker, we sent . . . The Minister of Finance and I visited with the Prime Minister and the Minister of Finance. We sent a delegation of members of this legislature, on our side of the House. We asked them to do things that would help the province of Saskatchewan. We bargained hard for an energy accord that would build this province and not give money away to the federal government — to get that money back. We bargained hard for changes in transportation. We bargained hard to reduce interest rates for farmers, and we bargained hard to get the capital gain tax removed.

If you add those up in the province of Saskatchewan, it's \$160 million a year to the province of Saskatchewan, just in agriculture alone. We have argued for that. If you look at \$5,000 a year to the province of Saskatchewan, per farmer, that we have put together, then the question is whether we bargained with the feds or whether we didn't.

With respect to the letter . . .

MR. SPEAKER: — Order, please. I'm going to ask the members to maintain a bit of decorum in here.

HON. MR. DEVINE: — With respect to the letter, we said to the Minister of Finance, low-income seniors need to be protected. The province of Saskatchewan is protecting them. You should protect them. We passed a resolution in this House that said low-income people should be protected.

We have gone to the wall for low-income people. We've raised their supplements 100 per cent.

You gave them \$5; we gave them \$25 the first year of our administration — 100 per cent increase.

We will fight for low-income seniors; we'll fight to get more for farmers — more than they ever had in the history of this province — and we will not be nationalizing farms, and we'll be not nationalizing companies, and not nationalizing buildings. We will make sure . . . And we won't even nationalize down-town Regina.

We will make sure that we have people working in the province of Saskatchewan, that this province is growing and that we will make sure that we have reform in the province of Saskatchewan as well as the national level.

HON. MEMBERS: Hear, Hear!

Vacant Seat — Regina North East

MR. SHILLINGTON: — Mr. Speaker, one of the other things, Mr. Premier, which apparently you won't be doing is calling a by-election in Regina North East. And that is the subject of my question. I want to move off the budget and on to another event which you're no doubt looking forward to.

Ten weeks ago Mr. Sutor resigned as the member — 10 weeks ago, two and a half months ago. For two and a half months the 12,000 voters of Regina North East have been without representation even though the legislature has been in session throughout that period, and even though your government has imposed tax increases these people have not been represented and have been unnecessarily absent from this legislature.

Mr. Premier, will you tell the voters of Regina North East that you will call a by-election and you will call a by-election shortly.

HON. MR. DEVINE: — In due course, Mr. Speaker.

MR. SHILLINGTON: — I wonder if Mr. Premier would tell the people of Regina North East why you're afraid of a by-election in Regina North East. Mr. Premier, if there's some reason other than your fear of the results, will you tell us why there's no by-election in Regina North East?

HON. MR. DEVINE: — Mr. Speaker, if you take the city of Regina and look at the fact that this city, city of Regina, is the number one city in new-job creations in western Canada in the last three years, people in this city are proud of it. And that's been under a Progressive Conservative government. If you look at a city that is receiving a brand-new upgrader, a brand-new upgrader — \$600 million — putting a whole package together and people have been trying for years to do that, if you want to look at a city that has over \$1 billion in economic activity . . .

MR. SPEAKER: — Order, please.

MR. SHILLINGTON: — Supplementary, Mr. Speaker. Will the Premier give the people of Regina an opportunity to express their gratitude for all this?

SOME HON. MEMBERS: Hear, Hear!

HON. MR. DEVINE: — Mr. Speaker, all I can say to my hon. colleague and my friend is that you left the decision with respect to the Thunder Creek by-election up to me, and I made it. I said trust me on that because obviously everybody won. The NDP said they won, and the Liberals said they won, and obviously the member from Thunder Creek figures that he won.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. DEVINE: — And you said that was fair enough. So you'll just have to trust me on this one.

MR. SHILLINGTON: — New question, Mr. Speaker. It is patently obvious the people of Regina don't trust this government. That was obvious in the federal by-election and that has been obvious since.

Mr. Premier, I go back to my original question: when will you give the people of Regina North East some representation in this legislature?

HON. MR. DEVINE: — In due course, Mr. Speaker.

MR. SHILLINGTON: — Mr. Premier, I asked you if there was any reason why, apart from being afraid of the results, there was no by-election. Do I take it from your refusal to answer the question that there is no reason to call a by-election except that you are afraid of the results?

HON. MR. DEVINE: — Mr. Speaker, I was in the process of going through many of the positive things that are going on in the city of Regina, and I can elaborate on those if the opposition likes. I said in due course, and it will be in due course.

Conflict of Interest — Sedco Official

HON. MR. BLAKENEY: — Mr. Speaker, I direct a question to the minister in charge of Tourism and Small Business, the minister in charge of Sedco. And it deals with the blatant conflict of interest whereby he approved an investment in a Regina real estate firm by the president of Sedco.

The minister has claimed that he gave Mr. Price approval for this investment in full accordance with the Sedco guide-lines. The minister said he would table them in the House. He said last week in the committee of Crown corporations he would table them in the House.

Would he have the good grace to table them in the House today?

HON. MR. KLEIN: — Mr. Speaker, I should take the opportunity of extending question period until its expiry so that they don't have to worry about any more frivolous questions.

None the less, I have agreed to serve those papers, and they will be placed on the table shortly.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. That, as I recall it, is the same answer the minister gave us two or three weeks ago. Can he be a little more specific? Can he indicate whether or not the guide-lines will be on the Table this week?

HON. MR. KLEIN: — Mr. Speaker, I'll have to check with the officials at Sedco and see if that is on the way to my office, at which time it will be placed on the Table.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, the . . . Mr. Speaker, and Mr. Minister, you indicated a fair number of weeks ago that you had approved of Mr. Price's proposal and that it met the Sedco guide-lines. Now you obviously couldn't have done that without having the guide-lines available to you. What has taken two or three weeks to get the guide-lines which you had available to you over to the Legislative Building?

HON. MR. KLEIN: — Mr. Speaker, . . . (inaudible interjection) . . . Apart from my physical disabilities, according to the members opposite, as the members opposite fully understand, Mr. Speaker, I am a minister of this government and I do have on occasion the time to have to go out of town and visit the various communities explaining programs that we have placed in effect,

one being the Youth Entrepreneur program through Sedco itself. And as a result, I have been away for my office quite a bit, Mr. Speaker. I have tried to deal with the opposition in all fairness by having my Crown corporation hearing out of the way for them, and the conflict paper will be tabled in due course.

HON. MR. BLAKENEY: — Mr. Speaker, while the minister is in at the legislature today, I'll put it that way, can he confirm that Mr. Price has disposed of this interest in the real estate firm involved, and can he confirm that the disposition has been made to an arm's length third party and not to anyone associated with the president of Sedco?

HON. MR. KLEIN: — Mr. Speaker, I can confirm that Mr. Price has dealt with his divestiture in the manner that he said he would. And it disturbs me somewhat for the members opposite to question the integrity of a man that is the president of the Crown corporation, as well as being a very high-class citizen. He's the president of our campaign — I can't recall the name of it — the city campaign for funds. He is a well-respected citizen — the united appeal, president of the united appeal. And I'm ashamed that you'd question the integrity of this man.

When he agreed to divest himself, at his own decision he agreed to do so, and clearly it was done at arm's length. And clearly it has been accomplished at this point in time. There never was a conflict. He chose to dispose of those shares because of the perceived conflict that was brought up by you people, and, as a result of that, he has divested himself. The divestiture has occurred. And yes you should not question his integrity in this matter. It has been done in accordance with all due accord.

MINISTERIAL STATEMENTS

Oil Industry in Saskatchewan

HON. MR. SCHOENHALS: — Mr. Speaker, it's with a certain amount of pride that I rise today on a matter that pertains to Saskatchewan's dynamic oil industry. As you know, Mr. Speaker, the oil patch in this province is booming and has been since the introduction of the oil industry recovery program in July of 1982.

Today, Mr. Speaker, the oil patch is the driving force behind the province's economic growth, creating thousands of new jobs, and companies are reinvesting their earnings at a rate of more than 100 per cent. For every dollar earned, over a dollar is reinvested here in Saskatchewan.

Mr. Speaker, there are new service and manufacturing companies starting up in centres like Kindersley, Battleford, Estevan, and Lloydminster. In fact, Mr. Speaker, companies are turning out products and services for the oil industry in my home area of Saskatoon, well beyond the boundaries of the producing regions. And I point to an article in the *Star-Phoenix* where the headline said, "Tanks made here for the oil industry."

This week, Mr. Speaker, the city of Weyburn is holding one of the largest oil shows in western Canada. It's yet another example of how companies and communities have responded to the challenge.

At the same time, the industry is providing an ever-increasing level of revenues for government services and for the construction of schools, hospitals, etc. Today oil companies pay approximately one in every four dollars of provincial revenue — more than any other source of government income.

Mr. Speaker, the excitement in the oil patch has caused interest in oil and gas prone lands to the extent that record revenues from quarterly land sales of \$123.7 million were experienced in 1984.

Today I am pleased to announce that the June 11th sale of petroleum and natural gas rights in

Saskatchewan yielded \$40.1 million in revenues to the province.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. SCHOENHALS: — Mr. Speaker, that is the second largest sale in history. This sale is exceeded only by the December 1983 sale of 48.9 million.

Mr. Speaker, there are some in this Assembly who would argue that incentives are simply government give-aways with no return. I think it's safe to say . . . certainly not unfair to refer to this \$40.1 million as instant royalties that are coming to this province. Clearly, Mr. Speaker, this is yet another example of the success of our oil policies and how all residents of Saskatchewan are seeing the benefits.

Following on the heels of the Premier's announcement yesterday of an extension to the incentive provisions of the oil industry recovery program and the positive climate created by the recent western accord, I am confident we can look to more records in the oil patch and more benefits for the people of the province in the years to come.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — Mr. Speaker, may I make a few brief comments. The minister indicates that provincial revenues coming from oil make up a quarter of the revenue of the provincial treasurer, and he says that they're more than any other source of government income. And I acknowledge that. And I think that's been true in every year except the last two — in 1979, 19880, 1981. And simple look at the *Public Accounts* will confirm that, and there cannot be the slightest question of that. And if anyone does question it, I invite them to look at the *Public Accounts*, and I will take them through it if they have difficulty finding it.

May I make one comment with respect to the minister's primary announcement that the bonus bids were \$40 million, and that is a substantial sum of money, Mr. Speaker. And may I say that whenever royalties are low, bonus bids will be high.

Royalties have dropped from more than 43 per cent of the gross value of oil production to around 27 per cent of the value of oil production resulting in a loss to provincial taxpayers of in excess of \$300 million a year. And we all will know, Mr. Speaker, that if they dropped the royalties to 10 per cent or 15 per cent, which seems to be their target, then the bonus bids will be even larger and larger. And certainly, Mr. Speaker, there is no question that as royalties are cut, and cut by every announcement of the minister and the Premier, bonus bids will undoubtedly be substantial. We see another evidence of it here today: a bonus bid of \$40 million in the face of sharp cuts and oil royalties.

SOME HON. MEMBERS: Hear, Hear!

INTRODUCTION OF BILLS

Bill No. 113 — An Act respecting Facilities that Provide Certain Residential Services

HON. MR. DIRKS: — Mr. Speaker, I move first reading of a Bill, An Act respecting Facilities that Provide Residential Services.

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

ORDERS OF THE DAY

COMMITTEE OF THE WHOLE

INTRODUCTION OF GUESTS

MR. ENGEL: — Mr. Chairman, there is a guest in the galleries that I didn't see earlier in the question period or I would have introduced him. His name is Bill Fancourt, a person that's been nominated for the Tories. He's going to enjoy watching from that perspective for a long, long time.

SOME HON. MEMBERS: Hear, Hear!

COMMITTEE OF THE WHOLE

Bill No. 67 — An Act to amend The Motor Dealers Act

MR. CHAIRMAN: — Would the minister introduce the officials.

HON. MRS. DUNCAN: — Thank you, Mr. Chairman. I have with me today my deputy, Mr. Ron Kessler; behind Mr. Kessler is Mr. David Stuewe, the director of policy and planning; directly behind me is the deputy superintendent of insurance, Mr. John Page; to my right is Lawrence Hartt, the chairman of the Film Classification Board, who will be joining us in another Bill later; and directly behind Mr. Hartt is Mr. John Boon, the associate director of policy and planning.

Clause 1

MR. SHILLINGTON: — Madam Minister, the member of our staff who assisted me researching this said this Bill marks the death of a salesman, in that the salesmen are no longer licensed.

Madam Minister, I wonder if before if I make any remarks on the subject, you would give me the reasons for the deletion of the licensing of salesmen.

HON. MRS. DUNCAN: — I can indicate to the member from Regina Centre, as I had explained in my second reading speech, whether or not the salesmen are licensed is really not a concern of ours because they are the responsibility — their actions, etc. — are the responsibility of the motor dealer who they are employed. The motor dealer still will be required to be licensed, and bonding will take place where it's required. And it's literally eliminating a redundant mechanism.

MR. SHILLINGTON: — I do not intend to hold the Bill up at length, Madam Minister. Suffice it to say that I am not convinced, and I want to register a protest. The law relating to master and servant is a hoary law indeed. Not everything which a salesman does on his employer's premises makes the employer liable for his actions. I will repeat it for the benefit of members opposite who are having trouble hearing.

The law related to master and servant is difficult law. Not every thing an employer does on the premises . . . not everything an employee does on his employer's premises makes the employer liable, Madam Minister. I, for my part, would have preferred to have left the salesman as liable, so that when he is acting outside the scope of his authority as a servant, he is liable in his own right. I use the word "servant," not to belittle those, but because that is the legal phrase which is used.

(1445)

Madam Minister, as I say, I don't intend to — I don't know that I would urge Madam Minister to call an election on this issue, but I do believe that the removal of the licensing of a salesman does limit the protection given to consumers and does curtail the protection given to consumers. It may make life easier for the dealers, but I think there are going to be circumstances in which consumers would have wished that we had continued to license salesmen.

HON. MRS. DUNCAN: — Well, perhaps I can indicate to the member that individual salesmen

who work for a motor dealer are just required to be licensed, and that's all. They don't have any bonding requirements or things of that nature because, as I said before, the motor dealer by whom they are employed is ultimately responsible for any actions of his salespeople beneath him. And I might also indicate to the member that the Saskatchewan Motor Dealers' Association are in favour of this move.

MR. SHILLINGTON: — I have no doubt but what the motor dealers are in favour of it, and I'm not — I also am in favour of anything that can be done to lighten the paper burden of small-business men if it can be done without impairing the protection given to consumers.

All I say, Madam Minister while doing a favour to the motor dealers, you may now have curtailed the protection given to consumers, and I question whether or not the move should have taken place.

Clause 1 agreed to.

Clause 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 85 — An Act respecting Film and Video Classification

Clause 1

MR. SHILLINGTON: — I have no quarrel with the thrust of this again, as I said in second reading, Madam Minister.

My comment on this Bill will be very much the same as the comment on the last one, and that is, I gather that projectionist are no longer to be licensed. And the complaint here, Madam Minister, comes in fact from the projectionists and on behalf of the projectionists. I gather that the licensing provisions of this Bill acted in something in the nature of a guild in that it provided and ensured that projectionists would have training, and that those acting as projectionists would, in fact, be trained and able people.

Madam Minister that provision has been removed — with it the protection, I suppose, given to skilled tradesmen who have developed these skills has also been removed. Madam Minister, the projectionists now have no protection, and I suppose, to some extent, the public don't either, although it may be less serious. I suppose the worst that'll happened to the public is they'll get the reels mixed up, and you'll watch the middle of the movie first or something.

But, Madam Minister, I wonder why, again, you deleted the licensing provisions of the projectionists. I gather it was done — and this is an equally serious objection — I gather it was done without discussing it with film projectionists. And they have registered an objection with myself on those lines, and I would ask for your response to that, Madam Minister.

HON. MRS. DUNCAN: — Well, I would indicate to the member that the historical reason for licensing of projectionists was that years ago projectionists — or projectors, I won't say projectionists — projectors posed a potential fire hazard, which was very serious when they used the old celluloid films and the huge, big reels, and they were all open. And they had generated a fair amount of heat in the old type.

And at that time, competency examinations and licensing helped to minimize the risks, but I might indicate that the modern projectors do not pose a significant fire hazard, in particular, because of built-in safety features such as three circuit breakers and that type of thing. And most of them are dealing with, simply with a cassette-type, enclosed cartridge today.

I don't think that the removal of the requirements for projectionists will be potentially harmful. Theatres are still covered by existing fire regulations and building codes and are subject to inspections by inspectors whose sole job it is to make sure that these buildings and fire codes are, in fact, being carried out.

With regard to the concern, I might add that I have also had a letter from the projectionists and from the head of the SFL (Saskatchewan Federation of Labour). Nadine Hunt. I do not feel that these changes will, in any way, alter the fact that these people will still be members of a union with a union contract. And I think collective bargaining should never depend, or doesn't depend on whether people are licensed or not. And I think their union contract is still in place, and this in no way should alter that fact.

MR. SHILLINGTON: — Madam Minister, I dare you to suggest that to doctors, lawyers, dentists, engineers, architects, and a wide variety of other professional people who have, in fact, guilds. That's, in fact, what they are designed for — to further, not only the interests of the public, but the interests of the members of that industry.

The very least I think you could have done, Madam Minister, was discuss with the projectionists in advance, and understood their point of view before you removed, what is for them, a very important protection.

Madam Minister, you have, I think, perhaps correctly outlined the need for, or lack of it, for licensing of projectionists from the point of view of theatre owners, but there's more people in this world than employers. There's also employees. And once again this government, on this issue, as it has on so many others, taken the point of view of the employers, listened to it and assumed that that's the only point of view. It isn't Madam Minister. You would have been well advised to talk to the projectionists in advance.

Once again, without holding up this Assembly unduly, I want to register our protest against this move, done, as it was, without any proper consultation.

HON. MRS. DUNCAN: — I might indicate to the member that Mr. Hartt, the chairman of the film classification board did in fact speak with members of the projectionists' union prior to the introduction of the Bill.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, just a last comment. Are you suggesting that prior to the Bill being introduced, the IATSE people, the International Alliance of Theatrical Stage Employees, knew that the Bill contained provisions no longer requiring licenses?

HON. MRS. DUNCAN: — Yes, they were informed by Mr. Hartt.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, you then would think that if you received a letter saying that in perusing the proposed changes our two locals were aghast to note that clauses 5 to 17 under "operators and exhibitors" had been completely left out, that whoever wrote that letter was misinformed, and that they, in fact, knew that there would be a removal of those licensing provisions.

HON. MRS. DUNCAN: — Yes, they were aware that the new Act which was going to be introduced would contain that deletion.

HON. MR. BLAKENEY: — Just one last question along that line. You have the same letter obviously. You're reading it. Are you then stating that you cannot understand that comment since clearly they had been advised, they say, "in perusing the Bill?" They obviously didn't get the Bill until it was introduced. In perusing the Bill they are amazed.

You tell me they knew it all the time. Are you suggesting that you stand by your story that

they knew that this was going to be removed from the Bill; the registration provisions were going to be removed from the Bill before the Bill ever hit the Table here, and that if they were amazed on perusing the Bill, it must have been because of a failure of communication between the people who Mr. Hartt spoke with, and the people who wrote the letter, or some other similar explanation?

HON. MRS. DUNCAN: — I can indicate to the Leader of the Opposition, as I did before, that Mr. Hartt, the chairman of the Film Classification Board, was in contact with Mr. Brown and Mr. Corrigan of the International Alliance of Theatrical Stage Employees Local 295, and he indicated to them that when the Bill was introduced that they would no longer require licensing by the department.

I appreciate the tone of the letter, but it may have been miscommunication, too.

Clause 1 agreed to.

Clause 2 to 18 inclusive agreed to.

The committee agreed to report the Bill.

(1500)

Bill No. 95 — An Act to amend The Saskatchewan Insurance Act (No. 2)

Clause 1

MR. SHILLINGTON: — Madam Minister, just a comment with respect to the inclusion of disability in insurance and annuities I the definition of “insurance” as it’s explained in section 3 of the explanatory notes. I just want to say that I trust there will indeed be some active regulation of the disability and . . . of the disability insurance business. I have found this particular industry to be fraught with difficulties in terms of coverage. I have found policies ambiguously worded, coverage hard to enforce, and the industry generally, I have found, lacks the kind of ethics that we have come to expect of life insurance companies.

So I hope indeed that there is some rigorous . . . I hope indeed this government breaks precedent and . . . (inaudible). . . regulates the disability insurance business. It is an industry, in my experience really as a lawyer rather than a MLA, it is an industry in my experience that is fraught with difficulty. There tends to be an abnormal number . . . There are many reputable companies in the industry providing good coverage in an area that’s needed, but there are some companies which are not reputable and who deal with their clients in a fashion which is less than exemplary.

I don’t know whether, Madam Minister, you have any comment on that. If you do, I’ll give you an opportunity to make it.

HON. MRS. DUNCAN: — I might indicate to the member that we regard the insurance industry as a fairly reputable one, one that is trying to maintain high standards of integrity. I also might indicate to the member that any policy must be approved by the superintendent of insurance on whatever type of insurance you’re dealing with before that particular policy can be full to the public.

And what we're trying to accomplish with the Bill is to allow the industry to work perhaps a little closer with the superintendent of insurance to maintain high ethical and educational standards.

MR. SHILLINGTON: — I also, Madam Minister, have found the insurance industry to be reputable. But I found most of the exceptions to that in the disability insurance business.

Madam Minister, with respect to the council established under section 467 and other sections, 466, what powers do you envision would be delegated to the council?

HON. MRS. DUNCAN: — The thing that we're looking at, hon. member, are outlined in section 8 of the Bill, and it states:

Without limiting the generality of subsection (3), the Lieutenant Governor in Council may make regulations granting to a council, on any terms and conditions that he considers appropriate, the power to:

- (1) accept and exercise powers, functions and responsibilities delegated by the superintendent;
- (2) establish the educational, training and other standards and qualifications required for the licensing or registration . . .

In general, we are looking at self administration; we're not looking at letting an industry regulate itself. But certain of these functions could, in essence, be turned over to that specific industry; you know, establish codes of ethics and that type of thing. But anything that they suggest would be run through the superintendent of insurance.

I really believe that governments and industries must work more in concert with one another to get things going and maintain certain levels. Industry should know exactly what government expectations are and what the public's expectations are, and I think that if we were to have a council establish, say, the training courses that would be required to get a . . . to be able to sell disability insurance, or life insurance, or that type of thing — let them run it. It would still have to be approved by the superintendent of insurance in all cases, and any powers delegated to the council or councils would have to be done by order in council.

MR. SHILLINGTON: — Madam Minister, I accept what you say except that I wonder why . . . what subsection (g) of section 467 adds to section 4 of section 466.1. In addition to giving the Lieutenant Governor power to delegate powers to the council, you give the superintendent the authority to delegate some of his functions.

I'm wondering what subsection (g) of section 467 adds to subsection 466.1.

HON. MRS. DUNCAN: — 467(g) and (h) means that the superintendent of insurance will only be able to delegate powers to the council if he is authorized to do so by the Lieutenant Governor in Council.

HON. MR. SCHOENHALS: — Mr. Chairman, I wonder if I could have leave to introduce some guests?

Leave granted.

INTRODUCTION OF GUESTS

HON. MR. SCHOENHALS: — Mr. Chairman, it gives me a great deal of pleasure to introduce to

you and to the rest of the Assembly a group of 53 students from Greystone Heights Elementary School in Saskatoon. They're in Regina today visiting the legislature. I had the pleasure of spending an noon hour with this class a week ago, and I assured them that today would probably be the last day of the legislature. Obviously we haven't quite got to that point yet.

But the group accompanying them, the teachers are Barb Wright, Suzanne McNeill, and Jackie Semchuk. I think I should point out that about 100 years ago Jackie Semchuk was a student of mine in one of my early teaching assignments.

There are also a number of people accompanying them. And I would like to indicate that we'll get together at 4 o'clock, and to the students we'll pick up our conversation where we left off last day. And I would hope that all members of the legislature would join me in welcoming this class here today.

HON. MEMBERS: Hear, Hear!

COMMITTEE OF THE WHOLE

Bill No. 95 — An Act to amend The Saskatchewan Insurance Act (No. 2)

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

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

MR. SHILLINGTON: — I would also like to thank the minister and officials.

Bill No. 72 — An Act respecting the provision of Financial and Other Assistance to Urban Municipalities and Hamlets for Capital Works Projects

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

HON. MR. EMBURY: — Mr. Chairman, to my right is the deputy minister, Dave Innes. To his right is Ron Davis. Behind me are Ken Smith, Del Fuchs, and Jim Anderson.

Clause 1

MR. SHILLINGTON: — Mr. Chairman, we have plenty of concerns about this Bill. I expressed them in second reading. I have no unanswered questions, and therefore I simply make the announcement that while we are not raising any questions, that's not to be interpreted as meaning we have no concerns. We have plenty. But they were raised in second reading.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 91 — An Act to amend The Urban Municipality Act, 1984 (No. 2)

Clause 1

MR. SHILLINGTON: — Mr. Minister, there is an issue that was raised, I have to frankly confess,

raised by the chamber of commerce in the legislative report. And I didn't really catch it until I saw it there.

The issue, Mr. Minister, has to do with section 313.1. The section would prohibit lawsuits against Saskatoon and Regina by insurance companies. I guess the House amendments don't deal with that subject. Section 313 would prevent lawsuits against Saskatoon and Regina by insurance companies arising from the storms of 1983. I think the problem arises (a) with respect to that. I'm not sure, when an institution has a budget of some several million dollars, it ought to be protected from liability. It simply ought to make its own arrangements with insurance companies and insure against whatever liability it may have.

A second problem is that there's no definition of an "extraordinary natural event." I'm sure that they were referring to the storms of 1983, but the member from Meadow Lake is quite right. There are a goodly number of people in this city who regard the results of April 26, 1982 as an extraordinary natural disaster. It is reversible, I suppose, as the storms are not, Mr. Minister, but I wonder if it wouldn't have simply been wiser to refer to those storms than to have left a definition which is really quite wide, and the interpretation of which must necessarily be subjective.

(1515)

HON. MR. EMBURY: — Mr. Chairman, the intent of section 313.1 — point 1 I should say — is to do just that, and that is to protect municipalities from liability because of acts of God, so to speak. It is not to protect, it is not intended to protect municipalities from any errors that they would have made. They'd be still liable for that.

As I understand it, this request obviously was made by the urban municipalities because over the years case law had eroded their defence on these grounds, and that they felt, and as did our Department of Justice who went over this, that this would put back into place what had already been there before and had been eroded over the years by case law, and that is that municipalities would not be held liable for damages caused by acts of God, so to speak — floods, or what have you.

It certainly does not . . . it still does not . . . it still leaves them liable for any errors that they may commit, and they are obviously liable for that. But this was under study for some time by our Department of Justice, and in conjunction with the urban municipalities association this was put together, and we feel that we'll adequately protect those municipalities from that . . . from those events.

MR. SHILLINGTON: — Yes, I guess since the member from Lloydminster has said it, you said was to protect the municipalities against the acts of God, I really wish that this government would leave it to God — the municipalities and the insurance companies — to sort out their own problems without us interjecting ourselves on one side of the other, Mr. Minister.

I don't want to . . . I want, Mr. Minister . . . (inaudible interjection) . . . No, I wasn't' doing my best to interpret the member from Lloydminster as fairly and impartially as I could. I resent any suggestion that I might have placed an unfair interpretation on your remarks.

Mr. Minister, I want to go to section 314. I want to go to section 337, rather. This is a section, Mr. Minister, which places a one-year time limit on the urban municipality, and that's one matter. But most obnoxious is the section which puts a 14-day limit, which requires notice in writing within 14 days. I recognize that it's now, I believe it's now seven, but either time limit is completely and utterly unrealistic. In many cases, potential litigants are not out of the hospital within this time, much less give notice.

There is only one purpose, and one purpose only for this section — that's to limit the liability of

municipalities. It is a testimony to the skill with which municipalities are able to lobby that they have managed to maintain this unfair and unprecedented protection against the ordinary persons, Mr. Minister.

And I wonder, Mr. Minister, if any consideration was given to treating the urban municipalities as every other legal entity is treated, and that is to require them to do their own investigation as soon as they are notified. That's the way insurance companies are treated. That's the way individuals are treated. It's the way companies are treated. And I for my part cannot see, apart from the lobbying power of municipalities — I for my part cannot see why municipalities can't be treated in the same way.

HON. MR. EMBURY: — Okay. Mr. Chairman, this section, the days, the 14 is not new. This 14 days is the same as was in the Act previously. It is there really so that municipalities — so there's a certain time frame within which municipalities can go and assess where the problem is. If it was a pot-hole in the street and you allowed a three-month claim time, no doubt the pot-hole wouldn't be there. The municipality would have fixed it up, and they would have not way of assessing what damages should be given to the complainant.

So the 14 days is really the time frame that has been there for sometime, and which they feel, or it has been felt, that the municipality itself could take a look at what ever the problem was — normally it's a pot-hole or cracks in the sidewalk or something — prior to fixing it up. And if you left it for three months or six months, then no doubt the problem wouldn't e there, and no one could assess what damage would be there.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, what is the companion provision in The Highways Act? I would think it's good deal longer than 14 days. And the same arguments would apply that . . . You have to understand what we're doing here. We're taking away a citizen's rights to sue the city if the city has been negligent, and we're only going to . . . The citizen, who won't know this, and who will only later — he may be injured — only later to consult a lawyer, and when he consults a lawyer his legal rights are gone. Fourteen days is a very, very short time for people who probably have medical problems as a number one problem, and legal problems as a number two problem . . . (inaudible interjection) . . . Well, I think six months or a years seems to me the sensible arrangement.

If it were not the city of Regina's street, but if it were the Southland Mall's parking lot where the same considerations might apply, no one would suggest that the Southland Mall would get away with inside a year. And presumably they've got the same problems of assessing what the pot-hole looked like, and whether or not they have been doing something about it.

The short question is why the cities and towns have this very, very short period of time; this very, very great protection against the citizen who ordinarily is not out there trying to sue anybody anyway, when, let's say, the Southland Mall or anybody else who may have streets or lanes, enjoys no such protection and doesn't seem to be beset with lawsuits. I wonder why we shouldn't be making that six months rather than 14 days.

HON. MR. EMBURY: — Well a couple of things, Mr. Chairman. I would point out to the Leader of the Opposition, of course, that this is no change from the previous Act. But what we have done — and I point out also that this period that we're talking about of 14 days is a notice period — we have extended the liability from three months to 12 months under the urban Act so that municipalities are liable now up to 12 months after the act, not three as was previously the case.

So there has been no change in the notice period of 14 days, but we have extended the time that municipalities are liable, from three months to 12 months, for much the reasons that the member has stated. And I don't know, Mr. Chairman; I don't have that information, nor do my officials, on whether this lines up with The Highways Act or not.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I am reading this section and the one before it — the new 313.1, the extraordinary natural event, and 314. And I am looking at those two sections in association with the last two subsections of the Act, of the Bill, dealing with the time of assent.

I am wanting to ask the minister whether or not there are any lawsuits in question. Are any under way? I'm looking at section 36, and it says that in effect liability is wiped out, and it is made retroactive to January 1, 1983.

And I want to know whether we are taking away anybody's rights who may have already started a lawsuit, may have indeed proceeded with it, and now finds that the legislature is saying: you don't have any action; you had an action when you started the lawsuit, when your lawyer advised you and when you paid the money and when you've undertaken the expense, but three-quarters of the way along, when you had a perfectly good lawsuit, the legislature has come along and cut you off at the knees.

Are you aware of any legal actions pending, particularly with respect to the extraordinary natural events referred to in the new section 313.1?

HON. MR. EMBURY: — Mr. Chairman, the retroactivity, of course, as the member points out, is to section 36 which deals with the extraordinary events. We are not aware of any individual cases that would be affected by this retroactivity, but certainly the retroactivity is in there because of the insurance companies suing the cities of Regina and Saskatoon for damages they say they were responsible for because of the floods. We disagree that that should be allowed.

If they were successful, the cities would be liable for a sizeable amount of money which the taxpayers and the property owners would have to pay, and we feel that, looking at the history as advised to me by the Department of Justice, that what we are doing in section 36 is really bringing back to the municipalities the defence that they once had some years ago, and that defence has been eroded over the years by case law, and that we are trying to re-establish that, and that's really protecting the public's interest and the taxpayers' interest.

You'd asked a moment ago on section 37, with respect to the 14-day notice period, whether that should be expanded to six months or some other time. Section 314(2) of the current Act, The Urban Municipality Act, will allow a judge to waive that 14-day notice if he feels there is cause.

(1530)

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I don't know whether it has been brought to your attention that the court of appeal in a judgement, a recent judgement (and it's a little later that that, was critical of the legislature for enacting retroactive legislation that had the effect of cutting of somebody's legal case. And it involved the retroactive application of some provisions of The Automobile Accident Insurance Act and therefore is not strictly relevant to what I am talking about, except that it deals with the legislature affecting — redefining — legal rights and making it retroactive.

This is *Zadvorny versus SGI*, and number 8292 and Messrs. Tallis and Cameron are the court of appeal judges — Tallis and Cameron:

I think it would be fair to say . . . the legislature has seen fit to pass retroactive legislation to make clear that the insurance coverage it intended to provide under the circumstances existed in this case if \$35,000 and not \$100,000 . . .

As one of the judges said, "We are bound by the retroactivity." The other two said, it's so

abhorrent that we're not going to be bound by it, in words to that effect.

This was a case where the action was rolling along, and in between trial and the court of appeal this was passed.

I would hope that we're not doing that in this case. I would hope that somebody hasn't started a legal action where they have . . . on the basis of the law as it existed when they started the action, and then the legislature is coming along and saying, fine, that was the law when you started the action, but we want to change the law, and we don't think you should have a right to recover.

That seems to me to be pretty vigorous, and I would want to think that the legislature had that fully in mind before they did it because ordinarily people, when they start a legal, should know that if the law is going to change it's going to change prospectively and not retrospectively.

It is an unusual act of the legislature to make legislation retroactive. It's not uncommon to make it retroactive a few months, particularly when we're calculating grants or taxes or the like. But when we're dealing with rights in tort, or dealing with claims that people may have based upon the state of the law when they launched the action, ordinarily it's quite unusual for the legislature to change the basis of the claim and take away their claim when they're nicely along in the action.

They may well be justified in this case. I'm not asserting that at this point, I'm asking the minister whether he knows whether any legal actions have been commenced which will now be rendered ineffective because we are changing the law.

HON. MR. EMBURY: — I believe, Mr. Chairman, that the actions by the insurance companies against the municipalities of Regina and Saskatoon have been started. And I truly hope that this makes them ineffective because if it doesn't, the cities of Regina and Saskatoon will be looking at a tune of 20 or \$30 million which the taxpayers, I'm sure, will be delighted to pick up, if they were successful.

As I say, the background of this — as I'm advised, and I'm not aware — the background of this section is such that it is putting back into place that protection that municipalities had some time ago and which has been eroded over time through court cases. We don't, as a government, think it should be the liability of the municipalities to be liable for acts of God. If we get six inches of rain in two hours and the storm sewers aren't designed for it, we don't think that the municipalities should be liable for it.

There are no individual claims that we know of. In fact, the individual — the reason that the cities are being sued, obviously, is because the individuals have claimed against their insurance and have got their money and have fixed their homes back up, and now the insurance companies are trying to go back against the municipalities, and we don't feel that that's fair. If it had been an error or had been something that the city had designed incorrectly, they are still liable for that. But for acts of God I'm advised that this had been the case, or assumed to be the case, over the years, but this to try and put that back into place.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, thank you for advising that you are not aware of any individual claims with respect to the insurance companies. I imagine that the biggest primary litigant then would be SGI since it obviously had much of the coverage.

I'm not sure that the section says what the minister says it says. It seems to me that no urban municipality is liable, based on nuisance, for damage suffered by any person by reason of the overflow of sewers, road, drains, or ditches, caused by an extraordinary natural event. Clearly if there's overt negligence, you may still be able to be sued because that may not be caught by the word "nuisance," based on nuisance.

But I am far from convinced that all we're doing is saying that if it's an act of God the city doesn't pay. I think we're saying a great deal more than that. I think we're saying that if the city was guilty of a number of actions or non-actions, all of which might add up to nuisance, then the city still doesn't pay even though they might well be thought to be at fault. And perhaps it's all right. I'm not going to argue it again. It just seems to me that if the city wasn't liable, if the city didn't do anything wrong, they're not going to be found at fault by the court.

So obviously passing this in order to take away from the litigant some claim he now has against the city and, as I say, if the city wasn't negligent, they are not going to be held liable by the courts, and we are obviously wanting to strengthen the hand of the city in some way. I think this type of legislation after the event is something which we ought not to encourage.

HON. MR. EMBURY: — Well, Mr. Chairman, then I'm not a lawyer and the member across is, but if I read that section, I think that the operative words of course is that if the overflow is caused by an extraordinary natural event, none of the above, of course, would leave them free of liability if the overflow was not caused by an extraordinary natural event. So I don't know. I've outlined for the member the purpose of the section, and I suppose in our society any law can be challenged in the courts, and we'll see what transpires.

Clause 1 agreed to.

Clauses 2 to 14 inclusive agreed to.

Clause 15 as amended agreed to.

Clauses 16 to 21 inclusive agreed to.

Clause 22

MR. CHAIRMAN: — Proposed House amendment, moved by the Minister of Urban Affairs, section 22 of the printed Bill:

Add the following section after section 22 of the printed Bill:

23. Section 161 is amended:

- (a) by striking out "Subject to The Vehicles Act, 1983," and substituting "A"; and
- (b) by renumbering it as subsection (1) and adding the following subsection:

(2) The approval of the Highway Traffic Board is required with respect to a by-law passed pursuant to subsection (1) that:

- (a) is consistent with The vehicles Act, 1983; or
- (b) regulates the speed of vehicles or designates routes of vehicles pursuant to clause 1(d), on any portion of the extension of a provincial highway, as defined in the Highways and Transportation Act, that lies within the boundaries of the urban municipality.

Clause 22 as amended agreed to.

Clause 23

MR. CHAIRMAN: — Proposed House amendment to clause 23, moved by the Minister of Urban Affairs, sections 23 to 42 of the printed Bill:

Renumber sections 23 to 42 of the printed Bill as sections 24 to 43 respectively.

Clause 23 as amended agreed to.

Clauses 24 to 42 inclusive agreed to.

Clause 43

MR. CHAIRMAN: — Proposed House amendment moved by the Minister of Urban Affairs, section 43 of the Bill:

amend section 43 of the printed Bill:

- (a) by renumbering it as section 44;
- (b) by striking out “28” and “29” in the first line of subsection (2) and substituting “29 and “30,” and
- (c) by striking out “36” in the first line of subsection (3) and substituting “37.”

Clause 43 as amended agreed to.

The committee agreed to report the Bill as amended.

(1545)

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

Clauses 1 to 15 inclusive agreed to.

HON. MR. EMBURY: — Mr. Chairman, before I move to report the Bill, I’d like to thank my officials for their work this afternoon. I move to report the Bill.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 67 — An Act to amend the Motor Dealers Act

HON. MRS. DUNCAN: — Next sitting, Mr. Speaker . . . Now, and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 85 — An Act respecting Film and Video Classification

HON. MRS. DUNCAN: — Now, Mr. Speaker, and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 95 — An Act to amend The Saskatchewan Insurance Act (No. 2)

HON. MRS. DUNCAN: — Now, Mr. Speaker, and I move it be passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 72 — An Act respecting the provision of Financial and Other Assistance to Urban Municipalities and Hamlets for Capital Works Projects

HON. MR. EMBURY: — Mr. Speaker, I move that Bill No. 72 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 91 — An Act to amend The Urban Municipality Act, 1984 (No. 2)

HON. MR. EMBURY: — Mr. Speaker, with leave, I'd read the amendments the first and second time.

Motion agreed to.

HON. MR. EMBURY: — Mr. Chairman, with leave, I move that Bill 91 be read a third time and passed under its title.

Motion agreed to and Bill read a third time.

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

HON. MR. EMBURY: — Mr. Speaker, I move Bill 104 be read a third time and passed under its title.

Motion agreed to and Bill read a third time.

ADJOURNED DEBATES

SECOND READINGS

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

HON. MR. BLAKENEY: — Mr. Speaker, I had made a few remarks in this debate before, but I want to talk about this Bill, and I want to talk about it in the context that the Minister of Finance has talked about it in his budget and many times since, and that is in the context of a tax reform, in the context of an overall tax reform which he says is needed to make our tax system more fair, to make it more simple, to make it neutral in its economic effects, and to raise more revenue.

And, Mr. Speaker, I will not dwell at length on whether or not his change in the sales tax makes our system more or less neutral from an economic point of view, but I do want to talk about whether or not this change in the sales tax will make our tax system fairer or less fair, simpler or less simple, whether it will raise revenue, and whether it is consistent with the commitments given by the members opposite when they were campaigning for office in 1982. So under those headings, Mr. Speaker, I will be talking about this Bill.

First, a word or two about what the Bill contains. It is somehow sometimes referred to as applying a tax on used cars and trucks. It applies a tax on a good many more things than used cars and trucks. It will apply taxes on trucks, power units, buses, trailers, motor cycles, motor homes, vans, snowmobiles and, indeed, quite a few other things which may well be covered by the definition of whether or not a vehicle could be registered.

I don't want to get into the details because we can do that in committee. But the guts of it is, if you have a vehicle and it could get a registration certificate, could put a plate on it and run it on the highway, then you have to pay a tax on it when it is sold second-hand.

And a couple of exemptions are built into the Act, dealing with boat trailers and farm production machinery and construction production machinery. But once you've excluded those exceptions, then everything that could have a plate on it, that you could get registered, that could be a vehicle, that could be the subject of a registration plate, is covered. And if it's sold as second-hand, then it's taxed.

The tax arrangements which we now have say that when these vehicles are new, or when they're brought into the province if they're brought in as second-hand, then they pay the tax — once and once only. If it is sold a second time, or a third time, or a fourth time, there's no tax.

Now overwhelmingly, Mr. Speaker, new vehicles, when sold in this province, are sold by vehicle dealers, like car dealers. And they gather in the 5 per cent sales tax and they remit it and that's the end. If the car was sold in this province, then you pay the tax once when it's purchased new, and that's the end of it.

Also overwhelmingly, Mr. Speaker, when second-hand vehicles are brought into this province, they're brought in and sold for the first time by a dealer. There are exceptions for people moving into the province, but so far as the sale of second-hand vehicles is concerned, the first sale is very, very frequently done through a dealer. That is because many, many motor dealers have arrangements of bringing in good second-hand vehicles from other provinces because this province has always proved to have a strong market for second-hand vehicles.

So what we have now, Mr. Speaker, is a pretty simple system where the very large part of vehicles, both the new vehicles and the second-hand vehicles which are sold for the first time in Saskatchewan, are sold through motor dealers who collect the tax, remit it, and it's all over.

The proposal which we have before us would set up a very different tax system. It would say that when you bought a new vehicle, you would pay the sales tax on the difference between the new vehicle and your trade-in. And then every time that vehicle was sold, it would bear a 5 per cent sales tax on the sale price. If it was sold and traded in on another vehicle, then once again the 5 per cent sales tax would be on the difference.

It may be argued that the tax will be collected on approximately the same amount of money, although that is obviously not true since otherwise the tax wouldn't collect more money, and it does collect more money. We'll come to that in a moment.

The nub of this Bill is that the tax will be collected again and again and again. Well let's look at this system proposed by this Bill as opposed to the one which we now have, and let's ask the minister's questions. Let's ask the minister's questions. Is it more fair? Is it more fair? Well let's ask ourselves who ordinarily buy new cars and who buy used cars. And, Mr. Speaker, used cars are overwhelmingly bought by people who are better off than people who buy used cars. That will come as no surprise. It's almost axiomatic.

But the facts are obvious. People of wealth tend to buy new cars. People without wealth tend to buy second-hand cars. People with a good deal of money buy new cars every year or two if that's their fancy. People without very much money don't buy a new car every year or two. And that's self evident.

I have got a son and a daughter . . . two sons and a daughter who at one time or another bought cars. They're each relatively young, and no one of them has ever bought a new car because they've always been wanting to buy their own car with their own money, and they don't have the 10 or 12 or \$14,000 to plunk down which a new car involves.

(1600)

So I say, Mr. Speaker, we're looking at the question of fairness, and we're looking at a wealthy

person who buys a \$20,000 car and turns it in every two years. And he save a great deal of money by this Bill. He saves a great deal of money.

Bu the person who buys a second-hand car at \$3,000 a year, or buys one every two years at \$3,000, he pays a great deal more money.

And the short question is: if we're aiming at fairness, do we take taxes off people who can afford new cars and put them on people who have to buy second-hand cars? The question — to ask it is to answer it. It is less fair system. It is a system which takes money out of the hands of people who are less able to pay than the current system, and it takes fewer dollars out of the hands of people who are well able to pay.

If members opposite, or anyone else, feel that that argument is defective, I know they will enter the debate and explain where the defect is. It's obviously not perfectly true that buying new cars is perfectly correlated with wealth and buying second-hand cars is perfectly correlated with lack of wealth. I know that. But overwhelmingly that is the direction. Overwhelmingly, therefore, to take taxes off new cars and put them on to second-hand cars is to take taxes off the wealthy and put them on the less wealthy. No question of that. So on the basis of the minister's test of fairness this Bill fails, and fails very, very substantially.

Now let's ask the next test. Let's look at the next test which the minister himself applies. That is the test of simplicity. He says out tax system should be simple. Well, Mr. Speaker, if we want to collect taxes on vehicles, what is simpler than to collect taxes on vehicles, what is simpler than to collect it once, when the vehicle is new. That's what we do with washing machines, and that's what we do with deep freezes and refrigerators and TVs. Nobody says that it's somehow fairer or more simple to have taxes on second-hand washing machines or televisions or deep freezes. Of course not, because it's far more complicated.

Mr. Speaker, the tax is said to be raising \$7 million a year. That means, by my calculations, that the rough and ready value of used vehicles transactions that would be taxable — in some cases the value of the vehicle, and in some cases the difference — would be \$140 million a year. And if we say that the average price of a used car is \$5,000, and I think that's on the high side, we have an additional 28,000 transactions, and that's a very, very low estimate, Mr. Speaker. So in order to make our tax system simple, we are going to levy taxes on another 28, 30, 40, 50,000 people; have that many more forms filled out; that many more applications to the Saskatchewan Government Insurance; that much more red tape. That's what the Bill provides for, and the minister says it's all part of a system of making our tax system simpler. On that basis, Mr. Speaker, it fails — it fails miserably.

No one can suggest that it is simpler to tax particular vehicle four or five times, if it changes its hands four or five times during its useful life, than it is to tax it once. Nobody can mount that argument, and nobody has tried. They have simply said, and the Minister of Revenue and Financial Services said, well, it's done in other provinces; they make it work there.

And the report indicate that there's all sort of leakage, and there are all manner of problems with it, or when vehicles are transferred from one family member to another — and that is readily acknowledged — no one can suggest that this makes the tax system simpler. And on this basis, Mr. Speaker, the tax system is not made more simple, but more complicated, and on the minister's test it's a bad Bill.

Well I turn now to the question of whether its raises revenue. And the answer is, yes, it does raise revenue. We're not expected to have any more new car transactions in the province, or any more used car transactions in the province because this Bill has passed. And yet on the government's own say-so, this is going to collect an extra \$7 million a year. The only reason for the Bill is to extract more money; and the Bill extracts it from the wrong people.

There's no shame in raising taxes, Mr. Speaker. There is a shame in raising taxes when you're trying to get the money from the less well-to-do, and collecting less money from the people who are more well-to-do. That's what this Bill does and, indeed, indeed, the people who vote for this Bill should be ashamed, if they believe in tax fairness.

Mr. Speaker, I want to turn now to the other heading that I mentioned, and that was commitment, and commitment was a word which we heard a lot of in 1982. We did indeed. And we heard a lot of people make promises, and they made them orally, and they made them in writing — and they made them in writing.

And we have here a booklet called *Pocket Politics*, a quick reference on PC policy for candidates. And, Mr. Speaker, I want to deal with the one which deals with taxation, and it says:

A PC government would battle inflation by phasing out the provincial sales tax.

Phasing out the provincial sales tax — that's what *Pocket Politics* says.

Here, Mr. Speaker, is another one which says "Commitment" (and this one has a picture of the Hon. Grant Devine, the now Premier) and it goes on to say:

The sales tax on clothing and utility bills will be eliminated, and it will be the first phase of a new PC government's commitment to the complete elimination of the sales tax in its first term of office.

That is the question — that is the question. And what we have to ask ourselves is: is the Bill before us one which advances this commitment or retards it? Does this take less money from the public through sales tax, or does it take more money from the public through sales tax? And their own budget answers the question: it takes more money from the public through sales tax.

Mr. Speaker, I have one here which says . . . an advertisement which says: "Baker for Biggar" and it's going to . . . That one indicates that they also are going to get rid of the sales tax.

Here's one about . . . from . . . "We're voting PC; we're voting for Myles Morin."

MR. SPEAKER: — Order, please. The member knows that he is not allowed to name members. If you want to address members by their constituency, that's fine, but you're not allowed to name members.

HON. MR. BLAKENEY: — I raise a point of order.

MR. SPEAKER: — What's your point of order?

HON. MR. BLAKENEY: — My point of order is that I am quoting from an advertisement which reads in these terms: "We're voting PC for Myles Morin because . . ." And I assert that that's within the rules, and I assert that I can read this even though it now . . . that the person who was elected is now a member.

MR. SPEAKER: — Order, please. Once a member has been elected, you can refer to that member by his constituency and it does the same thing that you're doing, and it's not permissible here to use the names of members.

HON. MR. BLAKENEY: — Mr. Speaker, are you ruling — and I just want to be clear on the ruling — are you ruling that I cannot read an ad which has the name of a person who is now a member and read the name?

MR. SPEAKER: — Yes I am.

AN HON. MEMBER: Challenge the ruling.

HON. MR. BLAKENEY: — Well, it's not worth while. I'm going to go on and we'll talk about . . . We're voting PC for the now-member for the Battlefords because the now-member for the Battlefords, so the ad says, is for the removal of the gasoline tax and the removal of E&H tax, the removal of E&H tax. This one says the removal of E&H tax. That's what it says.

We have one here from . . . this one is the member, the now-member for the Canora constituency, and this one says:

Tax cuts. Remove the 5 per cent E&H tax.

This is what this ad says. Here's one for the now-member for Humboldt:

PC policies for good government.

This one says we . . . it proposes to quote:

Eliminate 5 per cent E&H tax over four years.

This is what the ad says. I hope people won't deny it. And I say that people who — and all of them virtually the same way — campaigned on eliminating the E&H tax, and they now have a Bill before us which increase the E&H tax, and I say that is a betrayal of the commitment made. Here is one, Mr. Minister, which says:

Vote for the current member for Kindersley. Authorized by the Kindersley PC Association.

And here we have something dealing with the sales tax, and it's going to be:

First phase of the new PC government's commitment to the complete elimination of the sales tax in its first term of office.

Note that. The complete elimination of sales tax in its first term of office. This is the current member for Kindersley. I could go on. There are many others, and they all say essentially the same thing; all say essentially the same thing.

Mr. Speaker, I have spoken about this Bill on the basis of simplicity, and I doubt whether anyone would dare stand in his place and say that this Bill is more simple than the current tax regime. I've spoken this on the basis of fairness, and I say that this Bill introduces a tax plan for taxing vehicles which is less fair than the one we have. I have spoken about revenue, and no one denies this Bill is raising revenue an extra \$35 million a year over . . . \$35 million over five years. And that is extra revenue. And I have spoken about this Bill on the basis of commitment, and I say that the commitments. The unambiguous commitments made by dozens of members opposite were commitments to eliminate the sales tax and not to increase it.

(1615)

We have, I think, established beyond the possibility of argument that this is an increase in the sales tax. The Minister of Finance cannot possibly say that he's going to get \$7 million extra this year by decreasing the sales tax. He obviously is increasing the sales tax. He is applying the tax to things which haven't been taxed before at all — many, many, second-hand vehicles. He is doing it in a way which is far less fair; he's doing it in a way is far more complicated.

Mr. Speaker, we have, I think, illustrated the facts that there will be 50 or 60,000, perhaps,

transactions which will be subject to tax, which are not now subject to tax. No one can suggest that that is going to simplify our tax system. Mr. Speaker, for the reasons indicated, I will be opposing this Bill.

Mr. Speaker, not only were these commitments given in 1982, but they were given consistently after 1982. And I have here a letter from the Premier's office to a constituent, and it is signed by a Mr. John McKenzie, executive assistant to the Premier, and it says among other portions:

In regard to your concerns, the provincial government plans to begin eliminating the 5 per cent provincial sales tax in the spring budget (and this is dated in the fall of 1982) and this tax will be lifted from as many products as possible.

Still saying this well after the election, still saying this well after the election, and they've eliminated it, their legislation has eliminated only the sales tax on power, and now puts it on second-hand vehicles. Takes off \$5 million and puts on \$7 million, by a party which promised again and again and again that it was going to eliminate the sales tax in its first term of office.

Mr. Speaker, it is now well over three years into the term of this government. If these commitments are to be honoured, some sales tax has to come off and has to come off pretty soon. And I don't see any indication that this is going to happen. The Bill before us adds to the sales tax.

Mr. Speaker, this Bill will cause a goodly number of problems. As is clearly illustrated in other provinces, the tax on used vehicles often results in collusion.

AN HON. MEMBER: — Collusion?

HON. MR. BLAKENEY: — Collusion. Collusion. Are we going to have a little army of inspectors seeing whether or not the prices set for used vehicles are the correct prices. We will have people having to sign affidavits and certificates when they go to register their vehicle. That, Mr. Speaker, is what we are heading into.

Not only does it cause collusion, but at least in the mind of Larry Johnsrude of the *Star-Phoenix*, it causes confusion. And we have a group of vehicles which are exempt, but a large group of vehicles which are caught by the tax. And we have a number of people who are selling second-hand vehicles, not through the ordinary processes of car dealers, but through the second-hand columns of the newspapers. These people are undoubtedly confused as to where they stand.

Members who attend auction sales will know that there is a good deal of confusion at auction sales as to just who is required to pay the tax. Theoretically, Mr. Speaker, I believe it is the vendor who is required to pay the tax. But at the auction sales they are sold ex-tax, and the purchaser must assume that he has to pay the tax. That indeed is an area of confusion.

We have had many evidences of confusion as illustrated by such headlines as, "Government clarifies used tax provision." What do you need to clarify something for if it's pretty clear at the outset?

But this tax, Mr. Minister, and Mr. Speaker, was not clear at the outset. It's a tax bathed in confusion and one, which for reasons which I have indicated, is particularly unfair to young people who deal through the second-hand columns of the newspaper — ordinary people, as the members opposite say in a scoffing tone of voice.

I make no apology for standing here and speaking on behalf of ordinary people. I know that members opposite or others who may be members of the legal profession, like myself, are not troubled by the confusion and the fact that the tax bears particularly heavily on people with

lower incomes. But I say that I am here to speak for people, ordinary people, people with ordinary incomes, people with incomes lower than mine, with incomes lower than most of my colleagues in the legal profession; and I think that these people deserved a voice in this legislature, and I am trying to be that voice.

And a fair number of members opposite will not have the courage to enter this debate, as I well know, as I well know, because they will not wish to stand and say they believe this tax to be fair, they believe this tax to be adding to the simplicity of our tax system. They will not wish to answer allegations that they made commitments in 1982 which are now being dishonoured. And so they will probably not enter the debate.

But I suspect that ordinary people will remember. They will ask whether or not their members of the legislature spoke on their behalf, and they will wonder whether or not those who profess to be their friends when seeking their vote, profess to say that they would lower the sales tax, would not . . . they will wonder why they did not stand in their place and at least say a word on behalf of the promises which they made, and will ask whether or not they stood in their place and voted against this imposition, particularly on young people.

It is a tax which goes against what the party opposite campaigned on. It's a tax which goes against the tax regime, which the Minister of Finance has indicated that he favours. It is a tax which bears particularly heavily on ordinary people. Mr. Speaker, I will be opposing this Bill on second reading, and I will seek to obtain a good number of answers to questions about it when the Bill comes before committee of the whole.

SOME HON. MEMBERS: Hear, Hear!

MR. YEW: — Thank you, Mr. Speaker. I'm pleased to take part in the debate regarding Bill 76. The Bill before us today, Mr. Speaker, the Conservative government's new tough Tory tax Bill on used vehicles represents a major betrayal of the Tory promise to the people of Saskatchewan.

They campaigned, Mr. Speaker, on the promise to cut taxes. Specifically they promised, every single Tory candidate promised, on its . . . The proof has been shown to members of the Assembly by the Leader of the Opposition where he stated and showed members of this Assembly a reference to *Pocket Politics*, which was distributed all over the province in 1982, Mr. Speaker.

We have commitment after commitment, including their leader of the Tory party, the member for Estevan, the Premier of this province, who made sound commitment to eliminate taxes. This is what he promised — the leader of the Tory party, the member for Estevan, the Premier of this province. He said, elimination of the 5 per cent sales tax on clothing and utility bills. But they backed down on that, Mr. Speaker. They backed down. And every candidate after him made similar commitments to the people of this province — lowering taxes, doing away with all those taxes.

The member for Battlefords promised, his commitments was removal of the education and health tax, and also elimination of the 10 per cent less provincial income tax. They've made all kinds of promises, Mr. Deputy Speaker.

I can go on and on. There's pages and pages of promises made, promises broken — promises made by members of that side of the House and promises broken. And yet they can sit there and gloat and heckle and jeer whenever those items are brought before the Assembly. They promised those tax cuts and a reduction of taxes during their first term of office, Mr. Speaker, during their first term of office.

They campaigned on a promise of tax cuts. They promised every single . . . and every single Tory promised to eliminate the provincial sales tax in their first term of office. But Mr. Speaker, have

they reduced it? No. Have they kept their promises? Definitely not. Have they honoured their commitment to eliminate the sales tax? No. Instead they have extended and increased the sales tax, Mr. Speaker, to include tax on used vehicles. It's a shame. It's a shame, Mr. Speaker.

Moreover they have done so in an unfair way. This sales tax increase is absolutely unfair. They preach tax reform. And we are in favour of tax reform and we are in favour of a simpler tax system, Mr. Speaker, a more fair tax system.

But this Devine PC government sales tax increase before us today does not meet that test, Mr. Speaker. It does not make the tax system simpler. It does not make the system more fair. It is a betrayal of their promises. It is a betrayal of their commitment to cut back taxes, and it demonstrates, Mr. Speaker, how hollow their commitments are towards tax reform. When the Devine Conservative government of this province says tax reform, they mean taxes and more taxes and more taxes, a heavier burden altogether for the people of this province.

Mr. Speaker, this does not merely extend — in terms of Bill 76 — this does not merely extend a 5 per cent provincial sales tax to used vehicles. It also extends . . . it includes an additional tax on trucks, power units, buses, trailers, motor cycles, motor homes, vans, snowmobiles, and naturally, Mr. Speaker, this will affect the traditional industries that we have in northern Saskatchewan. It will affect the trappers and the fishermen by way of their seasonal incomes while they're engaged in the commercial fishing industry or in the trapping industry.

(1630)

The new 5 per cent tax on used vehicles will cost Saskatchewan taxpayers an additional \$7 million per year. That means that there is about \$140 million in used vehicle transactions, Mr. Speaker. If we assume that the average transaction is \$5,000, and we are looking at about 28,000 used vehicle transactions per year — 28,000 transactions per year on which the Conservative government is now going to charge this regressive and unfair tax, Mr. Speaker. Mr. Speaker, this Bill we are debating today is a substantial increase in the provincial sales tax. This indeed, Mr. Speaker, is a tough Tory tax increase from the Devine government, introduced by the Devine government, and we should all note that it comes at the same time as another . . . and yet another tough Tory tax increase has been announced by the Mulroney government in Ottawa.

All members will know the wide range of tax, big tax increases recently imposed on ordinary people by the PC government in Ottawa. One of the most unfair of all is the increase of the federal sales tax — up from 10 per cent to 11 per cent.

MR. SPEAKER: — Order, please. The debate here is on The Bill that's before the House, and I'd ask the member to keep his remarks on that Bill.

MR. YEW: — With reference to the federal tax, Mr. Speaker, I merely wanted to point out that this provincial Bill 76 only compounds a burden which is there, and compounded with that is the burden that has been imposed on us by the government in Ottawa.

And what will the impact be, Mr. Speaker? The Devine government sales tax increase on used vehicles will cost Saskatchewan people an extra \$7 million per year or possibly more, possibly 7 or \$8 million a year.

The Conservative government in Ottawa will now be imposing a federal sales tax of 10 per cent. This federal sales tax increase will affect candies and confectionery, pet foods, soft drinks, fruit juices, and even health goods such as medicated creams, lotions, shampoos, soaps, and bandages, and the like.

And other items will be hit by this Tory budget with sales tax increases of 6 per cent, Mr. Speaker — heating pumps, solar furnaces, insulation materials. And then to make matters worse, all

federal sales taxes will go up by a further 1 per cent as of January 1, 1986.

The Tories in Ottawa campaigned on a promise to cut taxes. Now we see their unfair, tough Tory tax increases. The Devine Tories in Saskatchewan campaigned on the same promise — to cut taxes. They promised to eliminate the provincial sales tax in their first term of office. And now we end up, Mr. Speaker, with more taxes, heavier taxes, and now taxes on used vehicles — another major disappointment for the people of Saskatchewan, no doubt; another Devine betrayal of their promises; another betrayal to the people of Saskatchewan.

Mr. Speaker, the Devine government promised to cut taxes. They promised specifically to eliminate sales tax on their first term of office. But they have not done so. Why? Why have they broken their promises? The reason is very simple, Mr. Speaker: their expenditures are out of control. Four successive budgets, Mr. Speaker, in four successive budgets we now have acquired a deficit of 1.25 billion — \$1.25 billion in the red, Mr. Speaker.

This year's total government spending is now 37 per cent more than it was in our last year in office. They have increased government spending, Mr. Speaker, by 37 per cent since they came into office.

And where is this money going, Mr. Speaker? Well, for an example, they have a huge cabinet, a bloated cabinet. From the former administration . . . the size of the cabinet from the former administration from 18 cabinet ministers they have bloated and increased their cabinet to 24, Mr. Speaker, 24, the largest cabinet in Saskatchewan history.

On top of that we now have 12 legislative secretaries running up record bills, Mr. Speaker. Those huge expenditures increase some expenditures of 37 per cent include not only a record sized cabinet and . . .

MR. SPEAKER: — Order, please. I'm having great difficulty in relating the comments of the member to the Bill that's before the House, and I would ask . . . I'm going to caution the member from Shaunavon that when he's behind the rail that he has no right to enter the debate in any fashion.

MR. YEW: — Thank you, Mr. Speaker. I was merely referring to the tax . . . Bill 76, which is before us, and huge expenditures that have gone out of control with the Conservative government.

MR. SPEAKER: — Order, please. I have just told the member that he had to get back in line with the Bill that's before us, and discussing the expenditures of government is not part of that Bill. This is a Bill on tax.

MR. YEW: — For a lot of the reasons stated and mentioned here today, Mr. Speaker, I will definitely be in opposition of the Bill which is before us.

But I want to point out as well, Mr. Speaker, that the Tories have consistently talked and made commitments in terms of tax reform. Now they have burdened us with taxes and more taxes, and a very prime example of that is the Bill before us. They have increased and expanded the tax burden on the ordinary working people of this province. They have increased and expanded the tax all over the province, including the people in northern Saskatchewan who have a hard time making ends meet. Why are they taxing people at greater lengths, putting higher priority on that than putting priority on job creation? How can you tax people when they have no jobs, when they have not income?

They eliminated the food subsidy program, and they never . . .

MR. SPEAKER: — Order please.

MR. YEW: — Mr. Speaker, I just was merely wanting to point out the seriousness of the policies before us introduced and proposed by the Conservative Government of Saskatchewan. I pointed out a number of reasons why I will be opposing the motion, Mr. Speaker, and I conclude my comments by saying to the members of government, members on that side of the Assembly, that people in the northern administration district and the ordinary working people of this province will have their day. They will have their day. Judgement will come. There will be a lot people expressing their appreciation of your misguided administration. A lot of people will be expressing their appreciation of how you have placed certain priorities not towards the people but towards your cabinet, towards your wealthy friends, etc. With that I beg leave to adjourn debate.

Leave not granted.

MR. YEW: — Well thank you very much, Mr. Speaker. I didn't realize that I was . . . that the comment I made regarding the adjournment of this debate was not appropriate. Pardon me.

However I will say a few words in my native tongue, Mr. Speaker, regarding Bill 76. And I suppose that the people in my constituency will have a lot of interest in terms of finding out what this Bill, what the implications will be about Bill 76 and various other tax measures that this Conservative government has taken on the ordinary people of this province.

For a few minutes, Mr. Speaker, I'd like to say a few words regarding the tax policies, the administration policies of this government, in my native tongue.

(The member then addressed the Assembly in his native tongue.)

. . . member Harry Baker, Biggar . . .

MR. SPEAKER: — Order, please. The member is not allowed to call other members by their name, but rather by constituency.

(1645)

MR. YEW: — My apologies, Mr. Speaker. I merely was reading from the excerpts or the documentation here which pointed out, Mr. Speaker, the commitments made by the Conservative government in 1982 to eliminate the taxes, lower the taxes, etc., a commitment, Mr. Speaker, that was not kept by members opposite, definitely not kept.

I want to thank you, Mr. Speaker, for giving me the opportunity as well to say in my native tongue a few words to my constituents regarding the Bill before us, regarding the administration policies of this government, regarding the taxation policies and the budgets proposed to us by the Conservatives today.

It gave me an opportunity, Mr. Speaker, to say in my own tongue what I felt and what I understand the policies, how they will affect us people, my constituents, the policies of this government. They will definitely have a very negative effect on my constituents and the people living in the top half of this province. And I thank you for that, Mr. Speaker.

With that I just want to close off by saying that I will be opposing and voting against this motion.

MR. KATZMAN: — Mr. Speaker, I didn't intend to get into this debate, but I couldn't resist to make sure that the opposition understands what they're talking about. They're talking about an Education and Health Tax Act which, as they said earlier, affects the sale of used automobiles. They seem to believe that nobody in the industry or in Saskatchewan paid sales tax on a used vehicle.

Just to make sure that they understand what the discussion is, I would like to repeat some of the things I said during the throne . . . during the speech. I asked a gentleman who is in the auto industry how many vehicles he had sold in the year '81-82, and what percentage of those vehicles, used vehicles, Mr. Speaker, did he collect Saskatchewan sales tax on. He informed me, of his total sales, he collected sales tax on 78.57 per cent of his total sales. In other words, the majority of his sales in the year 1981-82 that his business operated, he collected sales tax on 78.57 per cent of the vehicles he sold.

What I asked him . . . So that means, Mr. Speaker . . . I asked him, well, how did you sell the vehicle, and did the people buying know they were paying sales tax? He says, no, I gave them a receipt, for example, for a vehicle for 10,000 five; I filed with the Government of Saskatchewan the sale of 10,000 and \$500 sales tax — which means that the opposition is not telling the House and the citizens of Saskatchewan the facts, that sales tax has been collected on used vehicles in Saskatchewan for a long, long time.

I asked the individual again what his '82-83 figures were like, and 85.71 per cent of his total sales he collected sales tax on. And I'm repeating, these are used vehicles — 87.71 per cent of his vehicles he collected the 5 per cent sales tax on. And he sold several out of the province of Saskatchewan. Therefore there was no sales tax on those, and that is not in his figures.

So I think that the members on the opposite side of the House should be truthful in their facts and admit that any vehicle that had not previously paid sales tax in Saskatchewan, used, had to pay the sales tax. And I just quoted you what one dealer sold, and I would suggest if you spent some time in that industry you would discover many of the newer model cars, used, the sales tax is collected in Saskatchewan. So I would ask the members to please be totally factual in their information.

And I will be supporting the Bill.

MR. ENGEL: — Mr. Speaker, I would be very remiss as a member from rural riding to pass up the opportunity to try and dissuade this government from passing this Bill to amend The Education and Health Tax Act. There's so many things this government isn't doing, and their sins of omission are so great that I wish they would omit this one along with it to kind of balance it off a little bit.

There are so many areas that they're not spending the health tax on and the education money they're taking in, but here's a case where they're taking in some money on areas that as our leader, the former premier, so ably pointed out today the tax is designed cleverly to take more from the poorer people, the ordinary people of Saskatchewan, and give a better deal to the wealthy people.

I have a constituent who drives a \$100,000 car. He has a Rolls Royce. He would have loved to wait until you passed this Bill to buy that car. He would have loved to because he would save more on his tax on his car than I paid for mine. He'd save more on his tax alone.

And this tax is designed to help people like that. It's designed to save money on the wealthy, and those are the guys that are buying the big cars and the expensive new cars, and stick it to the person who can only afford a second-hand car or a second-hand vehicle and a boat trailer.

Farm production equipment or machines acquired for use directly in primary farm activity or motorized construction equipment is exempt, but, Mr. Speaker, the list of equipment that's being taxed and additions that are creating such a hardship for farmers when farmers are really facing some serious problems I think is an indication of how arrogant this government has become.

A government that is so arrogant in times after three and four years of drought will not look

at farmers' additional expenses, but will turn around and say to that farmer, there's an area where we're going to get you for some more money, there's an area where we're going to get you for a little extra money. If you need a used truck . . . If you need a used truck . . .

And a dealer in Assiniboia today told me . . . a dealer in Assiniboia, Waiting's Farm Equipment, told me today that he's sold three truck-mounted sprayers since the grasshopper threat. He's sold three sprayers. These farmers are going to look for a three-quarter ton truck to haul that sprayer around. And they had to pay sales tax to apply their grasshopper spray. They had to pay sales tax on their used truck.

I think it's a disgrace that this government . . . it's a disgrace. And they think it's funny. They can stand up in this House and laugh, Mr. Speaker. This is not a laughing matter. This is not a laughing matter; it's a disgrace.

Mr. Speaker, this tax is going to apply to used trucks, to cars, to buses, power units, vans, motor cycles, snowmobiles, ambulances, and hearses.

Last Friday when the member for Regina South was speaking in this Assembly while in the budget, said farmers would not be affected by this new tax. And he said, I quote:

In the 25 years I've lived in this province, and many of those years as an automobile dealer, I can tell the members opposite, farmers buy new big trucks, farmers buy new small trucks, and farmers buy new cars (he said). When they did in the past, they paid 5 per cent of the full price of that vehicle.

That's what the member for Regina South said.

Well I want to tell the members opposite that since they're in power, and in the lean, hungry years Saskatchewan went through when Ross Thatcher and another group of right-wing reactionaries were in power, things got so rough that farmers weren't buying anything. They weren't buying new vehicles or used vehicles.

But the odd farmer is pressured into some situations, like in a situation we're facing in southern Saskatchewan today, where he has to buy used equipment. He's got to buy truck-mounted sprayers and he's got to buy used equipment to apply grasshopper spray, Mr. Speaker. He's got to pay the sales tax on the used vehicles he uses to put it on.

And I think it's a disgrace for this government to stand up and say that they want to get a little more money out of the farmers.

Mr. Speaker, a car dealer in the Premier's own riding in Estevan, he disagrees with the used car dealer from Regina South. He disagrees with him, and in the Wednesday, April 17, 1985 edition of the *Estevan Mercury* . . . I want to quote this article into the record:

One Estevan car dealer who asked not to be identified (for implications that the Premier could bring upon him, I suppose) said that the decision to put on the tax probably added another 5 per cent to his used car inventory.

Dealers in Gravelbourg and in Assiniboia told me the same thing. This Estevan dealer said it's going to cost him \$25,000 — \$25,000 that this government is expecting him to collect extra — so he can pay the tax on his used cars. Because you know and I know, when you go to buy a used vehicle, you dicker on the full amount, and the dealer then has to make up the sales tax. You dicker on the whole amount.

And when you're trading off one used vehicle to another, like I and my seat-mate did . . . He paid

\$2,000 to me for a used vehicle since Christmas. And do you know how much money went to this treasury? He had to put up the 5 per cent. He had to put up the 5 per cent, over and above. So it didn't cost him \$2,000 for a '77 Chevy Caprice; it cost him \$2,000 and another \$100 — so you could give \$100 million a week in an announcement to the oil companies. Thanks a lot. I'd love to have an oil company.

At the same time he said that putting a tax on the used vehicles will distribute the tax more evenly than the previous system did. This is what he said. He said it brings us in line with everyone else. They are following Manitoba's lead. Manitoba did this several years ago and most provinces are under this system, he said.

Well I want to tell the member from Regina South that he has placed a burden on car dealers and used car buyers, and if he doesn't believe me, I just want him to go down the street in Regina and go out Albert North and talk to some of the used car dealers. I've done that. I've talked to them, and I haven't found one car dealer, not one, that said it's a good idea. I haven't found a one. I haven't found a one, and I've talked to a lot of dealers about this.

The government ought to get off the backs of small business, get off the backs of small business, and get on the backs of the oil companies, your friends. Don't give it all away. Try and get a little from them, not just from the small farmer or the small-business man.

I think this is one of the most unjust Bills we've ever had before this House. This is a piece of legislation that truly points out what kind of arrogant government we have across the way. I think, Mr. Speaker, they're so arrogant they drink their own bath water.

The Department of Revenue says that 5 per cent sales tax applies even if you buy an old 1953 GMC three-ton truck to haul grain from your combine to your field. You take that truck home. You don't license it because all it's going to do is haul from the field to your bin, and you're still going to have to pay sales tax.

You're still going to have to pay your neighbour, on the truck you buy from your neighbour, a 5 per cent sales tax, even if that old clunker isn't going to be used on the highway, even if you don't use it between your place and the elevator, and you're just using it from the field in, so you have a self-propelled wagon, you're going to have to pay 5 per cent sales tax.

Now I know the government, in their position to shore up success, don't consider farmers that have to buy an old clunker of a truck. You don't think about that. You don't worry about it. But, Mr. Speaker, those people have a vote just as well as the guy that has 70 quarters of land.

That's the nice thing about politics, Mr. Speaker. And that's the nice thing about having a democratic system where we have elections once in a while because this morning every farmer I talked to said, when are you going to have an election? When are you going to have an election?

A family farm income . . . a family farm with an income in the neighbourhood of \$25,000, and that's a very modest operation, that family farm over the next five years is going to contribute to the treasury, is going to contribute to this treasury \$5,000. That's what we're telling the farmer . . .

MR. SPEAKER: — Order, please. Order, please. Being 5 o'clock I leave the Chair till 7 p.m. this evening.

The Assembly recessed until 7 p.m.