

April 30, 1986

The Assembly met at 2 p.m.

Prayers

INTRODUCTION OF GUESTS

Mr. Swan: — Today I would like to introduce to the Assembly a group of students from grade 8 in Rosetown Division 3 School. We have 26 students accompanied by their teachers, Mr. Wiebe and Mr. Torwalt, and chaperons Mrs. Slocomb and Mrs. Lieth. I would like to welcome the group to the Assembly today. I trust that you will enjoy the debate that carries on here in the Chamber. I look forward to meeting you following question period for an opportunity for an exchange of ideas and for refreshments. Would the Assembly welcome the guests from Rosetown.

Hon. Members: Hear, hear!

Mr. Smith: — Mr. Speaker, I'd like to present to you and through you, a small group from Moose Jaw from the Seventh Day Adventist Academy, Moose Jaw. There's seven in total. There's seven students and their teacher, Cynthia Becker. They are in a very small group, but I always say, good things always come in small packages. I met with them this morning and had pictures with them and drinks, and I'm certainly pleased they got back to be recognized in the legislature. And I hope that they have a successful afternoon and a good trip home. And I ask all members to welcome them here today.

Hon. Members: Hear, hear!

Mr. Gerich: — Mr. Speaker, through you and to you and to the members of the Legislative Assembly, I would like to introduce to you in the east gallery 28 students from the Leask Hutterite Brethren Colony, and there's nine students also from the Lajord Colony. They're accompanied by their bus driver, Mr. Gus Watier; teacher's aide, Mrs. Beverley Mattock; and their teacher, Mrs. Judy Gerich.

I hope that they find question period entertaining and interesting this afternoon, and I ask my colleagues to make them welcome.

Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, I'd like to introduce to you, and through you to the members of the legislature, 28 grade 8 students from Ituna, Saskatchewan in my constituency. They are in the Speaker's gallery together with their teacher, Mr. Bill Hudema, and their bus driver, Mr. Matt Daciw. I will be meeting with them later.

I had their grade 12 class here last week, and I was in the constituency, and the member for Saskatoon Fairview hosted them and did an excellent job. And I want to tell these students that I will be hosting them personally and meeting with them at 3 o'clock.

I hope they have an entertaining and pleasant educational stop here at the legislature, and maybe their teacher can give them a little exam when they get back to

see if they remember anything.

Hon. Members: Hear, hear!

Mr. Katzman: — Mr. Speaker, I'd also like to welcome guests — 28 students from Osler School. They are here today in the west gallery with their teacher. And I'll be meeting with them later and discussing what happens in the Chamber. I hope everybody else will welcome them with me.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Federal Government Aid Package for Farmers and Oil Companies

Mr. Engel: — Mr. Speaker, I have a question of the Minister of Agriculture. Today the Mulroney government in Ottawa displayed where its priorities are.

Some Hon. Members: Hear, hear!

Mr. Engel: — I was hoping they'd put their feet in their mouths, but I didn't know they'd do it that hard.

They displayed where their priorities are when they announced the federal government aid package for some oil companies, which adds up to more money, more money than what it decided to provide to all — listen to me — to all Canadian farmers.

My question to the Premier is this: when will Prime Minister Mulroney announce a deficiency payment for all export production by Canadian farmers to make up the difference between the low price, the low world prices, and the huge subsidy being provided to American and European farmers? Is a deficiency payment about to be announced or not?

Hon. Mr. Devine: — Well, Mr. Speaker, in the House of Commons today the NDP members of parliament were congratulating the Prime Minister on his bold moves in agriculture. Mr. Speaker, when you look at what the Prime Minister has done on two accounts — and I'll be making a ministerial statement after summarizing it in some detail — but when you look at the two major things that were done today by the Prime Minister, the first is that the Prime Minister of a country has decided that he will take the agricultural issue to the international summit in Tokyo, because it's the most important issue in Canada.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And we can't remember, Mr. Speaker, in immediate history, or at any time that I can recall, where the Prime Minister of Canada said the number one issue internationally — and he could choose many of them — the number one issue internationally is agriculture. And he was going to put it on the table in talking with the United States and with the Europeans and with the Japanese, above every other issue, so that he can deal with international wheat pricing, with the U.S. farm Bill, with EEC policies, and so forth.

That is the most important thing that has happened in Saskatchewan agriculture in decades, Mr. Speaker. Because the Prime Minister of this country, who I believe will get the complete support of farm groups and Canadians in support of international agriculture, is now going to take the number one issue in this province and take it right to the international level, as I took it to the national level here in this province.

Secondly, Mr. Speaker, I have a list of 12 things that we have asked for from the Prime Minister — help to deal with all kinds of assistance for agriculture — whether it has to do with farm fuel, whether it has to do with two-priced wheat, whether it has to do with freezing freight rates, or freezing the elevator tariffs; or whether it has to do with grain stabilization payments; whether it has to do with removing the capital gains tax, drought payments, flood payments, improving the beef imports that are coming in, putting the restrictions — a list as long as your arm, Mr. Speaker.

And there's been one Prime Minister in Canada, one Prime Minister in Canada in recent years — nobody can touch him since John Diefenbaker — that has listened to western Canadian agriculture, like Brian Mulroney. He deserves our congratulations, Mr. Speaker. He deserves it — just as the NDP members of parliament in Ottawa today stood in their places and congratulated the Prime Minister on his bold and courageous moves in agriculture.

Some Hon. Members: Hear, hear!

Mr. Engel: — Mr. Speaker, new question. Our little cheer-leader added, keep up the good work, Brian, when farmers all over are going broke.

Some Hon. Members: Hear, hear!

Mr. Engel: — The Prime Minister, Mr. Speaker, called the world grain situation the equivalent of war. The world situation is called the equivalent of war. But unfortunately sending Canadian farmers off to fight unaided, all alone — they're fighting the war on their own.

I ask you again: have you pursued the Prime Minister to introduce a deficiency payment for all export production by Canadian farmers, and if so, when do you expect him to announce it? The deficiency payment is what the farmers are asking. All the major groups that have responded today have said that farmers need a deficiency payment; they can't afford to go it on their own. Have you asked for a deficiency payment?

Hon. Mr. Devine: — Mr. Speaker, the hon. member, I believe in all fairness, needs to be reminded of the total amount of money that's been involved in the last two years. Because we're talking not only hundreds of millions; we're talking billions of dollars.

Today, Mr. Speaker, today, announced by the Prime Minister, we are going to have the fuel tax, the tax on farm fuel, removed. It's worth \$80 million, Mr. Speaker — \$80 million. Farmers will be able to buy with the rebate from the federal government and our own rebate farm fuel for

20 to 25 cents a litre. He announced two-price wheat today, Mr. Speaker. Today, this morning, he announced two-price wheat up to \$11 a bushel — \$11 a bushel.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, that's \$200 million a year to farmers in western Canada. That's up to \$1 a bushel increase. You're looking at an average of \$4.50 a bushel, Mr. Speaker, because of the Prime Minister's announcement. He said there was no change, a complete flat, a lid, a cap put on freight rate increases. That's \$40 million.

Elevator tariffs are going to be held in a frozen position. That's another \$10 million. He's already announced, Mr. Speaker, \$580 million in a western grain stabilization payment. This fall we're looking at another 100 million to \$300 million. That alone, Mr. Speaker, is \$1.1 billion. On top of that, \$58 million paid in drought, \$14.8 million paid in flood, a capital tax removed for farmers which is \$50 million; crop insurance payments were \$640 million.

Mr. Speaker, that plus the billion dollars we got out for 6 per cent money, is \$3.1 billion into western Canadian agriculture in the last two years. You've never seen anything like it.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now I understand, Mr. Speaker, that the member opposite and the opposition can say, well when is there going to be more. I mean that's fair enough; oppositions do that. And they say, well I want more and more and more. I believe it's fair, it's quite fair to have the opposition at least acknowledge the significant contribution that has gone into agriculture from the provincial government and the Prime Minister of the country today, covering at least 12 of the things you and I have both asked for. We've asked for these kinds of things and they've been delivered. You've never seen a prime minister in the history of Canada deliver to western Canada like Prime Minister Mulroney has.

Some Hon. Members: Hear, hear!

Mr. Engel: — Supplementary. There's only one person that tops the Prime Minister and that's you, Mr. Minister. You haven't . . .

Some Hon. Members: Hear, hear!

Mr. Engel: — Eight minutes into question period and you still haven't answered the question. Are you asking for a deficiency payment, and if so, when can we expect to receive it? There's one solution to the farm crisis and that's what he's getting for his wheat. Are you going to ask for a deficiency payment? The Americans are getting it, and the European Common Market farmers are getting it. Canadian farmers aren't getting it — \$3 a bushel deficiency payment. Are you asking for it, and when are we going to get it?

Hon. Mr. Devine: — Mr. Speaker, I have asked for all sorts of money and all sorts of programs, including

deficiency payments. But I want to make sure that the hon. member treats the Saskatchewan situation fairly in comparison with the United States. The United States didn't receive all these programs that we've received to date. They have received deficiency payments, Mr. Speaker, but they haven't received many of the things that we've got here, like the grain stabilization programs and the announcements that come out in excess of a billion dollars.

Mr. Speaker, when we look at the combination . . . The member opposite farms, and so do I. When you have got interest rates half of what they were when the NDP in power; you've got farm fuel rates down half of what they were — a fraction of what they were; you've got the price of wheat up a buck a bushel as of this morning for the new crop year; and you've got other rate increases froze; and you've got farm fuel rebates going out there like you've never seen before — Mr. Speaker, I say: fair enough. The member opposite say: well, is there any more left?

Well, Mr. Speaker, our track record speaks for itself. I've asked for 12 things. I've been delivering 12 things. If I asked, Mr. Speaker . . . The history of this government and the federal government — when I ask, they deliver, because co-operation works and co-operation will work in the future.

Some Hon. Members: Hear, hear!

Flat Tax on Net Income

Mr. Tchorzewski: — Mr. Speaker, I have a question to the Minister of Finance. Mr. Minister, obviously in the month of April taxes is an issue which many Saskatchewan people are going to be grappling with and they indeed have been doing that in recent days. My question deals with your government's flat tax on net income. In April, in the 1985 budget speech, your government forecast that the flat tax on net income would raise an additional \$39 million from Saskatchewan people last year. That was \$39 million, for an effective rate on one-half of 1 per cent, because the flat tax took effect only in July.

My question to you, Mr. Minister, is this: has your department adjusted the forecast, or do you still believe that the flat tax took about \$39 million out of the pockets of Saskatchewan people in 1985?

Hon. Mr. Lane: — Mr. Speaker, obviously the estimates and the actual receipts of the government will be debated in the estimates of Finance before the House. But let's keep in mind what the government's policy is on the flat tax.

One, tax reform in this province is a priority of this government, and we hope to have it a priority of other governments within Canada. We believe that the system of taxation, the income tax system, should be much simplified.

Secondly, those that traditionally avoid paying taxes should in fact pay tax, Mr. Speaker. And that is one of the initiatives behind the flat tax. We have made it abundantly clear to the people of this province that the flat tax concept can meet those two objectives — of

eliminating loopholes and having a much simplified tax system for Canadians.

Mr. Tchorzewski: — Supplementary, Mr. Speaker. Mr. Minister, as of January 1st, the flat tax on net income was effectively doubled over last year. It's now 1 per cent of net income for the full calendar year of 1986. So if their incomes remain stable, whatever people paid under the flat tax this spring on their 1985 taxes, that will be doubled next spring when they fill out their 1986 returns.

What revenue forecast has the Finance department officials made with respect to the flat tax for calendar year 1986, and can you confirm that you expect to raise more than the \$100 million in additional revenue through this flat tax this year?

Hon. Mr. Lane: — The revenues will be considerably less than that. Secondly, keep in mind that on a monthly basis the half per cent, or the 0.5 per cent, was for six months, so it will not affect the monthly deductions of those on salaries.

Thirdly, those that can afford to pay will, in fact, pay with the flat tax. We've made that abundantly clear. That is a far more fair form of taxation than succession duties and gift taxes — and I'm not sure whether you were the minister of Finance at the time. But I do believe the initiatives of this government in terms of tax reform and fairness are far superior to the initiatives of any other government of Canada.

Thirdly, we should also keep in mind that in conjunction with the flat tax, the government reduced the income tax by 1 per cent.

Mr. Tchorzewski: — New question, Mr. Speaker, and with some background to the new question. I want to tell the minister . . . and he has confirmed that in 1986 the amount of flat tax paid will be double what people paid in 1986; he has confirmed that. I want to underline my new question by indicating to the minister that even with the federal government taxation structures, with the federal budgets of '85 and '86, people between the incomes of 11,000 and 22,000 are going to be paying more taxes, considerably more taxes. People earning \$40,000 a year with a family of two will be paying, over five years, \$4,644 more in income tax; while people earning \$50,000 a year are going to be paying only \$2,900 more in income tax; and people earning \$100,000 a year of income, the same kind of size family, will be paying \$517 less in income tax over that five-year period of time, Mr. Minister.

Mr. Minister, in light of that, at a time when Saskatchewan families and individuals are struggling to make ends meet, how does your government justify making us the only province in Canada with two provincial income taxes? And how do you justify a flat tax which fails to close loopholes — even though you say it does — and tax shelters for the wealthy, but hits low- and middle-income family with more than \$100 million a year in additional income taxes?

Hon. Mr. Lane: — Well first of all, your figures are totally wrong. Under the flat tax, there are approximately

600,000 taxpayers in the province of Saskatchewan. About 220,000 will pay less tax. And nearly 300,000 or another 80,000, I'm sorry, will pay approximately \$8.

We offset that with the reduction of the sales tax on clothing in the province so that the province of Saskatchewan joins one other province in having no sales tax on essential goods, a dramatic tax reduction for the people of Saskatchewan. We have taken sales tax off gasoline, we have taken it off children's clothing, and as I say, the government reduced the income tax rate in the province of Saskatchewan by 1 per cent.

In the province of Saskatchewan, those people making less than 20,000 are paying less to government than in any other province in Canada. Those earning less than \$30,000 a year are paying less to government than any other province in Canada except the province of Alberta; and thirdly, those making less than \$40,000 per year are paying less to government in the province of Saskatchewan than any other government in Canada except the province of Alberta.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the minister, Mr. Speaker. Mr. Minister, your so-called tax reductions of sales tax and others do not come close to your tax increases when you consider the amount of increased taxation under the flat tax and the removal of the property improvement grant which is costing Saskatchewan taxpayers in excess of \$180 million a year.

Mr. Minister, as your government enters its fifth year in office, can you explain how a doubling in the flat tax keeps your 1982 campaign promise to cut income taxes by 10 per cent across the board? Income taxes.

Hon. Mr. Lane: — Well, Mr. Speaker, if we ever needed a reason for a flat tax we have it from the NDP in Manitoba where they have one of their prominent cabinet ministers who went through an election saying that the tax loopholes were a fraud and a scam, and it turns out he and his family avoided taxes of about \$121,000 by taking advantage of a tax shelter. That's what the NDP really believe, Mr. Speaker, and I suggest to the hon. member — I suggest to the hon. member — that the flat tax should be endorsed by the parties opposite, not attacked, because it is the only fair way to get those who can afford to pay tax and those that traditionally have avoided paying tax because of loopholes.

I suggest to the hon. member — I've already given the figures — that people earning less than \$20,000 in the province of Saskatchewan pay less to government than any other place in Canada. And that didn't take into account the reduction of the sales tax on clothing under \$300.

Secondly, those earning less than \$30,000 a year are paying less to government than any other province in Canada except Alberta, and that doesn't take into account the recently announced initiative removing sales tax on clothing under \$300.

And thirdly, those earning less than \$40,000 a year are

paying less to government than any other province in Canada, and that doesn't take into account the initiative removing sales tax on clothing under \$300.

Some Hon. Members: Hear, hear!

Salaries of Cabinet Ministers' Assistants

Mr. Koskie: — I want to address my question to the Premier and, Mr. Premier, it deals with salary increases to cabinet ministers' assistants. These are, in large part, political aides who are already paid 45, 50, and some, \$70,000 a year by Saskatchewan taxpayers.

What I want to ask you, Mr. Premier: can the Premier confirm that there has been in fact a general salary increase for cabinet ministers' aides in recent weeks, and can he confirm that some of those increases have been made retroactive to last October?

Hon. Mr. Devine: — Well, Mr. Speaker, I can confirm that some out-of-scope people have received their normal 3 per cent increments or their merit pay or whatever that normally go to people who are out of scope. With respect to any further information, I would be glad to get it and bring it back to the hon. member.

Mr. Koskie: — I'm rather appalled, Mr. Speaker, that the Premier would not even know in respect to the political aides what the increases are.

I ask you further, Mr. Premier: I wonder if the Premier would check into the operation of one of his own departments, specifically the Saskatchewan Crop Insurance Corporation. Are you aware that your ministerial assistants in the crop insurance area recently received salary increases of as much as \$1,600 a year and all of them are retroactive to last October?

Hon. Mr. Devine: — Mr. Speaker, I will gladly get the information and, obviously, will go through this in my estimates with respect to how much people get in terms of their salary increases. I'd be glad to get that for you, and we will be able to look at it in depth as we usually do, and I'll have all the information in front of me.

I mean, they didn't win on agriculture, and they're not winning on jobs, so now they're back into salary increases in crop insurance. If you want to look at salary increases, I've got salary increases in your administration that are 46 per cent in one year, and lots of them. I've got a stack of them this deep, and I'll be glad to bring them to the legislature if we want to get into it.

Most of the increases that we have seen recently have been the normal out-of-scope increases for people who are not in scope, obviously. And if they are on the basis of merit or they haven't had an increase for a series of months or perhaps a year and a half . . . And, Mr. Speaker, I'll be glad to bring them all forward and discuss them. And certainly in my estimates, Mr. Speaker, I'll be responsible for all of them as I always am.

Mr. Koskie: — A new question, Mr. Speaker, to the Premier. Mr. Premier, in recent weeks your ministerial assistants in the Saskatchewan Crop Insurance have all

received healthy salary increases retroactive to October. They were ministerial assistants, the same ones that last year when the former minister, the member from Arm River who increased their salaries 8 to 16 per cent. They are still in the same positions, doing the same jobs, but now what you have done is given them salary increases of as much as \$1,600 retroactive to October.

I ask you: how do you justify these massive increases to some political hacks of yours and cronies and not a substantial increase to other citizens who either work for government or for Crown corporations?

Hon. Mr. Devine: — Mr. Speaker, the members opposite have been in Health estimates and in Social Services estimates and so forth, and all they can do is pick on public employees. That's what they do, they pick on the public employees.

I mean if we want to look at the history, Mr. Speaker, I'm sure you don't want me to read all these out, but I can give you some examples where, like, Bill Knight in the premier's office of the former administration got a 46 per cent increase in one year — 46 per cent increase. Crystal Buchanan got a 28 per cent increase in six months. Sheila Page got 157 per cent increase, Mr. Speaker, over two and one-half years. I mean I can go list after list, and I've got Koskie's included and names that I might not be able to mention, but a whole bunch of them.

I mean why do you want to pick on civil servants? People in the public service work here and work in Saskatchewan, and they're proud to be professional public servants. And in the last three weeks in estimates all the opposition can do is pick on secretaries, pick on professionals, pick on the staff. I mean the whole civil service or public service in Regina is fed right up with the opposition because all they can do is pick on people.

They can't discuss agriculture intelligently. They can't discuss jobs or energy, or projects, or international trade, or any of the things that matter. No, they can pick on secretaries and pick on the public service.

Well, Mr. Speaker, from all indications and what I saw last night, Mr. Speaker, we're not only going to win the next election, we're going to win most of the seats in Regina just because of the NDP attitude.

Some Hon. Members: Hear, hear!

Request made by Kelsey-Tisdale Constituent

Mr. Hampton: — Thank you, Mr. Speaker. My question, too, is to the Premier. Mr. Premier, as the Premier and the Minister of Agriculture, there's still a gentleman that believes in your spirit of co-operation, and that's Mr. Hainstock from Kelsey-Tisdale constituency. He's asking . . . Mr. Premier, you were to get back to him in a short period of time. It's now over 30 days. He's asking: may he have your co-operation; it's getting to the spring time of the year and he would like to get under way in his venture up there.

Can I ask you, sir, will you give him that co-operation?

Hon. Mr. Devine: — Mr. Speaker, I have given Mr. Hainstock my co-operation. I have also advised him of the two issues that he's most concerned about; that is, appraisal of the farm land that he has with respect to how many cattle it can carry. I think that's fair ball that we should have a private appraisal and with respect to stumpage fees and whether you're going to charge them for wood or not. We've had the agriculture caucus meet with them. We have looked at our own policies and looked at the policies of other jurisdictions. I believe the policy we have is fair with respect to clearing land. On those with respect to the rent we charge them and now many cows it would carry, I'd gladly live with a private appraiser and I've told them that and we're quite prepared to do it.

MINISTERIAL STATEMENTS

Congratulations to the Prime Minister of Canada

Hon. Mr. Devine: — Mr. Speaker, I rise today in this Legislative Assembly to make a ministerial statement of congratulations and appreciation to the Prime Minister of Canada.

This a.m., the Prime Minister announced that he had made a historic decision to place agriculture on the table of world leaders in his discussions that are going to take place in Tokyo. He had a choice, Mr. Speaker, of putting any number of issues on the table, and he could have picked any of them at any particular time that applied mostly to central Canada, or mostly to energy, or mostly to jobs, but he has decided, with the help of others that have given him some encouragement, to make this historic decision to put agriculture as the number one issue in front of all the world leaders, and he is prepared to discuss it and to change agriculture policy.

Mr. Speaker, this is the first time in generations, at least as long as I can remember and perhaps you can remember, that a Canadian Prime Minister has personally made agriculture his number one issue, not only at the national level, but now internationally. In my view, Mr. Speaker, this historic occasion has done more, and will do more, for agriculture in Saskatchewan than any single event we've seen in the last decade. As the farmers say, Mr. Speaker, all the grants in the world don't match a two-inch rain. Well, Mr. Speaker, all the grants and subsidies that come out of the provincial government and the federal government could not match, and will not match, the Prime Minister of a country taking agriculture as his number one issue before the leaders of the world.

In dealing, Mr. Speaker, with the U.S. farm Bill, the European Economic Community, the Japanese import duties, and all those items, Mr. Speaker, they do more harm to Canadian agriculture and to Saskatchewan agriculture than anything else that I can think of. And to have the Prime Minister pick up the ball — not only because the western premiers talked about it, not only because they took it to the premiers' conference at the national level, and not only because we put it on the table at the first ministers' conference and had it discussed, but now, Mr. Speaker, because the Prime Minister of Canada says it's his number one issue; it's his issue that he will take to the Tokyo conference — it's absolutely historic

and important and I say, Mr. Speaker, congratulations on behalf of the people of Saskatchewan, on behalf of the NDP, on behalf of all members of the legislature. A sincere congratulations to the Prime Minister, Mr. Speaker, for doing and taking the initiative and having the courage to take the initiative today, taking it to the world market.

I also want to point out, Mr. Speaker, that it's extremely important, in my view it's extremely important, that all farm groups in Saskatchewan and across Canada, all groups associated with agriculture, all those interested in the food and agricultural business, stand squarely behind the Prime Minister when he is taking agriculture forward to the international level. Mr. Speaker, the world needs to know that all Canadians back the Canadian Prime Minister when he is taking the number one issue, food and agriculture, to that international forum.

And I am calling on all farm groups and all leaders, political leaders and farm leaders in this province and across the rest of the country to stand beside the Prime Minister, endorse his move to put agriculture as the number one issue on the international market, so those throughout the world, Mr. Speaker, those throughout the world will know that Canadians — Canadians in agriculture, Canadians in the food business, Canadians from coast to coast — will say: Mr. Prime Minister, we're behind you 100 per cent in getting us a good deal for agriculture in this country and to do your best at the international level to change things like the U.S. farm bill, the European Economic Community, the Japanese markets, and others.

Mr. Speaker, I believe it's time that Canadians locked arms and showed that we can co-operate and stand behind the Prime Minister as he defends agriculture for us.

Mr. Speaker, I want to also say there's a second important thing that the Prime Minister did today, and it's really significant, Mr. Speaker. He not only said that it's important; he not only put it on the table; but what he did, Mr. Speaker, is that he made some moves today, on top of what he's done recently, that are absolutely historic in this province.

I want to give you some examples. The Prime Minister announced today, Mr. Speaker, he announced today that there will be no tax on farm fuel in the province of Saskatchewan, or indeed any place in Canada. Mr. Speaker, the federal government is going to remove the tax on farm fuel, which is worth \$80 million right across Canada to farmers. And they've been asking for it for some time, as have farm leaders and members of the legislature here in the province.

Farmers now will be able to purchase fuel in the province of Saskatchewan somewhere in the neighbour of 20 to 25 cents a litre, taking the federal farm rebate and our own farm rebate on top of what the price of fuel has done recently — \$80 million.

The second thing, Mr. Speaker, is that the Prime Minister announced today that he will see the domestic price of wheat rise to as high as \$11 a bushel, Mr. Speaker. That's

worth \$200 million a year to wheat producers across the province. That amounts to, Mr. Speaker, about \$4.50 a bushel for wheat in the province of Saskatchewan and in Canada. It's worth a dollar a bushel, because about 20 per cent of the wheat that we sell goes domestic, and anywhere between 10 and \$11 a bushel means that the price now to producers will be about \$4.50 a bushel — \$200 million.

The Prime Minister announced as well today, Mr. Speaker, that the freight rates for western Canadian farmers will not be increased, and that they will be froze at the level that they are today, for a \$40 million savings to the people of western Canada. He also announced, Mr. Speaker, that elevator tariffs will not increase, which is worth about \$10 million. On top of that, he said that he will put on the fast track, the front burner, his farm review panels and his bankruptcy legislation, and will encourage the commodity legislation associated with 6 per cent money at the Farm Credit Corporation to be put forward as quickly as possible.

Well, Mr. Speaker, all those moves that he's made today, plus a \$580 million payment on the western grain stabilization payment, plus another 100 to \$300 million expected in the fall — Mr. Speaker, we're looking at \$1.1 billion in cash going to Canadian farmers, and certainly the lion's share of that going to Saskatchewan producers.

On top of that, Mr. Speaker, when the members opposite ask, and I ask, for help in drought, they delivered \$58 million; when we asked for help in flooding, \$14.8 million. When the farmers in western Canada and Saskatchewan people asked to have the capital gains tax removed, it was removed, and that's \$50 million to the people of Saskatchewan. When beef producers asked them to act with respect to beef imports, they did, Mr. Speaker, saving them thousands and tens of thousands of dollars. And as you know, Mr. Speaker, the crop insurance payments have averaged \$640 million as a lump sum over the last couple of years.

That, Mr. Speaker, plus \$1.1 billion in cash out to farmers at 6 per cent money that we've put together means in total — in total — in the last day, and in the last year, and the last two years, there's been over \$3 billion in cash put out to Saskatchewan farmers and Canadian farmers right across the board.

Mr. Speaker, when the Prime Minister of the country is prepared to take agriculture as his number one issue internationally, when he's also prepared to put up billions of dollars, Mr. Speaker, I can just say congratulations to the Prime Minister — congratulations for dealing with agriculture, congratulations for dealing promptly, and thank you very much for the co-operation.

Mr. Speaker, in summary, I want to say that we appreciate what has been announced today. At the same time, Mr. Speaker, as the opposition has asked for, and as I have asked for, they have removed the PGRT (petroleum and gas revenue tax) with respect to small oil companies. And Mr. Speaker, that's worth about \$100 million, and it's particularly important to Saskatchewan firms because we have mostly local, small independents. Where the Alberta province has large companies and

multinationals, in Saskatchewan it's mostly smaller companies, middle-sized companies. The PGRT was removed for up to . . . was \$500,000. It's up to \$2 million in sales now, will be exempt from PGRT.

The combination of the package — what he's done for agriculture, which has been tremendous, plus, Mr. Speaker, what he's done with respect to the PGRT — means that the province of Saskatchewan in jobs, in agriculture, in energy, received news today, not only at the local level, not only at the national level, but indeed, Mr. Speaker, at the international level, that has not been done in the history of the country.

One final point, Mr. Deputy Speaker, is simply this. Members of the legislature, members of parliament, stood in their places this morning, stood in their places today, and congratulated the Prime Minister on the moves that he has taken in agriculture. NDP members stood in their place today in parliament and said: congratulations to the Prime Minister of Canada for having the courage and the tenacity and the determination to do the things that he's done today.

Mr. Speaker, I believe every single member of this Assembly should congratulate the Prime Minister on his courageous and his historic acts taken this morning.

Some Hon. Members: Hear, hear!

Mr. Engel: — Thank you, Mr. Deputy Speaker. I have a few brief comments I'd like to make in response to the Premier's boasting about his personal influence and about his cheer-leading efforts, what they've brought Saskatchewan farmers. And I think there's two observations that are very clear.

Number one, in the last three years the oil companies have made a reasonable amount of profits. In fact, their profits have increased by as much as 140 per cent a year during the last three-year period.

Number two, the announcement today put cash, in the words of the former minister of Agriculture, on the dash. The member for Weyburn likes to use that terminology. It put cash on the dash for oil companies. But how much money, how much money is the federal treasury putting behind farmers in Saskatchewan? That's the question I'd like to ask you.

Just short weeks ago — short weeks ago — the federal government announced initial price of grain. Eighty-one cents a bushel drop in one year and this little group across the way here, they're so, Mr. Deputy Speaker . . .

And we've listened to a little speech here today that I was sure would be culminated by an election call with enthusiasm and the inspiration that how little it takes — how little it takes — to make these boys happy. How little it takes to make them cheer. Here are farmers that are going to get about 30 cents a bushel from the people of Canada — not from the treasury, not one dime from the treasury — and these boys are cheering and they're happy. Boy, they love it. They think that's the best news since home-made bread.

Well I want to tell you, I want to tell you, Mr. Minister of Agriculture, the farm groups will stand behind you and beside you, and they'll stand beside your little leader, Brian, any day of the week if you stand beside them, and if you stand for them. But where are these people coming from? Where is Brian and his friend, the part-time Minister of Agriculture, really coming from? Are they standing behind farmers? Are they giving the farm groups that met with Ed Broadbent and myself and some of our federal MPs last week — are they giving them something to cheer about and stand behind?

Every one of those farm groups said we need anywhere from one . . . The lowest request was \$1 billion and the highest by Sask Wheat was \$2 billion. Instead of one or \$2 billion what did we get? Boloney. What did we get in this announcement today that all these guys are cheering about? Not a nickel. Not a nickel from the federal treasury.

The price of wheat that went down by 81 cents a bushel is coming up at the expense of the people buying bread, a two-price system we've been asking for. But are we getting a two-price system?

On the telex that came through our office it said, "Mulroney said the government will set a new price range for domestic wheat." They're going to set a new price range, not ceiling, not floor, but a price range. Now when I hear a Tory, I listen, because Tories are known to play with words. The price range is from \$6 to \$14.

What was it before? What was it before? You're a farmer; what was it before? Show me with your fingers if you can count that high. It was \$7. The new price range might be six. It could be six.

The telex itself said, "The price determined by the Canadian Wheat Board now is close to seven," and Mulroney is going to set a new range of six. So it's going to depend on the election. It's going to depend on the election.

(1445)

Brian said to this little fellow here that's been patting him on the back — and you really can't negotiate very good from a position of being on your knees, Mr. Deputy Speaker. That's not a good negotiating tactic, but the little guy here, across the way, who's been cheer-leading, saying what a great job he's done, should take some lessons from history.

And we had a very good lesson in P.E.I. . . . what was his name, Lee? Lee was cheer-leading and saying, keep up the good work, Brian. Lee used the same line. He lost his own seat. Yes, Lee lost his own seat.

I want to tell you, Mr. Premier, that the government refused to respond to a call for a federal deficiency payment from all the grain groups of Saskatchewan — all the major grain producers. Instead, they announce some cosmetic changes to the two-price system. And if it goes to the maximum, we'll make about 35 cents a bushel. I don't know where you get your dollar a bushel from, Mr. Premier, because if you look at the prices that were

announced in the past — I'll find it in a minute here — they ranged in the neighbourhood from 7 to 9 per cent. The domestic consumption in the last four years ranged from 7 per cent to 9 per cent of our grain.

So if that goes up it will affect about 9 cents, and according to my calculations, will be a 30-cent-a-bushel increase. Where's the other 50 cents? To stay even with last year, to do as poorly as we did last year, we still need another 50 cents. It's not there. And let's be very clear about this — there's not one penny, not one penny, coming from the federal treasury.

And I think today's announcement of an aid package to the oil industry, of well over \$175 million in direct federal treasury assistance . . . and I'm not sure why the Premier likes to deflate the numbers when it comes to talking about the oil companies, and inflate the numbers and exaggerate the numbers when it comes to talking about farmers. He got out of this package somehow, yet if we change this formula from 6 to 11, that that's somehow going to give the farmers a dollar a bushel.

I'm not sure who does his calculations for him. But on 7 to 9 per cent of the grain sold domestically, and if we have a good crop it will be closer to 7 per cent, but if all of Saskatchewan is dried out, it will be 9 per cent like it was in the southern part of the province last year — 9 per cent last year.

That is only 30 cents a bushel — and \$175 million in direct federal treasury benefits to the oil companies that made profits last year. No sign that they're not making a profit. He likes to compare us with the Americans and say we didn't do as well as the Americans.

The man, for a Minister of Agriculture, is a disgrace to farmers. It's a disgrace to farmers. Because he says he has a quota book and pretends to know something about farming. Well I want to tell the member, farmers are buying their fuel for 19 cents a litre down in the United States and getting \$6.15 a bushel. And he's saying we're doing better than that at 3.15 a bushel, with 30 cents or 40 cents a litre fuel. The member doesn't know what he's talking about when it comes to farm issues.

The PC government today refused to provide a federal deficiency payment to grain farmers. Brian Mulroney cares about the election here in Saskatchewan. He gave them something to cheer about. And what was that, Mr. Deputy Speaker? What was the cheer story? What was the bottom line? The bottom line is that the oil companies are going to get \$175 million; the farmers aren't getting a dollar out of the treasury. And I want to say that that is going to come home to haunt the member for Estevan. That's going to haunt him. He is going to go the way of the PC leaders across Canada. When the P.E.I. Tories decided to hang their train onto the federal Tories, they lost the election. And not only lost it, but their leader lost his own seat.

I want to make a prediction today: unless you get out and talk about deficiency payments like the Sask Wheat Pool is, like Pioneer Grain, like every grain company going, and start saying what farmers want to hear, that the only way they're going to survive is if they get the prices of the

grain up and get the price up to where it belongs — not two-bitting around like he's doing at the expense of all the bread eaters in the province.

I think the two-price system is great. We've been calling for it. My colleague put the Bill forward and got this government on track. And they're now trying to get on the bandwagon and take it away from Lorne Nystrom. Well I'll tell you, Lorne Nystrom did his homework. He was canvassing across the country. When the price of grain was reasonably good in relation to the rest of the world, he was asking for a two-price system. Now that we're half-price wheat, a two-price system is okay. It'll help for 30 cents. But we need three bucks.

You're not even in it at 10 per cent about where they're going to come in as far as the votes are concerned. They'll get about 10 per cent of the vote. He's given us about 10 per cent of what we need.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 6 — An Act respecting the Application to Saskatchewan of the Convention on the Civil Aspects of International Child Abduction

Hon. Mr. Dutchak: — Mr. Deputy Speaker, as Minister of Justice I'm pleased to rise today and move second reading of The International Child Abduction Act. This government is proud to be able to participate in the world-wide effort to eliminate the security abductors' fine in taking children across international borders.

Let me take a few minutes to set out some of the details of the convention and the implementing legislation. If a child who is resident in Saskatchewan is abducted from a parent who has custody and is taken to a country which has acceded to the convention, such as France for example, that parent may apply to Saskatchewan Justice or the Government of France to have the child returned.

The foreign country is responsible for searching out, sheltering, and securing the return of the child who is subject to an application and, where circumstances require, to provide legal aid, including the provision of legal counsel.

Similarly, the parent of a French child who is wrongfully brought to Saskatchewan may apply to the Government of France or to Canada to have the child returned. The Departments of Justice and Social Services, in concert with local police forces, are responsible for locating and returning the child.

In cases where the abducting child . . . abducting parent, rather, is not willing to voluntarily return a child, the courts may order the return. In Saskatchewan, Department of Justice legal counsel will represent the custodial parent; in other jurisdictions, a similar arrangement will exist.

It is important to note that the court, under this

convention, will not have the jurisdiction to review the merits of the particular case. In other words, if custody has already been determined in any jurisdiction, the abducting person will not be able to have the issue re-tried in the country to which the child has been taken. Variations will have to be made in the original jurisdiction.

However, there are certain limited and, I would suggest, appropriate grounds of defence:

1. The return of the child may be opposed on the ground that the person claiming custody did not actually have custody rights, or that the person agreed to have the child live with the person opposing the return;
2. If there is a grave risk that sending the child home may expose the child to physical or psychological harm or place the child in an intolerable situation, the court may refuse to order the child's return;
3. The court may also consider the wishes of the children if the child has attained an age or a degree of maturity at which it is appropriate to take account of his or her views.

If these factors are not present, Mr. Deputy Speaker, the court shall order the return of the child, though if the child has settled in his or her new environment and more than a year has elapsed since the wrongful removal, there is some scope for the court to refuse to make the order.

Admittedly there is a fair amount of room for the use of the judicial discretion that may be very well appropriate in certain cases. But the basic message of the convention is clear: child abductors may no longer take security in crossing international borders. Children will be returned, and variations of custody orders must be sought in the jurisdiction where the custody rights were first determined.

Several nations are already a part of this important convention. Canada, Switzerland, France, and Portugal have acceded to the convention, which means the convention is fully, or at least partially, operational in those nations. In addition the United States, the United Kingdom, Greece, and Luxembourg have signed the convention. President Reagan referred to matter to the Senate on October 30th of last year, and the accession by the Americans and the British is hoped for shortly.

Mr. Deputy Speaker, our people become more mobile every day. It is important that government respond to the social needs that arise from these migrations. Law must be responsive to social change. In addition, it is important that Saskatchewan do its part to ensure that Canada remains a key figure in the development of international law.

But what is most important is that we provide legal mechanisms to protect and nurture family life. As I have previously pointed out, this government has volunteered government officials to assist parents in using this convention. By our actions, as well as our words, we have once again demonstrated our desire to protect the family.

Mr. Speaker, I move second reading of an Act respecting the application to Saskatchewan of the Hague Convention on the civil aspects of international child abduction.

Mr. Koskie: — Thank you, Mr. Deputy Speaker. I will want to be making further comments in respect to the Bill. All I want to say today is that we are in agreement that the enforcement of law should, in fact, not be restricted by international boundaries.

And we have certainly had, in respect to child abduction, instances where not having the accord prevented certain action to be taken. And I think that it's reasonable that we take a look at it and join with other nations in the world to co-operate on the basis of preventing child abduction and escaping implication of the law by crossing international boundaries.

So with the principle of that Act, certainly we are in agreement with. And I'll have an opportunity to look, Mr. Deputy Speaker, at the minister's comments and any further comments that other groups may wish in respect to the legislation and will, therefore, beg leave to adjourn the debate.

Debate adjourned.

(1500)

Bill No. 25 — An Act to amend The Tobacco Tax Act

Hon. Mr. Morin: — Thank you, Mr. Deputy Speaker. I rise today to move second reading of a Bill No. 25, An Act to amend The Tobacco Tax Act. This Bill increases the tax on a package of 25 cigarettes from 77 cents to \$1.02, effective March 27, 1986; and the tax on 25 grams of fine-cut or pipe tobacco goes from 31 cents to 41.25 cents, or \$1.65 per gram. The tax on cigars increases from 10 cents to 13 cents for cigars retailing for less than 20 cents; from 25 cents to 33 cents for cigars retailing in the 21 to 40 cent category and from 45 to 60 cents for cigars retailing over 40 cents.

These increases, Mr. Speaker, are expected to yield an additional \$22 million in the '86-87 year. Therefore, Mr. Speaker, it gives me great pleasure to move, seconded by the member for Saskatoon University, that Bill No. 25 be now read a second time.

Mr. Lingenfelter: — Mr. Deputy Speaker, I just want to say a few words and then I'll be moving adjournment of the second reading debate.

I make the point that the massive increase in taxes that have taken place in this province in the last few years is here again indicated with this increase in the tobacco tax. And if you look back in the estimates, and only go back to 1984, the total was 59 million. That has increased now to \$92 million being taken from ordinary people. About 50 per cent of the adult population who smoke are paying almost double the amount of taxes, not in four years but in two years.

Now I think, Mr. Deputy Speaker, there are few people

that will argue that if you're going to increase taxes, obviously tobacco and cigarettes are one of the places that that can be done. But I think there are many of the 50 per cent of the adult population who smoke who are wondering . . .

An Hon. Member: — Fifty!

Mr. Lingenfelter: — Yes, about 50 per cent of the adult population. I notice the member from Saskatoon doesn't realize what the statistics are, but it's approximately 50 per cent of the adult population. They are paying almost a 100 per cent increase in tobacco taxes in two short years. And what they are saying is whether they're getting ripped off and whether they can afford to pay this increased taxes, along with the new flat tax, along with the used automobile tax, and all the other increases in taxes that we have seen under the Devine government.

The other main issue here is whether or not the minister has made any provisions of this massive tax increase that some of it would be set aside, a percentage of it would be set aside, for prevention — to help young people avoid getting on to the habit of smoking cigarettes and becoming involved in the nicotine habit. And I would just put that to the minister, that we would have hoped and would have liked to have seen in this Bill a provision that would have set aside a portion of this massive tax increase for prevention. That isn't here.

I know that when it comes to allowing booze advertising, the advertising of alcohol — and we have seen last weekend the result of that kind of booze advertising, what it does to young people, at the Regina Inn — and I just say to you that we should have here a program, a program to educate young people about the problems associated with the use of tobacco and nicotine. And when you see an increase in taxes, as I have already mentioned, from 59 million in 1984 to 92 million this year, you would have expected that this government would have been using some of that massive tax increase in order to attempt to prevent the use of tobacco. We don't see that happening.

I want to take an opportunity to talk and to meet with some people on the issue of this massive tax increase, because it's not an isolated case. We will be dealing with other tax issues as the months go by. But I want to take some time to look at this Bill to see whether or not we can come forward with possibly an amendment that would be acceptable to the minister, that would allow for a measure of prevention in the Bill, that some of the money would be spent in that manner. And I therefore beg leave to adjourn the debate, Mr. Deputy Speaker.

Debate adjourned.

Bill No. 26 — An Act to amend The Corporation Capital Tax Act

Hon. Mr. Morin: — Thank you very much, Mr. Deputy Speaker. I rise today to move second reading of a Bill No. 26, An Act to amend The Corporation Capital Tax Act.

This Bill, Mr. Deputy Speaker, increases the corporation capital tax rate for banks from 2 per cent to 3 per cent. The rate for trust and loan corporations goes from 0.8 to 1.2

per cent. And the tax rate for other corporations is increased from 0.3 to 0.5 per cent. These rates are effective January 1, 1986.

Corporation capital tax affects only our largest corporations, and as my colleague the Minister of Finance announced in his budget address, Mr. Speaker, we believe that it is only fair that large corporations and financial institutions should help establish and promote small business in the province. The corporation capital tax rate increases will generate approximately \$21 million in 1986-87, which will help finance our many small business initiatives.

Mr. Speaker, I move, seconded by the member from Saskatoon University, that Bill No. 26, an Act to amend The Corporation Capital Tax Act, be now read a second time.

Mr. Lingenfelter: — Well, Mr. Speaker, here we have a typical token increase in taxes for the banks in the province. We have just completed, or just moved the second reading of a Bill that will slap a massive increase on cigarette smokers in the province. We now come to a Bill that deals toughly with the banks and takes less from them than it does from the people who smoke in the province.

I say that this is a perfect indication of where this government is at. On the one hand they can be tough with the people who are hooked on cigarettes and smoke, and take more in taxes in one year from them than this Bill will take from the banks. I just make that point because I think that's it's a token Bill. It's a phoney war that they're setting up with the Boyd Robertsons of the world to pretend that they have this little fight going on with the banks and then they can go out and say, we agree with the NDP; we don't like banks either.

Well that's a new theory when one looks at the donations that are given by the Royal Bank and the Imperial Bank of Commerce and the Bank of Nova Scotia to the Conservative Party to get them elected. And I predict that this little phoney war that they've got trying to get started with the likes of Boyd Robertson — who is always at hand when it comes time to help out with organizing the financing of the province with a \$2 billion deficit, with helping with that \$2 billion deficit and helping to arrange the loans and help the profits of the bank — then the war isn't on.

But now at election time we have a Bill before us that is going to really take on the banks. Well I say to you that it's a phoney war. It doesn't take as much from the banks as the previous Bill, Bill 25, will take from the smokers of the province. And I just say to you that the public understand what is going on here. I will be looking at this closely. My colleague from Elphinstone, I believe, will want to make a comment on it and for that reason I will adjourn the debate.

Debate adjourned.

Bill No. 27 — An Act respecting The Institute of Chartered Accountants of Saskatchewan and to repeal The Chartered Accountants Act and The Certified Public

Accountants Act

Hon. Mr. Morin: — Thank you very much, Mr. Deputy Speaker. I rise today to move second reading of a Bill No. 27, The Chartered Accountants Act, 1986. The council of the Institute of Chartered Accountants of Saskatchewan proposes a new chartered accountants Act to be enacted by the Legislative Assembly.

The existing legislation was enacted in 1934 and has remained virtually unchanged since that time. The institute believes that the 1934 Act has served both the institute and the public well. However, the increase in complexities of commerce and greater expectations of society require a legislative base more attuned to modern society to permit the institute to deal with them.

The institute proposes the new, updated Act to strengthen the protection of the public, to increase the role of members in the establishment of by-laws, to revise disciplinary procedures, and to generally reflect the role of the profession in the modern business world.

To accomplish these goals the institute proposes a number of new initiatives: an appointment of a lay member to the council of the institute; a new disciplinary procedure providing for investigation of complaints, new hearings, procedures, and appeals, as well as disciplinary action; deletion of the standard reporting requirements combined in other professional association Acts respecting membership lists and by-law changes; and the power to make by-laws on the following topics: (1) periodic random inspection of the practice of members; (2) standards of professional conduct; (3) regulating advertising by members; (4) regulating trust accounts of members, and records that must be kept by them; and (5) requiring members to maintain liability insurance.

Mr. Speaker, The Chartered Accountants Act, 1986, is based in part on recommendations of the Special Committee on Regulations and representations of the Institute of Chartered Accountants of Saskatchewan on the provision of other recent professional association Acts.

Mr. Speaker, I move, seconded by the member for Saskatoon University, that Bill No. 27 now be read a second time.

Mr. Tchorzewski: — Mr. Speaker, I'm going to adjourn debate on this as well because the member from Regina Centre wants to address the Bill and make some remarks on it. I agree with the minister, certainly, that the present legislation which was established in 1934 is old legislation, and times change and conditions change and needs change. And so as a result of that, the laws from time to time need to change to meet those changing times and conditions.

I think, if I heard the member say correctly, that there will be an input from a lay member on the new board. I think if that is done effectively and sincerely, that is a good move. I believe and I have always believed that the consumer should have some input on boards and organizations of professional bodies such as this, as well as medical professions and others. That, on the outside, therefore

seems like a good change with the new legislation.

I will want to look at how effective it is and therefore will need to study carefully how the law itself is written up in order that it does what it is intending to do. I am aware of the fact that the Special Committee on Regulations has considered this and I know that there will be members of the special committee who may want to speak on it as well.

(1515)

And so, Mr. Deputy Speaker, in light of the fact that other members want to speak on this Bill and want to study it more closely, I beg leave to adjourn debate.

Debate adjourned.

Bill No. 28 — An Act to amend The Education and Health Tax Act

Hon. Mr. Morin: — Thank you very much, Mr. Deputy Speaker. It gives me great pleasure to introduce Bill No. 28, An Act to amend The Education and Health Tax Act.

This Bill, Mr. Speaker, implements exemptions previously announced by my colleague, the Minister of Finance, in his budget address. These exemptions are for adult clothing and footwear and yard goods priced less than \$300 for each article.

Mr. Speaker, I am extremely pleased that these exemptions will provide tax savings of \$23 million to Saskatchewan residents. Our government is proud that the most essential goods that people use are now sales tax free. This includes children's clothing and footwear, and residential electricity which were previously exempted by this government.

Mr. Speaker, I take pleasure in moving, seconded by the member from Saskatoon University, that Bill No. 28 now be read a second time.

Mr. Lingenfelter: — Mr. Deputy Speaker, we have here a minister who is moving a Bill that was supposedly an issue that was the flagship of their budget. This was the culmination of many months of planning of how they were going to fulfil their promise of removing the sales tax which you, Mr. Deputy Speaker, and all the other members promised to do in 1982.

What they promised to do in 1982 was to remove the E&H tax. This is what they promised. And the members may not want to hear about what they promised in 1982, and I understand that. And I understand why the minister got up and gave a speech that was less than a page long, bragging about the removal of the sales tax on clothing.

Well I'll tell you, when the people of the province hear the promises that are made by this group, and we're hearing them now, a promise here, they're going to build a fertilizer plant at the side of an upgrader — an upgrader which hasn't got an ounce of cement poured for it — and then on top of the fertilizer plant, God only knows what's going to be build on top of that, and people are making cartoons now about this government's promises, as well

they should.

And, Mr. Deputy Speaker, you will know that the promises made in 1982, that were made in 1982 to remove the sales tax, were nothing but hollow promises made by a Conservative Party in order to get elected — in order to get elected — a cynical plan to promise to the people of the province to remove the sales tax.

And here we are today after five years. We're into the fifth year now of the mandate of this government and some people are saying that maybe these people needed a second chance. But they are now saying they are taking their second chance, their second term, without even asking for it. They're into their fifth year, believe it or not. They used up their first term — up to four years. Now they're not even asking the people of the province about the second term, they're just taking it. And the opinion out there has turned, Mr. Deputy Speaker. Some of them were saying that they maybe deserved another chance. But these people are so arrogant that they're just taking it; they're not even asking.

We're now into the fifth year of the term of this government and here we have a promise made in 1982 to remove the sales tax — to remove the sales tax — and what have we got? A minister who is so proud of what they're doing in that area that he stands up and takes less than two minutes to tell us about it. Now I'll tell you, that's a government that is proud of its record.

Well I don't think we're going to hear much of the record of this government and the record of the promises, the record of the promises when we go into the election. I don't think they're going to be talking about the promise to cut income tax by 10 per cent — income tax by 10 per cent — I don't think we'll hear much about that promise to cut the income tax because what we've seen is a massive increase; a new flat tax, the only province in Canada that pays two income taxes and everyone out there is filling out their tax forms today, filling out their tax forms today and they find that they pay two income taxes, the only place in the country that does that. Can you believe that, Mr. Deputy Speaker?

I'll tell you there are many people in this province who simply don't believe this government and that political party because when they see the increases that we have had in taxes . . . Used automobile tax — that was put in by this minister; put in by this government. You know, I don't believe it was put in by this minister. I don't think he was in cabinet at that time.

An Hon. Member: — Well he took it off, Dwain.

Mr. Lingenfelter: — Well he took it off but he didn't give the money back. He kept the money. He took the tax off but then he kept the money — five million of it he kept. I couldn't believe it. Premier Devine, he says, look I put this used car tax on, and he says, it was wrong; but you know what, boys, I'm going to keep the money. I'm going to keep it all. I'm going to keep every cent of it — \$5 million. The people are saying, where did that money go? Where did that \$5 million go, Mr. Deputy Speaker? They are saying, what is that money being used for, to do polling for the next election? That's what they're asking,

the public out there, 60,000 of them. Sixty thousand families in this province paid the used car tax and they are asking themselves what are they using that money for. Are they doing polling with it? Are they advertising to try to get themselves re-elected? A desperate government.

Well, the used car tax will pay for one-quarter of the advertising — one-quarter of the advertising. It will also take the increase in the cigarette taxes to pay for the advertising. That's why we're paying more taxes in this province.

We determined the other day in the House that \$20 million was being used to advertise this inept government. And they have to advertise because nobody can see what they do. And they have to advertise continually, solidly, every day, so people may be tricked into believing what they do, because there is no evidence when they drive down the roads that anything has been done. There's no evidence when they try to get into a hospital in Saskatoon, and there's 8,000 people waiting that anything has been done there. There's no evidence that anything has been done when the schools in the province are in rack and ruin and the number of students in terms of each teacher has gone up, and gone up considerably. And people are saying: where are these tax increases going — on used automobiles, where did that money go?

Well, I say to you that 5 million of it, the 5 million that they collected . . . The reason they can't send it back is because they spent it on self-serving political advertisements. Self-serving political advertising, because they were in such bad political shape they knew that without the paid for ads by the taxpayers they wouldn't get elected.

Now isn't it an irony that you have a government that's trailing in the polls, the very people who want to kick it out have to pay more taxes to try to get them re-elected. That's what's happening. You have a government that's in so much trouble politically, they have . . . People buying used automobiles pay 5 million in taxes; 5 million in taxes. And then then spend that money to try to get themselves re-elected.

Well, I say to you that obviously this Bill that is supposed to fulfil the commitment and the promise to remove the 5 per cent sales tax in the last election — and every one of these people had it in their ads. Every one had it in their ads that in their first term of office they would remove the 5 per cent.

And I could have someone go get them, Mr. Speaker. I see that . . . We would be able to read them out. I'm not sure if Mr. Speaker had ads like that in Rosetown. I won't include him in the issue of how many members did. But I know the rest of the people in the opposite side, the rest of these people who expect the public to believe them going into 1986, or '87 as Premier Devine is now saying — '86 or '87 he's saying. He's saying I may take my second term, because I don't think the people will give me one. He's now saying I'm going to take the first year of that second term without asking, because I don't trust people to give me a second chance. That's what they're saying, Mr. Speaker. That's what the public are phoning

and telling us.

And I say to you that a government that grabs on to power and clings to it at all costs, and takes the first year of their second term without asking and . . .

Mr. Speaker: — Order, please. I believe this has very little to do with the Bill that's before the House, so I'd ask the member to get back to the Bill.

Mr. Lingenfelter: — Well, I appreciate the Speaker coming back into the House, and not having heard the other member's . . .

Mr. Speaker: — Order, please. I've asked the member to get back to the Bill, and I would expect him to do that.

Mr. Lingenfelter: — Well, Mr. Speaker, if I could explain to the Assembly how this sales tax Bill has everything to do with promises made in the last election, to remove the 5 per cent sales tax, then we have a bit of difficulty in doing any debate in the Assembly. Because what we're talking about is the removal of the 5 per cent sales tax promise. And I'm saying that this Bill does not fulfil that promise made by Conservative members in the last election campaign.

And I'll tell you the people are very upset with the party that made those promises to remove the sales tax and didn't do it. That's the issue. And I'll tell you this Bill 28, this phoney Bill that is supposed to fulfil that promise, isn't doing the trick — isn't doing the trick. And what people are saying is one of the reasons that these people are clinging to power — clinging to power into their fifth year — is because of the lack of a commitment to fulfil the promises. That's the point I'm making, Mr. Speaker. And I think it's fair, because the people of the province want to know that. They want to know that these people made a promise, all of them, made a promise in 1982 to remove the sales tax. And this Bill doesn't do it. Bill 28 doesn't do it.

What this does is make a mockery of a promise that was made to the people of the province, to the good people of the province, who believed them and voted for you people for that reason. Now we're into the fifth term of the government, and have we got the sales tax removed? Have we got the sales tax removed?

Well look at the budget. These people who last year said that they would collect 382 million in sales tax — that included a tax on clothing; that included a tax on used automobiles — saying they're now going to remove those two, but they're going to collect more taxes in sales tax. They're going to collect even more this year than last year even though they're taking it off clothing and taking it off used automobiles.

Now how does that work? Well I want to make the point that it's interesting that in this Bill there is no removal of the used automobile tax, which we expected. It's not in here. They're keeping that in the Bill, Mr. Speaker, because after the election, if they are elected, they intend to re-collect it. Because it's here in the numbers. It's here in the numbers. We're not removing the sales tax on used automobiles in this Bill. It's not in the Bill.

Why isn't it? Because in their budget, in their budget they're telling the people of Saskatchewan they're going to keep collecting it after the election. It's written in there; it's written in there. They say in their budget, on page 6, that they're going to collect more sales tax this year than last year, even though they're cutting it in two areas.

Well I say to you, they aren't going to cut the sales tax. The reason we don't have a repeal of the used automobile tax is because they want it on the books. Why do they want it on the books? So that immediately after the election, if the people were to give them a second term, they would then keep collecting it. That's what's going on. The people of the province know that, because they know they can't believe these people because of what they saw with the promise, one, to lower the income tax by 10 per cent. You remember that, Mr. Speaker, the promise made in 1982. You were around at that time. You remember the promise, 1982, to remove the E&H tax. You remember that promise. You broke it. You broke it. That's what happened. You didn't keep your promises.

And that's why you're not going to the people on your four-year anniversary, but you're taking the first year of your second term without asking for it because all your promises are broke. All of your promises, in terms of taxes, were broke to the people. You've lost their trust. They don't trust you people, and there's a good reason for that because what you said to them in 1982 was that you would eliminate the sales tax; you would eliminate the sales tax in your first term.

Mr. Speaker, you will remember that promise because there were newspaper ads, and we've brought it up a number of times in the House. You've brought it up a number of times in the House that these ads were run in all of the newspapers across the province, to eliminate the sales tax. And what we see here today, that in the budget they are going to raise \$386 million from the sales tax. That's a lot of money. That's over a third of a billion dollars you're taking that you said you wouldn't — a third of a billion dollars. And, Mr. Speaker, I think that members opposite are embarrassed about that. I think they're embarrassed. They should be.

But I worry when I hear them speak that they're not embarrassed or humble at all, but they are more arrogant now than when they came into the House in 1982. They are even more arrogant now, and I watched in question period today the arrogance of these people. The people who are watching know the arrogance of these people in the Assembly. People who watch the proceedings know how arrogant and boisterous these people are. Loud? I'll tell you, today in question period you could hardly hear yourself ask the question.

Mr. Speaker: — Order, please. This has absolutely nothing to do with the Bill, and I'd ask the member to stay on the Bill.

Mr. Lingenfelter: — Mr. Speaker, the question period only refers to the yelling that's going on right now. People . . .

Mr. Speaker: — Order, please. I've asked the member to

get back to the Bill.

Mr. Lingenfelter: — Well we're trying to deal with the Bill, but I'm having a difficult time because from time to time I can't hear or see the . . .

(1530)

Mr. Speaker: — Order, order. The House is absolutely quiet. I've asked the member to get back to the Bill, and I'm going to insist on it.

Mr. Lingenfelter: — Well it is now, but it wasn't a few moments ago, the time period I'm referring to when I was dealing with the Bill to take the tax off clothing.

And, Mr. Speaker, you know that, that we have a difficult time dealing with Bills like this tax Bill . . .

Mr. Speaker: — Order, please. The member is challenging the Chair, and I'm asking the member to get on with the debate.

Mr. Lingenfelter: — Well I'm not challenging the Chair. Obviously I'm not challenging the Chair or I would say I'm challenging the Chair. What I'm doing is dealing with the Bill, Bill No. 26 that deals with the massive tax proposal that isn't fulfilling the promise made in 1982 by the people who ran for the Conservative Party, Mr. Speaker. That's what the issue is.

And I say to you that we are now into the fifth year of this government's term, and that promise hasn't been fulfilled, that this Bill we're dealing with doesn't do the trick, that it's a betrayal. It's a betrayal of all the people of the province — the people from Rosetown, the people from Shaunavon, the people from Maple Creek, especially along the border of Alberta, who voted for people in those areas because they were promised during the '82 election that they would remove the sales tax. The business people in Rosetown and Maple Creek particularly were told in ads that they would have the sales tax removed. And they voted for the Conservative Party and they were misled. They were misled.

Mr. Speaker, you know that. They were misled, and you're going to do it again. The member from Prince Albert says: and we're going to do it again. Well that's fine. That's fine; they're going to do it again. I'll tell you, that's what kind of a government we have. And for that very reason is the reason that people are going to turf them out, is because the member from Prince Albert is shouting from his chair: we're going to do it again. And I say to you that is the reason, the dishonesty of this government that we are going to at the first opportunity, along with the people of the province, turf these people out, because you can't believe what they say.

Now that has happened in a number of areas. And we've talked about income tax; we've talked about the sales tax; we've talked about the used automobile tax. And we have the little game that was played with the banks where there's a phoney war being set up between the Conservative government and Boyd Robertson to try to tell the farmers that we don't like banks now. Well if that isn't a fine little war being set up between the Royal Bank

and the PC party, I've never seen one.

But I want to say to you that we will be dealing with this Bill, and we will have more words to say on it. And I therefore ask leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Urban Affairs Ordinary Expenditure — Vote 24

Item 1 (continued)

Mr. Tchorzewski: — Thank you, Mr. Chairman. Mr. Minister, I would like for a little while to address a new topic here this afternoon. It has been brought to my attention by many people who live in places like Regina and Saskatoon, and other places where there is mail delivery, that there is a new policy of Canada Post which you as Minister of Urban Affairs should be aware of. The policy of Canada Post is such that — and they announced it a year ago, so there's been lots of time to appraise yourself of it — but the policy of Canada Post states that new subdivisions will be not receiving letter carrier service any more, and there will be instead an introduction of a new community mailbox service.

Now some of the reasons why people are concerned is because of the potential vandalism that this creates; because of the eyesores that are created with weeds growing around these things that the post office is now setting up; in the winter-time they're snowed in.

Are you aware of this situation, Mr. Minister?

Hon. Mr. Dirks: — I have not had any particular correspondence with any individuals or groups other than I believe I may in the last year have had one, I believe it was, indirect letter or Xerox copy of a letter from somebody who was particularly concerned about this issue. This issue naturally rests in the federal domain, Canada Post being a federal Crown corporation.

I would remind the member that one of the reasons why Canada Post is likely pursuing the policies that it is is because it finds itself in such difficult financial straits. Over the years the corporation has had great difficulty in terms of being run efficiently. I think it's one of the corporations that has had the most number of strikes of any particular federal corporation. Likely the particular union there is one of the most militant in Canada in terms of pursuing a very hard line in terms of its labour management negotiations.

And I can only be reminded, as I stand here personally, that at times the NDP have asked for more militant action on the part of labour. And I would only suggest that that particular line is certainly not in the best interests of the people of Canada, it's certainly not in the best interests of those people who do not have at present the kind of delivery that they might want to have, because the corporation has had such significant financial difficulty. And I think a fair amount of that difficulty, certainly to

some degree, can be laid at the feet of radical unionism in this country.

And I would certainly hope that the members opposite in the NDP party would want to divorce themselves from organized labour, because we know that in fact the problems that face the country, and certainly a corporation like Canada Post, can be traced in large measure directly to that issue of militant unionism. In fact, we find the NDP going in just the other direction these days, tightly wedding themselves to militant unions.

That is not what the people of Saskatchewan want. I can see where there is some tie, certainly, to the whole matter of the quality of service that people receive from Canada Post. I can only hope that the new federal government, which is taking steps to rationalize and to bring greater efficiencies into Canada Post, will be successful in doing so, and that militant unionism will not stand in their way as they attempt to bring more efficient postal service to the people of Canada.

Mr. Tchorzewski: — Well I'm sorry, Mr. Chairman, that the minister, rather than addressing the question which has been brought to my attention by literally hundreds of people — and that is not an exaggeration — chooses instead to bash on working people rather than talking about an issue which is important to his constituents, if they have been affected, as it is to now approaching something like 800 homes in the city of Regina, and probably an equal number of homes and families in the city of Saskatoon, and other locations in the province where there is letter carrier delivery.

Instead of answering the question, Mr. Chairman, the minister, in the usual government's arrogant fashion, decides that it is better for him to beat up on the people who work in Canada Post, deliver mail, sort mail, and provide a very important service which the public appreciates. The public knows that the post office has had some difficulties over the years. We don't need to get into that debate here. So I'm sorry that the minister, rather than addressing this question, chose to divorce himself and his government from the concerns of constituents who have, I think, a legitimate concern.

Now I know it's not within the department of the minister. What I want to address here is the policy of the government and the position of the Government of Saskatchewan with regard to this service which is provided for people who mainly live in urban municipalities. Now, Mr. Minister, I'll give you two examples of why I think you should be addressing the issue.

One example is the people who live in an area of the city called Boyd Street and Benson Bay. Now in this situation they are one street on the end of an area called Gardiner Park. There is a fence now fenced off to the north. There will be no further construction. To the south, the next street gets mail delivery. To the east, mail delivery. To the west is the Ring Road. These people are being told by the federal government that, even though everybody else around them gets this service, they will not be able to get an extension of the service to them.

And so I suggest to you, Mr. Minister, that it is of concern to myself as a member, and it ought to be a concern to you. And I did not address it to you in any kind of a political sense. I'm addressing it to you because others who pay taxes in the city have raised it with me.

People in the Parkridge subdivision are concerned. They are saying: we pay the same taxes. In fact, we pay higher taxes, because we're in a new subdivision, than some other people do. They're saying: we pay the same postage rates as anybody else in Canada. And then they say: why should we be singled out as second-class citizens by the federal government? And it's your federal government, your federal Conservative government, which brought this policy in, in 1985.

I'm asking you, Mr. Minister: don't you think that, in your position as the Minister of Urban Affairs, you at least should address the issue and indicate to the federal government that they should reconsider this new policy which makes two classes of people under the Canada Post? As a representative of your government, would you undertake, Mr. Minister, to look into this and then at least write to the federal minister in charge of Canada Post or the Prime Minister and ask them if they would reconsider this policy which I believe is unfair?

Hon. Mr. Dirks: — Mr. Chairman, I think it would be appropriate for me to make a number of comments in response to those of the member opposite. First of all I want to make it very clear that my initial comments had nothing to do with the very fine people who work day to day at Canada Post here in Regina, some of them who happen to be very close friends and acquaintances of mine. And I have discussed with them the problems in Canada Post. And quite frankly they agree with me.

The problem has nothing to do with the people who work at the local levels. They simply carry out the dictates of those people higher above. The average working person in the corporations does a job as best they can. The problem with the corporation, however, rests with its great inefficiencies and its labour-management problems over the years, and much of that can be laid directly at the feet of militant unionism.

The problem has nothing to do with the people who work at the local levels. They simply carry out the dictates of those people higher above. The average working person in the corporations does a job as best they can. The problem with the corporation, however, rests with its great inefficiencies and its labour-management problems over the years, and much of that can be laid directly at the feet of militant unionism.

If you want to solve the problems in the post office you have to do more than simply talk about a postal drop moving from position X to position Y somewhere, as much as you and I might want that to happen. And I certainly would support any initiatives that can be taken which would attempt to ensure that everybody has the best postal service possible.

However, if the postal corporation, which runs as a corporation on its own out there, as much as possible without political influence, in order that it can provide the

best kind of service to the people of Canada on an equitable basis, if it decides that because of the mess that it finds itself in as a consequence of the kinds of things that I have talked about previously, that it has to make certain decisions to rationalize its mail delivery service, then it's naturally going to make those decisions.

It can't continue to lose literally hundreds of millions of dollars every year at taxpayer's expense. It's going to have to take some difficult decisions. Now whether those difficult decisions are the appropriate ones that have been made, or should be taken in the future, will naturally be a matter of debate. But I find it strange that the member opposite would suggest that the only problem here really is to set up a postal box at this particular area. I mean, the fundamental problem is that we have militant unionism at the head of the postal corporation, not down below where the average fellow is working, but at the head of the postal corporation. And now we have the Canadian Labour Congress, of which the postal union and their leadership is a very integral part, we have the Canadian Labour Congress now saying we need more militant unionism here in Canada.

(1545)

Well, that kind of an approach is not going to solve the problems of the post office, and it's not going to solve the problems for the people in your particular constituency who don't have the kind of postal service that they want, or that perhaps they believe that they deserve, or that they need. Certainly I support whatever initiatives can be taken, and I am more than willing to advocate on behalf of particular individuals to any particular federal department or Crown corporation if they believe that they, for one reason or another, have been hard done by.

But I think that the member opposite, in all honesty here in this Assembly, should be dealing with the root cause of the problem at the postal corporation, and that root cause and its implications for poorer service for some people here in the province of Saskatchewan, in our fair country.

So I would reiterate that I have no problem, indeed would be happy to advocate on behalf of individuals. I have not received any particular direct communication from large numbers of individuals. You mentioned 100 or so individuals in particular areas. Certainly I am willing to bring that to the attention of federal officials. I assume that the NDP members of parliament for the city of Regina are already so doing as well, and I have no problem assuming that particular responsibility. But I think that the member needs to — and he hasn't done so — bring to the attention, along with myself, of all of the people of the province, that the problems with the postal corporation certainly are far greater than whether or not a particular box is going to be located here or there, or whether there's going to be home delivery service at this particular location, as much as I am in favour of that for everybody here in the city of Regina.

Mr. Tchorzewski: — Well thank you, Mr. Minister. I want you to know that I indeed have visited several hundred homes with respect to this matter, and that's why I bring it to your attention because a number of people asked me to do that, and I did that knowing that you're not the minister

responsible. Once again I think your irresponsibility is shown, that instead of talking about the concerns of these people you choose to attack other people. That was not my intent, and I regret very much that you chose to get into it, but then that is your style, and that's quite all right with me. The public will have to judge on that.

The member of parliament for Regina North East indeed has a petition which he is presenting in the House of Commons very soon with regard to this matter. And I simply, in closing this discussion, want to ask you one simple question: will you write to the federal minister in charge of Canada Post, expressing your concerns as the Minister of Urban Affairs about a policy which is unfair? And it is indeed unfair. Whatever the reason, it's an unfair policy because it cuts some people out simply because they chose to build or buy a new home in a new subdivision.

Will you write to the minister indicating that it's a policy which is unfair, and that on behalf of your government do as I have done, ask that there be a change in the policy?

Hon. Mr. Dirks: — Well if the member opposite would be willing to present me with the names of the individuals, indeed present me with the petition itself of these particular persons in your constituency or other constituencies in this city, so that indeed I do have the material evidence of the concerns of those people — and I certainly don't question them, that that is very likely possible that those concerns do exist — if you would like to present that to me, I certainly would be willing to review that particular matter and give serious consideration to advocating on behalf of those particular individuals.

Mr. Tchorzewski: — Mr. Minister, the petition is in Ottawa, but I think you're aware that the concern is there. And I missed it because I was momentarily distracted. Did you say you would write to the minister?

Hon. Mr. Dirks: — You said that you had received substantial expressions of concerns on behalf of large numbers of individuals. I haven't received that communication myself, and I simply indicated that I would be interested in receiving that kind of communication, perhaps through you to me, in the form of a copy of the petition that the member for Regina East has presented in parliament, or is going to be presenting, or your own petition or whatever — copies of the letters that you have received. And I indicated that, once I have received that information, I certainly would review it and would give serious consideration to writing to Canada Post with regards to this particular issue.

At the same time that your NDP colleague presents his petition in the House of Commons, I would also hope that he would bring up the whole issue of the inefficiencies and the problems that are in Canada Post because of militant unionism, which everybody knows here in Canada and in Saskatchewan is right when it comes to Canada Post.

Mr. Tchorzewski: — Mr. Minister, I shall provide you with all the information you require and hold you to your word that you will make that presentation.

I would like now to turn to another topic which is a topic of some considerable concern in recent months and has most recently been getting a lot of attention at the Regina city council, as it has in other councils.

I'm sure, Mr. Minister, you're aware that there is a form of taxation called the business tax which is a form of double taxation that is imposed on businesses. There has been made by business concerns, individual business people, by business organizations such as the Federation of Independent Business, expressed concern to all parties and to the government that this business tax is unfair and that something has to be done, along with many other tax systems that we have, to bring more fairness into the tax system.

Mr. Minister, do you or do you not agree that the business tax, because it's a form of double taxation, may be unfair and should be reconsidered?

Hon. Mr. Dirks: — Certainly an argument can be mounted which, I think, has some validity that the business tax is, in fact, in the eyes of many individuals who pay it, an unfair tax because they believe that they are being taxed, not once or twice, but three times, in various forms.

Mr. Tchorzewski: — Mr. Minister, the council of the city of Regina has been discussing this for the last week. There have been resolutions. And the councillors are very, very serious about the deliberations they've had. The problem with the business tax and the way your government has dealt with it, sir, is that your Minister of Finance — and it's here on page 14 of his budget speech — once again did what he did at the SUMA convention. Instead of dealing with the responsibility as your government should, he laid it on the municipalities and he told municipalities that they are the ones who should be doing away with the burden on the unfair business tax.

Do you agree with your Minister of Finance, Mr. Minister, that municipalities are the ones who should remove the business tax?

Hon. Mr. Dirks: — Well, they were the ones who levied the tax. And those who levy the tax are obviously the ones who have the authority and can certainly take the decision to remove the tax if they so choose. If they want to leave it on, they can leave it on. If they want to take it off, they can take it off. And I understand, of course, that one municipality here in the province, I believe Lafleche, has done something in that regard. So it is a tax at the local level, and it's their choice as to whether or not they want to levy such a tax, increase it, decrease it, remove it, rebate it. That's their decision.

Mr. Tchorzewski: — Well, Mr. Minister, that's a very difficult decision for municipalities to make when in the last four years you have made a massive cut in urban surface assistance that the province has provided to municipalities. You have removed \$80 million from taxpayers when you cancelled the property improvement grant. You froze the revenue-sharing pool in 1985. So although you talk about your 3 per cent increase this year, you have an average increase over two years of one and a

half per cent.

Now for you to stand up and say to municipalities: remove the business tax, you're really saying: put on even a greater tax burden on property owners' homes. That's what you're saying.

Let me give you an example. If in the city of Moose Jaw the business tax was removed without any initiative from this government, without any financial assistance from this government, that would in that city be an increase of \$1.4 million of taxation on home owners. That's an 8 per cent increase in the tax levy, or something of about \$100 a home.

Now, Mr. Minister, don't you agree that a \$100 tax increase on top of your \$230 tax increase when you took away the property improvement grant is really quite excessive for home owners to absorb?

Hon. Mr. Dirks: — Well, Mr. Chairman, as I indicated previously, and we seem to be covering the same ground over and over again when it comes to local taxation, the overall per cent change in urban municipal mill rates, I believe last year was 0.4 per cent and estimated at around 2.8 per cent for this year.

I have before me, for example, a heading that says, "Property taxes rise 2 per cent in Weyburn" as an example. I also have before me the rather informative article in the Leader-Post, dated Tuesday, April 22, 1986, which gives a very clear distillation of the comparative tax picture in Canada when it comes to property taxes.

And I think the significant message here is that, because of the taxation decisions taken by the city council here in Regina, people in Regina pay the second highest — almost the highest — the second highest municipal taxes anywhere in the Dominion — anywhere. Medicine Hat pays almost half. Saskatoon pays about \$300 less, it looks like, than in Regina. And cities like Winnipeg and Hamilton and Toronto and Fredericton and so on, Calgary, Victoria, St. John's — all pay substantially less than the city of Regina.

Now if you want to suggest that it is the fault of the provincial government that the city of Regina's municipal taxes are so high, I suggest to you that you are advancing a very erroneous argument. The revenue sharing that we have provided to municipalities in the last four or five years has been significant; 11.5 per cent, then 7 per cent, then 5 per cent. There was no increase the fourth year. A 3 per cent increase the next year. That's a total of a 25 per cent increase over your last budget, and when you add on some figures for ambulance services as well, a 36 per cent in that period of time. Now that is a very substantial increase in the local tax revenue coming from the senior government.

Now once again you may say, that's not enough. And as I indicated last year, there are always going to be those people who will say it's not enough. And I understand that. I suppose if I were in their position I would be saying the same thing. People always want more. And there is never as much money to meet all of the needs.

The question is whether or not you're providing a reasonable level of assistance from the senior government to municipalities. And when you take a look at the amount of money which we provided, when you take a look at the mill rate increases over the last three or four years, I think what we have done is to provide municipalities with a reasonable level of assistance. Now if the municipality of Regina wants to levy a business tax, that's up to them. If they want to reduce, abate, or abolish that business tax, that's up to them. But to suggest that the provincial government should somehow pick up the cost for the city of Regina certainly is not an appropriate suggestion to make. Indeed the citizens of Prince Albert, or the citizens of Moosomin, or the citizens of Saskatoon, certainly would not support the move whereby the city of Regina would do away with its business tax, and somehow all provincial taxpayers should have to take upon themselves the burden to now give \$7 million, or however much it is, to the city of Regina. Certainly that is not a very responsible suggestion, I would respond to you.

I think the more responsible move on the part of the city of Regina would be to take the kind of analysis to their budget that should have been done over the last decade, perhaps over the last four or five years, and to very clearly — to very clearly say this particular service or that particular program needs to be reassessed, and we need to ask ourselves whether or not we have not in fact decided to tax the ratepayers of Regina too highly. I think that's the decision of the council here in Regina needs to take, rather than saying, we have a problem in our backyard, we have identified it, now we're going to shovel it into your backyard, and you deal with it. That's not responsible. You've got a problem in your backyard, you deal with it.

(1600)

Lafleche chose to deal with their problem; the city of Regina needs to deal with its problem. And I would predict that if the city of Regina does not deal with its problem that in the next municipal elections the ratepayers of this city will deal with it as they normally do when they're upset with the level of taxation that councillors put upon them.

Mr. Tchorzewski: — Now, Mr. Minister, I want to remind you of something. It was your Minister of Finance who said to the city of Regina, and therefore said to all municipalities, on behalf of your government which you represent here in these estimates today, that municipalities remove the business tax and that municipalities find other sources of revenue to make up the difference.

Now, Mr. Minister, since your government has said that to municipalities, may I ask you to suggest where the municipalities should raise those other sources of revenue.

Hon. Mr. Dirks: — Well I would bring to the member's attention that there was a number of reasons why Regina charges its taxpayers substantially more than other similar municipalities. But they have decided to run with a higher level of municipal service. That's a choice that they, of

course, take. There are likely . . . If they chose to do so, they could likely find greater efficiencies in their particular program delivery. But that's a decision that they can make.

I understand that recently Regina passed a motion to not tax new businesses which were established, at least not tax them at a certain level, and rebate a portion of the tax over a period of time in an attempt to generate economic activity in the city. Whether or not that's successful, I don't know.

As it relates to the business tax, of course they could phase that out over a period of time and deal with the program side, as all governments have to do from time to time, and certainly this provincial government has taken a very close look at program matters and has been able to save substantial dollars in terms of program efficiencies. We know that across North America various municipalities have moved to offer certain services through the private sector and have been able to realize a significant saving by so doing, and that may be an area in which municipalities may want to look. So I think there are significant areas that municipalities can take more than a passing glance at.

But as I indicated before, to simply suggest that it's the provincial government's responsibility to take up the slack if the city of Regina decided to do away with its business tax, I think is something of an irresponsible move. It is sort of, as I said before, shovelling the problem out of your own backyard and trying to foist it upon somebody else. I think it needs to be dealt with in the context of the administration here in the city of Regina.

Mr. Tchorzewski: — Well, Mr. Minister, your success at finding money because of cuts in programs has been a dismal failure. I remind you that the expenditures of your government since you took office in 1982 have increased by in excess of 32 per cent. So for you to suggest that somehow the urban municipalities of this province can do likewise, I think is pretty ill-founded advice.

You may have cut programs, Mr. Minister. Obviously in the wrong places, as the Minister of Health proved to us during his estimates, where we were able to make it quite clear that there were problems in the health system like this province has never seen, because of understaffing and because of all other kinds of other problems. I'm sure that the city fathers of the city of Regina are far more responsible people than you have been as a government, where you have cut some of those programs but your expenditures have increased by 32 per cent. So obviously your own argument destroys what it is you're trying to say.

It's not irresponsible of the provincial government, Mr. Minister, to consider some action to provide relief from business tax for small businesses. If you can do it, Mr. Minister, for the oil industry, where you can provide the large oil companies \$300 million a year in tax reductions, why can't you find even a small percentage of that to help small-business men in the province of Saskatchewan? That's what I am saying.

You're the one that's being irresponsible. It is this

Conservative government that's being irresponsible, that puts its priorities with the huge corporations which are not resident in this province — come from outside; gives them all the money they want; but when the small-business man says, we need some help, you say, go to your city, or don't come to us.

Mr. Minister, I make this point. It wasn't the municipalities that raised this issue. It was your Minister of Finance who tried to play politics, and he tried to play politics as you're trying to play politics by saying that municipalities ought to find other sources of revenues.

My question was not dealing with the question of where they may cut, because if they follow your model they will increase their expenditures by 32 per cent. My question deals with your Minister of Finance's statement in which he said, "Municipalities should find other revenues." He obviously must have discussed it in cabinet with you and your other colleagues, otherwise he wouldn't have made such a positive statement.

So I ask you: what sources of revenue would you suggest? And I'm talking about revenue which municipalities find to be able to make up for this difference.

Hon. Mr. Dirks: — Well, Mr. Chairman, here we have a member of the NDP party, one-time minister of Finance, who was so concerned about small business when he was minister of Finance and when interest rates were at 18, 19, or 20 per cent, you were so concerned about small business that you did the following: you did nothing. That's what you did — absolutely nothing to help out small business.

I want to tell you what we're doing to help out small business. Last week I met with a business person here in the city of Regina who happens to be a woman who runs a clothing store in the city of Saskatoon, who also happens to be a member of this Progressive Conservative Party because she understands that this is the party that's building the future of this province. She told me that as a result of this government taking the tax off of clothing, the business in her store has increased 40 per cent overnight. Now if that isn't helping some small business in this province, I don't know what is.

The second thing that we have done to help small business in the province of Saskatchewan has been to provide 8 per cent money to small business. Now when interest rates were 18 or 19 or 20 per cent, did you provide any assistance to small business? I ask the member opposite, and he is not responding. He's not even nodding his head one way or another. Did you provide any assistance to small business? Well I have to tell the members of the Assembly that you did not provide any assistance to small business.

So not only did we take the tax off clothing but we have provided 8 per cent money to small business. In addition, to anybody who is setting up a new small business in the province of Saskatchewan, there is now a two-year tax holiday for those individuals, because we understand that small business is where the new jobs are created these days.

Now did your government ever provide a tax holiday to anybody? Did you provide a tax holiday to anybody? Well once again to the members of the Assembly, he's not answering. You didn't provide a tax holiday to small businesses. Now I find it interesting that the Leader of the Opposition is now saying, well, maybe tax holidays are a good thing.

So we provide the tax off clothing for consumers and it helps small business. We provide 8 per cent money to small businesses and they really appreciate that. I have many small-business people who live in the constituency of Regina Rosemont, and they say, right on, that's the kind of assistance we need for small business. Then we provide a tax holiday for all of the new small businesses that are going to set up here in the province of Saskatchewan.

But I think even more important than all of those things, the best thing that you can do for small business is to create a climate in this province in which economic activity is going to take place. Because when that happens, small business benefits because people spend their money in small business.

Small businesses appreciate the fact that this is the government that is building the province of Saskatchewan. When you nationalize potash mines and you want to nationalize more potash mines, which is what the NDP candidate in my riding wants to do, you don't help small business one iota.

When the NDP in Manitoba puts on this very onerous employee tax, that doesn't help small business. And when the NDP in this province bring into Saskatchewan the NDP Finance Minister from Manitoba we all have to wonder whether or not the NDP, if they ever got back in power, and we certainly wouldn't want to see that happen, whether or not they wouldn't put that same kind of a tax on small-business people in this particular province.

Now you were talking about providing relief for small business. So we had the NDP in Manitoba who has this onerous employee tax. Here we take the tax off clothing; we give them 8 per cent money; we have no tax on new small businesses. I want you to know that if there is a government in Canada that understands the needs of small business, this is the government that understands the needs of small business.

And the final point I need to make, Mr. Chairman, if ever the members of the Assembly today had any question in their minds as to whether or not it was this government or those people over there who understand small business, I need to bring to the attention of the members here today the following information. I think the member for Shaunavon, who is speaking from his chair, will be most interested to hear this information.

I have before me today the profile of all of the NDP candidates running in the . . .

Mr. Chairman: — Order, order. I would remind the members of the legislature that we are going to be back on Urban Affairs, talking about the estimates of Urban

Affairs. There's been a great amount of latitude been given this afternoon. I will caution the members that from here until time of adjournment, I will be constantly bringing you back to Urban Affairs.

(16145)

Hon. Mr. Dirks: — Thank you, Mr. Chairman. The Urban Affairs issue which we are dealing with today is a fundamentally important issue, because what is really at stake here is whether or not this government in its estimates understands small business and can help municipalities sufficiently, or whether or not the 64 candidates from the other party understand small business.

And the people of Saskatchewan need to know that there are only four out of 64 NDP candidates that have got any business experience. Now how in the world you ever think that you could help small business in the province of Saskatchewan, when you've only got four out of 64 candidates that have got any business experience, is beyond me. This is the party that understands small business. We are providing assistance to them, and municipalities appreciate that.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Chairman, I'm glad you called the minister to order because this is the way he's been going on in his tirades now for the better part of this afternoon.

I want to respond to the minister's comments. He said that the most important thing to do for small businesses in talking about the removal of the business tax was to create a climate in which small business could prosper. Well I want to say, if that is so, then clearly the minister and the government he represents have failed pretty badly. Because we have seen in the last four years a record number of bankruptcies in the business community in this province. Now if that's creating a climate, if that's the kind of climate that creates strong business, Mr. Chairman, I don't think anybody, including myself, would believe what the minister has had to say.

One of the measures that one can use in determining whether small business need help and whether the economic climate is strong, is population. Well in Saskatchewan in 1986 since January, there has been a net out-migration of 6,000 people. Now that's a lot of people, Mr. Chairman. For some reason there are 6,000 more people have left Saskatchewan than have come into Saskatchewan. Now that is not a measure of success. That is not a measure of a prosperous economy. And one of the reasons why this is happening, because the policies of this government which are geared only to the big corporate business sector, have squeezed the small-business people to such an extent that the biggest creator of employment are now unable to do what they would like to do.

I could stand here — and I won't because we don't want to stray too far afield — but I could talk about doing away with the tender system, about the picking and choosing of friends of the Conservative Party to give business . . .

Mr. Chairman: — Order. Let us not talk about tendering systems. Let us talk about urban affairs.

Mr. Tchorzewski: — I shall do that, Mr. Chairman. And Urban Affairs, I suspect, does some tendering out. There is also the question of the kind of employment that has not been created. I want to tell the minister, and then I will leave this and I will ask my question, which he is yet to answer even though I've asked it four times. Instead, he chooses to make a political speech.

I want to tell the minister that another thing that indicates whether business is able to prosper under any particular government, is employment. And I want to tell him that between 1978 and 1981 full-time employment, created jobs, was 22,000, but between 1982 and 1985 only 16,000 full-time jobs have been created by this Conservative government. Between '78 and '81, 14,000 part-time jobs were created under the former government, but under this government only 9,000 jobs have been created in the part-time field by this government.

And the most crushing story of all is that dealing with people between the ages of 15 and 24. Between 1978 and 1981, 5,000 jobs were created for people between the ages of 15 and 24; whereas between 1982 and 1985 under this government, 7,000 jobs for people of that age category have been lost. There has been a reduction of those jobs.

So I agree with the minister. I only use that evidence to agree with the minister that a strong economy leads to a thriving business community. During the time of the former government, the cash registers of the business community in Saskatchewan rang and business people prospered. Under the term of this government, it has been the reverse. And that's why the business people are looking for some help and some relief. And that's why business people are saying, look, the business tax needs to have a reconsideration.

Without saying any more, I will ask the minister a straightforward question: Mr. Minister, since your government believes that municipalities should do away with the business tax, where does your government recommend they raise their additional revenues?

Hon. Mr. Dirks: — Mr. Chairman, I had responded to that question some time back when I talked about various measures that municipalities could take.

I think the key thing here is the member opposite did talk about the whole economic climate as it relates to small business and the job creation record. And if he were to refer to the Leader-Post article of Tuesday, December 10, 1985, on page 4, he will see that under the NDP, the last years of their administration, from 1979 to 1981, a total of 4,000 full-time jobs created.

Under the Progressive Conservative government, the three years from October '82 to October '85, the same three-year comparative period, 21,000 new permanent full-time jobs created. So under the NDP, 4,000 permanent jobs created in a three-year period of time; under the Progressive Conservatives, 10,000 jobs . . . or

pardon me, 21,000 jobs created in the same comparable three-year period of time.

Here in the city of Regina, 8,000 more people working today than back in 1982 when this government first took power — 8,000 more people working today than back in 1982. So certainly there has been a substantial increase in economic activity. Far more people working today — 8,000 here in the city of Regina alone — than back in 1982. And when you compare the permanent job creation record; 4,000 under your administration in your last three years; 21,000 under this administration.

You want to compare the part-time job creation record. Unfortunately I have to tell you that under your administration in your last three years you created 10,000 part-time jobs. But you're not a fan of part-time jobs; I know that. Well I want you to know that you created 10,000. This government had 4,000 part-time jobs and 21,000 full-time jobs. You had 10,000 part-time jobs and only 4,000 full-time jobs.

Now I think there's a substantial difference. And this particular administration is certainly committed to creating economic activity here in the province of Saskatchewan and we do that two ways. We do that by assisting small business where we have removed certain taxes in the past. We're providing tax holidays, providing 8 per cent money for small business. But in addition to that, we're moving on a large number of very important economic development projects in the province of Saskatchewan, things that you people should have thought about, should have worked on, but you ignored.

And in all fairness to the member opposite, I know you haven't been in the legislature for all that long, so I think I should bring to your attention some of the things that you may not be aware of yet: the new paper-mill in Prince Albert; the new Regina upgrader; the new Shand power project in Estevan; the new Rafferty and Alameda dams; the new fertilizer manufacturing plant coming in Regina.

There was the new technical school in Prince Albert; the new agriculture complex in Saskatoon; the new irrigation projects; the new Mackenzie Art Gallery and museum in Regina; the new individual line service for SaskTel in rural Saskatchewan; expanding the rural gas distribution system; the new power line project in northern Saskatchewan; burying the power lines in rural Saskatchewan; new cable companies in Moose Jaw and Weyburn; the new rehabilitation hospital in the city of Regina; the new meat-processing facilities in North Battleford and Saskatoon; and just announced this afternoon, I believe, a new student union complex here in the city of Regina, certainly something that we are interested in seeing happening.

Now there we have a very fine array of economic development projects on one hand, stimulated by the provincial government, and benefits provided to small business on the other hand, so that they can take the initiative to do the things that they want to do. That's creating economic activity in the province. That helps small business, and that helps municipalities.

Mr. Tchorzewski: — Mr. Chairman, the minister again

avoided the question. He's been doing that all afternoon, as the ministers of this government tend to do. They will not answer any questions. I will re-ask the question again, but I remind the minister that he should not use dishonest figures when he debates in this House. Because when you talk about job creation I will quote you from Statistics Canada, which is your federal government's counterpart statistics.

Statistics Canada reports — and these are official numbers — that full-time jobs created between '78 and 1981 was 22,000; between 1982 and 1985 it was 16,000. Part-time jobs created between 1978 and '81 was 14,000; in '82 to 85 it was only 9,000. This is Statistics Canada figures. Between the ages of 15 and 24 — people who are just getting into the job market — between 1978 and 1981, 5,000 were created.

Under your government there has been a loss of 7,000 jobs. Those aren't some figures I've pulled out of the air. Those are figures that are provided by Statistics Canada which, I might add, does a pretty accurate and credible job on putting this kind of information together. When people of this province see those figures and compare them to your fixed figures, which they are, and your government is good at that, that's why no one believes what you have to say, because they have something to compare to.

Now I will ask for the last time, Mr. Minister, and I will not pursue it any more, because if nothing else, the point has been established that you will not answer the question, as you haven't. Because it's your government's position that municipalities should remove business tax — as stated by your Minister of Finance to councillors at SUMA and to this legislature in his budget speech — and because the minister said the municipalities should find revenues from other sources, what did your Minister of Finance mean and what does your government recommend that the municipalities get those taxes from?

Hon. Mr. Dirks: — Well, Mr. Chairman, I'm sure the member opposite will very much want to put the question to the Minister of Finance when he stands in estimates. I did indicate previously that the municipalities do have considerable latitude to make decisions concerning their spending and revenue priorities. And that, of course, is up to them. And I certainly wouldn't want to dictate to them how many parks they should have or how many police force they should have. That's their decision. They can choose to make those decisions if they want to.

I would simply respond to the member opposite with regards to his last comment concerning job creation, that in January of 1986, of this year, there were 17,000 more people at work in the province of Saskatchewan than there were a year previously — 17,000 more people at work.

In terms of new business incorporations, total new incorporations: from 1982 to 1985 in the province of Saskatchewan — now if this isn't a telling figure, I don't know what is — 12,686 total new incorporations in the province of Saskatchewan, exceeding business bankruptcies by well over 10 times, 12,686 total new incorporations in the province of Saskatchewan.

(1630)

Mr. Shillington: — Mr. Minister, I wonder if you would give us the names of your personal staff and their salaries. If you want to hand the usual sheet across the aisle, that would be satisfactory. If you want to read it, please give it to me slow enough I can copy it down.

Do I take it there's been a complete change in staff? Last year you had Bruce Evans at 43,000; Pat Murphy at about the same salary; Pam Barber; Vonda Renwick; Marg Marsden. And this year you've got a complete change of staff? Do I take it there are none the same?

Hon. Mr. Dirks: — Those people were employed by a former minister of Urban Affairs. They are not in my employ.

Mr. Shillington: — Mr. Minister, have the salaries of any of these three been increased within the last 12 months in any way?

Hon. Mr. Dirks: — Well if you have the presence of mind to read the sheet in front of you, you would have seen that there was an increase for one of these individuals. It was an annual increment increase in January of 1986.

Mr. Shillington: — So both of these . . . I did not get an opportunity to read it. Both of these two have received increases in the last year, I take it then, Mr. Minister, of approximately . . . Do I take it the first individual last year got a 20 per cent increase . . . a 24 per cent increase, and this year got another 5 per cent increase? Do I take that to be accurate, Mr. Minister?

Hon. Mr. Dirks: — Well if the member was in the Assembly a year ago at this time, he will remember that this issue was dealt with at that time when I indicated that the particular individual under question had been promoted because his duties had been substantially increased.

I recall when I was promoted from being a normal class-room teacher to being a school principal, that there was a promotion in terms of salary as well . . . (inaudible interjection) . . . And I must say, contrary to the members opposite, those were very enjoyable days, and I certainly appreciated having the opportunity to be an educator here in the province of Saskatchewan. And when one receives a promotion, there is naturally an increase.

This particular individual, well over a year ago now, did receive a promotion at that time because of increased responsibilities. And as I indicated, normally there is an increment increase that comes once a year to everybody. It came to your staff when you were a minister, and I'm sure you remember those days. It comes to all staff members on an increment basis.

Teachers — they receive their particular increment. People in my office, people who work in the Department of Social Services, Urban Affairs, wherever they work in the civil service, receive annual increment increases if they are at a certain period of time in their employ in the government. Once they exceed that particular period of

time, then of course there are no more increment increases; there are simply the annual, negotiated increases which accrue to those individuals.

In the case of my staff, of course the first two individuals there did receive the annual increment increase in January, 1986, as they should have, and as civil servants and others, such as teachers and nurses and so on, who deserve increment increases in fact receive those increment increases.

Mr. Shillington: — They did, Mr. Minister, but that was in an era when there was no wage freeze. I note that the individual has now — the first individual mentioned has now received a 5 per cent increase at a period in time when municipalities are getting less than they were five years ago. I wonder how you justify staff, your personal staff, getting a 5 per cent increase. I know it's not the 20 per cent increase it was last year, but it's still a great deal more than you gave the municipalities, Mr. Minister.

Hon. Mr. Dirks: — I would want to make two points. Two points I would want to make that I think the member opposite will want to pay attention to very clearly.

On April 1, 1982 under your NDP government, the Department of Urban Affairs was paying \$7,320 per month for ministerial staff salary — you got the figure — \$7,320 over four years ago. Today, in my office, \$6,637 is paid out for ministerial staff salaries. Now that's four years later.

If we had been following inflation, the salaries paid today to my office staff should be substantially higher than what you folks were paying back in 1982. But in fact the amount of money paid today, four years later, is less, less than what you were paying back in 1982. That's the first point I want to make.

And I would think that if you had sufficient integrity that you would stand to your feet and you would offer some sort of commendation, that over a four year period of time less dollars are being spent on salary today than they were back in 1982 in the best interest of the taxpayer. So we expect a commendation in that regard.

The second point I would make is this: civil servants, people who work for the public in the province of Saskatchewan deserve to have the increment increases apply to them which have been negotiated. I don't think you would disagree with that. You would be one of those who would support very strongly the principle of free collective bargaining. You would want to see people receiving the salaries that they justly deserve.

So here we have individuals who, of course, have a salary grid applied to them, and once a year they deserve an increment increase. You would not want to suggest, I'm sure, that civil servants should not get an increment increase, because if that's what you want to suggest, I'll be more than willing in the next few weeks or whatever to certainly knock on the doors in my constituency and indicate to them that you have the position that civil servants should not get a salary increment which they deserve and which they negotiated.

So I make two points: the salaries today, in this office, are less than they were paid four years ago under your administration, back in 1982. Secondly, I believe in fairness. People deserve to get the increment increase which they justly have worked for, and I would expect that you would stand to your feet and you would support both of those points.

Mr. Shillington: — I never suggested that civil servants should not have increments. Indeed, we have been critical of the wage freeze this government has imposed. It makes no sense, Mr. Minister, to make some sort of an example out of public servants. When the industrial wage index goes up by 3, 4, 5 per cent, it makes no sense for public servants in this province to bear some particular burden. Nobody on this side of the House has suggested that. What we have suggested is that if this gentleman — I don't want to use his name — this gentleman needs 5 per cent, municipalities might well make use of that as well.

Mr. Minister, I want to go back to the first comment you made with such pious indignation. Mr. Minister, you totalled the salaries, and I gather they came to around \$6,000. Would you give me the salaries of the staff which you have as Minister of Social Services, as well.

Hon. Mr. Dirks: — I'll certainly be happy to do so when we discuss Social Services estimates.

Mr. Shillington: — The two taken together are a very sizeable increase — over \$7,000. Would you not agree?

Hon. Mr. Dirks: — Well we can talk about Social Services salaries when we get there, and I'll be happy to do that. I'm providing to you the information today on Urban Affairs, and I'm sure you're happy to receive that information. And I'm sure you're happy to hear that the salaries paid today for the Urban Affairs function in this government, to the minister responsible, is less today, costing the taxpayer less today than it did back in 1982.

Mr. Shillington: — Mr. Minister, as you admit — because you do not deny — as you admit, salaries of the people on your staff are a very considerable increase in the salaries of the staff of the minister at that time. What you have done is to have given me those only which you have in the Department of Urban Affairs. You neglect to give me that staff which you have in the Department of Social Services. The two taken together are a very sizeable increase over what the minister of the day had. And since you don't deny that, I take it that you admit it.

One of the reasons why this government — and I suppose we're going to get to PSC (Public Service Commission) estimates in due course — one of the reasons why this government has such an overwhelming problem with the public service that you do is because of the disparity in the way you treat yourselves. I have said that this government . . . I said of another minister that when this government travels, you travel like Persian kinds — you have a great entourage sweeping after you. Well you maintain the same style when in office.

The salaries of executive assistants in this government must be the highest of any provincial government in

Canada. I'm sure that's the case. You came in and you increased the salaries of executive assistants very, very substantially. They were then, at that point in time in '82-83, the highest in Canada, and I'll bet they still are.

You have more staff in your offices than other provincial governments and, Mr. Minister . . . (inaudible interjection) . . . Well, indeed you do! Indeed you do. You . . . (inaudible interjection) . . . Well the Minister of Energy said some nasty things.

An Hon. Member: — I am not the Minister of Energy.

(1645)

Mr. Shillington: — No, that's right. You got demoted. You're right. You got demoted. I'm sorry. I used to remember you in the days when you had that all-important responsibility. The minister has now been demoted. All I can say is, wash your mouth out with soap and water . . . (inaudible interjection) . . . And there's the man who wished he was a minister, and so do some other people, I might say. One of these days we'll get around to figuring out why they dropped one of the few competent people . . .

Mr. Chairman: — Order, order. Would the member please get back to estimates on Urban Affairs rather than talking about personalities and other ministerial positions, please.

Mr. Shillington: — Well, Mr. Chairman, it may have been a breach of the rules, but the members were addressing comments to me. I assumed they wanted me to answer them, and I was in the process of doing that.

To get back to your situation. One of the reasons you have the problems you do with morale in the public service is there's such a disparity in the way you have treated yourselves, and your style and your office's style and your style of travelling and the way the public service has been treated. And they see that in a way, I think, that many of the public, particularly those who don't live in this city, do not see.

Your salaries are much, much higher than the salaries of any other provincial government or the former government. You have more people on staff and it's not obvious, Mr. Minister, what that staff does.

They certainly don't do a great job of communicating. I have a pile of press clippings here, which I'm going to get to in due course, from everybody from SUMA to individual aldermen on the council of the city of Regina, which you continue to criticize and treat like pariahs. If you get elected, Mr. Minister, with the same majority that most of those council members did, you'd be doing very well indeed. They just recently got elected. You may not like their style of government, but they got elected, and they did so more recently than you did. The only electoral test which you have had in the same time frame was a disaster for you. So they have a mandate, Mr. Minister. It's not obvious, Mr. Minister, that this government does have a mandate. It is not obvious that this government does have a mandate.

I don't know, Mr. Chairman, do you want me to respond to the comments of the minister with respect to P.A. and Thunder Creek. I'd be happy to if he wants me to. I don't think Mr. Chairman does; he's frowning.

Mr. Minister, I say with respect to your staff . . . My father used to have a saying that figures don't lie, but liars do figure. When you gave me one-half of your staff and compared that to the entire staff of the former minister, to put it mildly, Mr. Minister . . . Well I'll be darned, I think there's a stranger in the House. The member from Regina North West has not been here in weeks.

An Hon. Member: — Where has he been?

Mr. Shillington: — Did the member from North East lose his way? I think we all ought to join and welcome the member from Regina North East back after his long sojourn, no doubt having trouble spending the \$140,000 they got.

Mr. Minister, you are playing with figures when you suggest that your staff is smaller than the former minister's. That is not in fact the case. You have yours split between two departments, and that's why you're able to make the comparison you are. Salaries are higher and your staff complements of this government is larger. I don't remember with particularity what the staff complement of the former minister was, but overall this government's staff complements are considerably higher than the former government.

So I wonder, Mr. Minister, you've got seven all told, is that what I take it from the fingers? Well that is, Mr. Minister, quite a change from three. You hold seven fingers in the air, so I assume that you have seven people.

Mr. Minister, we had an opportunity to raise an issue with the former minister of Urban Affairs, and I want to raise it with you as well. It has to do with a change in the assessment that was complained of by the Regina city council. They complained of a change in the tax policy by this government which pumped \$500,000 into the pockets of developers.

The former minister dismissed the comment, "Regina mayor said he was assured that the province would make up the loss by increasing provincial grants to the city." And this was in an article in the Leader-Post on November 23rd, 1985. The change affects taxes on the urban holding property of raw unserved land.

I wonder, Mr. Minister, if you'll tell this Assembly why you didn't keep faith with the mayor of the city of Regina and make up the \$500,000 which they lost.

Hon. Mr. Dirks: — As the member opposite may be aware, when the effects of reassessment were felt here in Regina, the tax implications for certain landholders were quite dramatic. Indeed, for many of them they would argue that it, I suppose, went through the roof. And they felt it was most inequitable. Consequently the decision was made by the former minister to amend the Act to bring those taxation levels back down. The city of Regina did express concern about that. And I can understand that they would naturally want whatever funds they could get.

There are differences of opinion as to what is the appropriate level at which those particular types of property should be valued and taxed and so on. And that whole matter will be formally dealt with by the new independent assessment agency once the legislation is passed here in the House. And of course there will be representatives from the urban municipalities that will sit on that assessment agency board and will direct the affairs of that particular assessment agency, and I'm sure that that particular issue of the equity or non-equity of those land holdings will be dealt with quite capably by that particular agency.

Mr. Shillington: — Well the article by Marion Marshall of the Leader-Post states, and I quote directly:

At a Tuesday meeting (which we must assume to be the previous Tuesday) between Embury and Mayor Larry Schneider, Embury promised the provincial government will increase the grants to the city to compensate for any loss of tax revenues stemming from the change.

Why was that undertaking to the mayor, if we are to assume the mayor was not lying about the interview, why was that undertaking not kept?

Hon. Mr. Dirks: — Well my understanding is that that kind of an undertaking was, in fact, not made. And I'm not questioning the integrity of the press here, but my understanding in discussion with the former minister was that that does not realistically reflect the discussions that took place at that particular point in time.

I'm not surprised, of course, that the mayor would want to have whatever money he could get his hands on. That's a natural impulse of anybody who is in that particular position, and I would be the same way. But as I indicated, the issue will be referred to the new independent assessment agency and will be dealt with most capably, I'm sure, at that time — either to leave it where it is, to change it somewhat, to change it dramatically — but those kinds of issues will be dealt with at that time.

Mr. Shillington: — Mr. Minister, it's not in the nature of the mayor of the city of Regina . . . While he and I have had political differences, we've also agreed on a number of things. But we've disagreed on some things, as people in public life will. It's not in his nature to either lie or exaggerate. He's a person who's fairly cautious in his statements.

His statements are crystal clear. "Embury promised . . ." And I'm reading, using the name because that's in the article.

Embury promised the provincial government will increase the grants to the city to compensate for any loss of tax revenue.

If you led him to that understanding, why do you now break faith with the mayor and not give him the money?

It seems to me to be perfectly fair. If you think the developers need a tax break . . . And that view is not

universally shared. But if you think property developers need a tax break, then you ought to pay for it and not the city of Regina. That was apparently the view of the former minister, since he's quoted as having said that. And I wonder why you now break faith. As I say, it's not in the nature of the mayor to either lie or to exaggerate. he's a person who has been fairly cautious in his statements, particularly when he's dealing with this government. So I ask you, Mr. Minister, will you undertake to review the matter and give the mayor the \$500,000 which your former . . . which your predecessor in office seems to have promised.

Hon. Mr. Dirks: — Well, Mr. Chairman, I don't believe the taxpayers of this province would want the provincial government to establish policy based on newspaper accounts. I think that would be most irresponsible. We would establish policy, rather, on analysis and discussion and consultation. And as I indicated, the matter will be referred to the new independent assessment agency. They of course will have representation from the municipalities, and they may decide to leave the assessment and the commensurate taxation levels where they are; they may decide to change them. I'm sure they will deal most capably with the issue. The government does not intend to make any changes at this particular point in time. It's more appropriate for the entire assessment issue to be dealt with by that agency.

Mr. Shillington: — Well, Mr. Minister, this is not an assessment issue. This is a change in policy which has deprived the city of Regina of \$500,000. I don't know under . . . The minister could do us all a favour by explaining how he thinks the new assessment committee is going to deal with this. You've made a change in policy. The assessment committee presumably carries out your policy. I don't know how they are going to correct, how they are going to make allowances, for something that the government did. this, Mr. Minister . . . And if I'm wrong I wish you'd explain to me how the assessment committee could make this adjustment. They carry out your policy. You made it. It was your policy, Mr. Minister, which resulted in this \$500,000 loss — and the dog stands before your door, not the assessment committee's.

So Mr. Minister, if there's some way the assessment committee can deal with this, I wish you'd explain it, because I don't see it. It's my understanding of assessment committee's role that they implement your policy. If they make policy, that's a new role for the assessment committee.

Hon. Mr. Dirks: — Well it's not the role of the assessment agency to write cheques or to hand out cheques, obviously. But it will be the role of the new assessment agency to monitor, to change, to amend assessment issues, and of course taxation flows out of assessment. So certainly that is something that will be in the purview of the new independent assessment agency.

Mr. Shillington: — Are you suggesting it is within the purview of the assessment commission to revert to the former policy of treating unserviced land as "urban holding property"? Is it within the purview of that assessment commission to revert to the old policy?

Hon. Mr. Dirks: — Within their power, that will be one of many options which would be available to them.

Mr. Shillington: — Mr. Minister, I just disassociate myself from that comment. Unless the assessment commission has a vastly increased area of discretion, they issue assessments based on broad policy established by the government. Your government made a broad policy decision to change the way urban holding — that is raw, unserviced land — was treated. I, Mr. Minister, do not believe it when you say that the assessment commission can, of its own volition, go back to the old policy. That isn't their role.

Would you, Mr. Minister, define for me what the role of the assessment commission is? Because it's changing very drastically if the assessment commission can revert to the old policy without being asked to do so by your government.

Hon. Mr. Dirks: — Well it'll be the role of the agency to set all assessment policy. It'll be an independent assessment agency. They will set all assessment policy, and of course taxation flows out of assessment.

Mr. Shillington: — Well I don't intend to deal with it any further, Mr. Minister. Suffice it to say that I think it is relatively clear that you made one error, perhaps two. When the city council complained of that, you undertook to "make it good," as you well should have. You're now reneging on that. That's the kind of performance, Mr. Minister, that netted you such an astonishing result in Regina North East. It's the kind of inconsistency, unfairness, which has brought you into such disfavour.

I'm not sure what the Government House Leader wants to do. I was going to get into the area of grants in lieu of taxes. I'll leave it then, until tomorrow. I see the Government House Leader indicating he wants to wind it down. I'll deal with it tomorrow.

The committee reported progress.

The Assembly adjourned at 5:01 p.m.