

## AFTERNOON SITTING

## ROUTINE PROCEEDINGS

## ORAL QUESTIONS

## Revenue Lost Through Lottery Tax

**Mr. Kowalsky:** — Thank you, Mr. Speaker. My question is once again to the Minister of Finance. We know now, Mr. Minister, that the lottery sales have declined by 28 per cent since your government began taxing people's dreams. In just one month, Saskatchewan's market share has dropped over 2 per cent. What that means, Mr. Minister, is that Saskatchewan lotteries received \$2.7 million less in revenue last month because of the tax imposed on the people of Saskatchewan that buy these tickets. Will you concede that this tax will benefit no one, Mr. Minister, in fact, if it means that many people will continue to not buy the lottery tickets?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Minister, this Assembly spent some time this morning on interim supply and asked the very same question by the member opposite. Now obviously it's right to ask the question, but the repetition from the NDP is something that is record-setting in the British parliamentary system.

Having said that, I indicated to the hon. member quite clearly this morning, quite clearly this morning, that the tax moneys are going to hospitals. The NDP oppose that. Secondly, I also indicated this morning to the hon. member that the sales were off in the other three provinces, Mr. Speaker, the other three provinces. So he doesn't care, he says, he doesn't care.

Now I also indicated this morning, thirdly, that yes they are down. And finally, I have indicated that it is far too soon. And one of the pieces of evidence he used this morning which from his own report said that sales are always down in July, Mr. Speaker. That's one of the letters he read this morning. So it's far too soon, Mr. Speaker.

**Mr. Kowalsky:** — New question, Mr. Speaker. The minister knows he can't hide behind the loss of sales in the other provinces, because they are only at 94 and 96 per cent, where Saskatchewan's is down to 85 per cent, clearly, clearly, Mr. Minister, a substantial difference.

Mr. Minister, we know we're going to lose close to \$3 million a month. If you project that over a period of a year, that'll come up to a \$30 million loss in sales over the year. You projected a gain in taxation of 25 million. It looks to us, Mr. Minister, that Saskatchewan lotteries will lose more in annual sales than the government hopes to raise by taxing those sales. How can you justify that, Mr. Minister? How can you justify that?

**Hon. Mr. Lane:** — Mr. Speaker, don't take the NDP's extrapolation as meaning anything because I have tabled documents in this legislature where they extrapolated potash sales based on 1980 up into the, I believe, twenty-eight billions of dollars in oil and potash

revenues. They extrapolated, Mr. Speaker, oil going up \$2 every six months because it had a blip of an increase in 1981, Mr. Speaker. So don't take the extrapolation.

I think there is a fair question that has to be asked, and that is why are lottery sales down in the other three provinces, Mr. Speaker? It's a fair question. I have indicated to the hon. member there can be many factors, there can be many factors. There can be the game itself, Mr. Speaker, and most people know that these games do have a limited period of time where the public is interested. But it's interesting, it's interesting that they are down in the other three provinces.

I have said, and I have said repeatedly, Mr. Speaker, that yes, we acknowledge that they're down. Mr. Speaker, we have acknowledged that. But I have simply said, as well, to the hon. member on probably 15 or 20 different occasions that in fact it is too soon to tell what the effect will be, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

**Mr. Kowalsky:** — New question, Mr. Speaker. The Saskatoon branch of the Royal Canadian Legion took the time to write the minister a letter to voice their concerns, and they indicate that in Nevada ticket sales alone they could lose up to \$30,000 this year. And they point out in the letter, and I quote from the letter:

The new 10 per cent is not a tax on those who gamble since the cost of a ticket and the value of the prizes remains unchanged. The tax is hurting the Royal Canadian Legions, the business community, and all those projects that have hitherto been supporting.

Last year, Mr. Minister, the legion estimates that amount to be well over \$20,000. It went to organizations like the air cadets, the veterans' home, senior citizens association, the police soccer club, the crisis nursery, blind skiers association, just to name a few. So, Mr. Minister, on behalf of these groups, I ask you once again, will you not do the sensible thing and withdraw this harmful and unfair tax today?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, I can imagine the NDP caucus today of trying to resurrect themselves after the potash debate this morning. And, Mr. Speaker, we see the false bravado of the members opposite. I have indicated to the hon. member that it is the policy of this government that it wants more of the gambling revenues to go to health care.

Secondly, Mr. Speaker, we have indicated on numerous occasions, that as it applies for example to break-opens. There will be new games in the not too distant future which will have some impact. Obviously one cannot prejudge that as to what the impact, but there will be new games coming on the break-opens, Mr. Speaker. They will have the usual effect of creating some interest; perhaps losing some in another. Again I urge the hon. member to calm down and relax a little, Mr. Speaker.

Mr. Speaker, there was a major decision with regard to the Supreme Court of Canada today, and the telephones in this country, and the NDP brought up what they talked about this morning, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — Order, order.

### National Sales Tax

**Mr. Shillington:** — Mr. Minister, the lottery tax is unquestionable by the most unpopular tax since the used car tax, but it's being given a close run by the national sales tax. Mr. Minister, by now every provincial government except yours has declared its position. Only Manitoba has come out in favour of it, and other provinces have been vehement in their opposition. Some such as Alberta, their comments have rang with defiance.

Mr. Minister, I ask you, Mr. Minister: are you going to take a position on this, or are you going to continue to avoid the issue? The Premier, in his noncommittal way on the weekend, suggested you favour the tax. Is that the case?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, the hon. member, first of all, is not correct on what he says on the other provinces, and I indicated last week that Alberta . . . or I'm sorry, British Columbia was considering its position on the matter too.

So having said that, we've answered the question on numerous occasions. The position hasn't changed. And I really do find it passing strange, Mr. Speaker, that a major Supreme Court decision comes down reflecting SaskTel, and the NDP are deathly silent today.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — New question, Mr. Speaker. Mr. Minister, your own discernible position is that you have no position. The public of Saskatchewan have asked for a little more than that in terms of leadership.

Mr. Minister, ordinary Saskatchewan people are supposed to pay 9 per cent more for almost all goods and services without any corresponding increase in income. You of all people should know that the public in this province simply can't afford a 9 per cent increase in the goods and services which they purchase.

Will you, Mr. Minister, take a position on this and show some leadership for the public or this province who elected you?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, the hon. member's information again is less than complete. There are some commodities, Mr. Speaker — automobiles, for example, and some of your major appliances — that in fact have a reduction on the sales tax.

Oh I think the hon. member just got a copy of the Supreme Court judgement in a brown envelope, Mr. Speaker. I think that's what he's waving around, Mr. Speaker.

So having said that, the provincial government's position has not changed, Mr. Speaker. It's the same position that I articulated, I had hoped rather well, last week and numerous occasions before that. But obviously not acceptable to the opposition.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — New question, Mr. Speaker. The minister exhibits a good deal of impatience with the question. Mr. Minister, if you don't take a position on it, you're going to get a whole lot tired of the question before it leaves you.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — Mr. Minister, another aspect of this tax is the windfall that it brings to the provinces. And other governments, notably the Ontario government has been a great deal more candid in admitting that there is a windfall coming to the province with this tax. The Ontario government, for instance, states that the tax will bring in an additional \$170 million.

Mr. Minister, will your government follow the same route? Will you, Mr. Speaker, be imposing the provincial sales tax on top of the cost of the good and the federal sales tax, Mr. Minister? Is that your position?

Mr. Minister, I can see that you've got out your *Hansard* and you're going to read a comment to which you attribute to me, Mr. Minister. Mr. Minister, I'd ask you to answer the question and not trot out that tired and entirely misleading comment out of there, Mr. Minister.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Minister, the hon. hand-picked Finance critic, hand-picked by the Leader of the Opposition over there, Mr. Speaker, today stands up and says, we're going to get more money, when in *Hansard* on June 14 he says that:

And if I may attribute motives to that, I think it may in part be due to the fact there might have been less money if you had (of) gone into a single system.

So, Mr. Speaker, the NDP, on one hand, accuse us of getting less money, and somebody else says we're going to get more money. Mr. Speaker, it's just like their positions on the potash. Some of them sitting over there, they want to nationalize the whole industry. They happen to have been under a gag order during the debate. And others saying that we should sell to Canadians, Mr. Speaker, They're all over the map, and at the same time, Mr. Speaker, don't come prepared enough to talk about a Supreme Court decisions affecting SaskTel.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — New question, Mr. Speaker.

**The Speaker:** — Order, order.

**Mr. Shillington:** — Thank you very much. Mr. Minister, one of the many objectionable aspects of this tax is the off-again, on-again position of the federal government with respect to the disclosure of the tax on the retail item as it's purchased. On June 22 in the Saskatoon *Star-Phoenix* you stated and I quote:

I'm not at all convinced that the public is well served by seeing all taxes tagged on at the bottom of a bill.

Mr. Minister, the question to you is: will this tax be hidden from the people of Saskatchewan? The federal government, when asked, have said it's up to you, it's up to the provinces. I ask you, Mr. Minister, to give us some better answer than simply suggesting it's up to the federal government, which is what you've said in the past.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Minister, my answer is the same as it was in the past. It's exactly the same. The federal government has the power in our view to impose such a tax. And as a result of that constitutional power, they have also the right to state as to how the tax be collected, whether the tax be identifiable or not. It follows quite legally from its right to impose a tax, Mr. Speaker. Our position hasn't changed in that they have the power to decide whether or not it should be totally up front or not.

**Some Hon. Members:** — Hear, hear!

#### Public Hearings on National Sales Tax

**Mr. Anguish:** — Thank you, Mr. Speaker. My question is to the same minister, and I'm sure the minister won't blame us. The people in Saskatchewan have a hard time understanding what the minister's doing because they view him as the 800-million-dollar man, the same one that made the mistake on the budget. So we want you to be very clear about this particular tax.

On federal sales tax, it's now been hinted that you may hold public hearings. And we know very well that Michael Wilson and his Finance department under Prime Minister Mulroney will be spending millions of dollars on advertising and brochures and publicity to try and pick up the public opinion of something that the public do not want, very clearly do not want.

Can the minister tell us today in this House whether or not the province of Saskatchewan will be participating in the advertising on the new federal sales tax, or whether or not you'll be holding public hearings before you make any commitment for or against the tax? And if you do hold public hearings, what is that cost going to be to the public in the province of Saskatchewan, Mr. Minister?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, the hon. members asked three questions. No, we will not be participating with the

federal government program. Two, we, as I have indicated that we would be holding public hearings prior to the province making a final decision. I happen to think that's only fair and that's proper. We have not done any evaluation yet as to the cost of those, but I don't know why the NDP would object. On the one hand, they say we're out of touch; on the other hand, when we talk to people, they say we're doing the wrong thing.

So I'm prepared to, whenever that final decision of the format or that, we will obviously have that information available to the public. In the meantime, I join all hon. members in trying to hope that the member from Regina Rosemont comes out of the closet on potash, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

**Mr. Anguish:** — New question to the same minister. I find it very hard to believe that even the Minister of Finance couldn't understand the position of the member from Regina Rosemont on potash.

**Some Hon. Members:** — Hear, hear!

**Mr. Anguish:** — I'd like to ask the minister about the position of the provincial government on this federal sales tax again. You're telling us that you have no choice in the matter, that constitutionally the federal government has the right to impose the federal sales tax. You said that in the answer to the member from Regina Centre. So you have no control over what happens. Now you say that you may have public hearings. In fact if I heard you correctly, you acknowledge you will be taking hearings out to the public. And I submit to you, you take those hearings out there so that you can try and sell another unpopular move to Saskatchewan public.

If that's not the reason, you tell us what the reason is for holding the public hearings at great expense to the public again, when you've already acknowledged today in this House you have no determination whether or not the federal sales tax will come in or not.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Lane:** — The hon. member is again all mixed up, because what I said to the member from Regina Centre . . . the question was, whether it be a tax that is written up up front, so that the consumer pays it. What I simply said at that time, it is our view that because it is constitutionally legal for the federal government to impose such a tax, they have by implication the same right to declare how it's collected, whether it be up front or not.

Now what are the questions that the public will have to deal with, Mr. Speaker, and I think quite properly? The NDP stand up and say, if there is to be such a tax, then there should only be one tax. I'm not convinced that that's right, Mr. Speaker, but I think the public should have a say in that. Many people in the province do believe if the tax is coming, it should be one tax. And we have had representation from retail people, the Consumers' Association of Canada have called for one; many of the business organizations saying, if there is to be one, that there only be one. And I think that's a fair matter for

consideration by the people of this province, Mr. Speaker. They should be listened to in that manner.

**Some Hon. Members:** — Hear, hear!

**Mr. Anguish:** — Well I think the Saskatchewan people have spoken very loudly. New question to the same minister, Mr. Speaker. The problem is that when the Saskatchewan people speak, your government doesn't listen.

**Some Hon. Members:** — Hear, hear!

**Mr. Anguish:** — The Saskatchewan people have been asking for you and the Premier to stop playing love boat with Prime Minister Brian Mulroney and get out there and stand up for Saskatchewan people. So if you won't at least speak out for the federal sales tax, why don't you say no, we don't want the federal sales tax. Why don't you and the Premier go down to Ottawa and tell Brian Mulroney and Michael Wilson, forget the federal sales tax; why don't you collect the \$35 billion that's outstanding in deferred corporate tax in this country?

**Hon. Mr. Lane:** — Mr. Speaker, as I have indicated on numerous occasions in the past, as Manitoba has stated and as British Columbia has stated, one of the situation that arises from a federal sales . . .

**The Speaker:** — Order, order. We're having a great deal of trouble hearing the Minister of Finance. We're having some interference from both sides of the House, and I'd like to ask the members' co-operation.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. One of the implications of a national goods and services tax is that some sectors of the Saskatchewan economy do benefit — manufacturing sector, the resource sector — which is Manitoba's argument, Mr. Speaker, that that has a significant benefit to their resource sector. That's the reason for British Columbia's position, Mr. Speaker. So some sectors do in fact benefit by the tax.

Further you recognize there are other difficulties with the tax, and that's a major reason for wanting to listen to the people of this province, Mr. Speaker. Some sectors benefit, which mean jobs for our people, and others of course have a detriment. And when you have that situation, I think it only fair and proper to go out and consult with the people of this province, and ask them at the same time why, when you get a major Supreme Court decision on SaskTel, the NDP are silent, Mr. Speaker.

### Sale of Silver Lake Farm

**Mr. Thompson:** — Thank you, Mr. Speaker. I direct my question to the minister of privatization, and I wish to direct the minister's attention to the privatization of the Silver Lake farm at Green Lake, Mr. Minister.

By way of information, on June 30 the new owners took over the Silver Lake farm, and ever since the sale was announced, your government refused to release any details about the sale. From day one your excuses has been that you were waiting for the completion of all legal documents. On August 1 you told this House, and I

quote:

. . . at the time of the completion of all legal documents I would provide that to the House . . .

That's your quote, Mr. Minister. Mr. Minister, surely even the minister knows that three months is ample time to complete legal documents for the transaction. My question, after all, it hasn't prevented the new owners from releasing workers or moving the cattle herd. Now is the time to release the details.

Mr. Minister, are you prepared to release those details today to the legislature?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Taylor:** — Mr. Speaker, for the third time I tell the member that as soon as everything is complete on the deal, I will.

It might be interesting to the member opposite, and I'm sure he's aware that if the caveat that is placed on the Silver Lake farm by Mr. Bishop and his group from Green Lake were lifted, the transaction would take place very quickly. But until that happens, and it may well be we have to go through legal avenues before that can take place. So that could take some time yet.

**Mr. Thompson:** — Supplementary, Mr. Speaker. Mr. Minister, are you indicating to the House today that you are allowing the new owners to operate and release workers on that farm without legal documents being finalized for the sale?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Taylor:** — As I indicated previously, the new owners have put up the money for the farm. Some of the legal transactions have to be completed; the caveat is one of those things. As soon as that is finished, the transaction will take place.

**Mr. Thompson:** — New question, Mr. Speaker. Mr. Minister, your excuses are wearing pretty thin. As each day passes this looks more and more like another one of your government's cover-ups. Mr. Minister, what are you hiding from the public?

The officials in your department have stated that the new owner submitted the second highest tender. Can you tell this House today, Mr. Minister, why your government chose the second highest bidder and not the highest? Who are the new owners, Mr. Minister, and how much did your government receive for the sale of the Silver Lake farm?

Mr. Minister, they are operating the farm now. They've taken over and released the workers, so I would like you to answer those questions.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Taylor:** — Mr. Speaker, there was a number of questions there as I listened to him. First of all, again, for the member to realize that when there's a caveat against a

title, that holds up the transaction, and until that is removed, there has to be some more legal challenges perhaps will have to take place.

Secondly, did we sell to the second highest bidder? Yes, we did. Why did we? Because the highest bidder couldn't come up with the money.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — Order, order.

**Mr. Martin:** — Mr. Speaker, I ask leave to introduce some guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Martin:** — Thank you, Mr. Speaker. It is my pleasure to introduce to you, and through you, eight adults who are attending the International Atomic Energy Association conference at the University of Regina. Mr. Speaker, if I could have the blessings of the opposition, I'd like to introduce them.

We have six countries represented here, Mr. Speaker, representing two from Egypt, one from Ethiopia, one from Syria, Iran, Pakistan and Thailand. Mr. Speaker, these group of adults are at the University of Regina representing the International Atomic Energy Association. Mr. Speaker, would the member from Regina Elphinstone let me introduce the guests, please. Show a little class.

Mr. Speaker, they are here attending a conference of uranium exploration, a geological training program. This is an agency of the United Nations. Mr. Speaker, we in Saskatchewan, of course, are very proud of the progress and initiatives that this province has made in nuclear medicine and I'm sure that our guests are aware of it.

Would all members please welcome our guests from around the world.

**Hon. Members:** — Hear, hear!

**The Speaker:** — Order, order. I think everybody should control themselves, including the member from Meadow Lake.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — Now I think question period is over, and let's have the members come to order on both sides of the House so we can move on to the next order of business. Member from Regina Elphinstone and the member from Meadow Lake, just come to order and let us go on to ministerial statements.

## GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### Motion for Interim Supply (continued)

**Mr. Chairman:** — The member from Regina Centre. Why is the member on his feet?

**Mr. Shillington:** — Because I wish to address the committee, Mr. Chairman. That's the reason why.

Mr. Chairman, we're prepared to be patient with respect to short delays, however, the minister is now apparently out doing a scrum on a subject that he did not make a ministerial statement on, and I think there are two problems with that: one, any comments he had should have been made within the Assembly; and two, it's a discourtesy to this committee to be sitting here doing nothing, Mr. Chairman.

I therefore suggest, Mr. Chairman, that we should move on to other business if the minister's not here. I don't know what the precedent is for waiting for the minister.

**Hon. Mr. Andrew:** — Yes, Mr. Speaker, I wonder if we could ask simply for a short bit of patience from the opposition. The Minister of Finance will be here momentarily. The media are interested in the recent Supreme Court decision . . . (inaudible interjection) . . . Well, I'd like to explain . . . is interested in that particular statement and decision by the Supreme Court, and the hon. member is simply trying to accommodate the media. He'll be back momentarily and we'll get on with this.

**Mr. Chairman:** — Order, order. If members want to ask questions, they're certainly available to ask questions.

**Mr. Shillington:** — Thank you very much. I would like to ask the now minister of Finance, how much money we are going to be putting into GigaText in this . . . how much of this money we have invested is going into GigaText, Mr. Minister?

**Hon. Mr. Berntson:** — Zero.

**Mr. Shillington:** — Mr. Minister, I understood that GigaText was costing us some \$50,000 a month. Mr. Minister, do I take it that this is money that you have a printing-press running? Where is the money coming from, Mr. Minister? Ultimately it's got to come from the taxpayer.

**Hon. Mr. Berntson:** — Those questions are more appropriately put to the minister responsible for SEDCO . . . (inaudible interjection) . . . Mr. Chairman, the member from Moose Jaw North really wouldn't understand any of this even if he did take the time to pay attention and show some common courtesy for the running of the legislature, Mr. Speaker. It's a little foreign to that particular member, but the GigaText support, Mr. Chairman, comes through the normal operations of SEDCO.

**Mr. Shillington:** — Mr. Chairman, it really is an affront to the legislature. The member from Souris-Cannington, his grip on the province's finances I'm sure is solid. But to put questions to this particular minister with respect to the province's finances really is, as I say, really is an affront.

Mr. Chairman, I want to get to the matter of the sales tax. I think it's probably unnecessary, Mr. Minister, to point out to you that expenditures and taxes are but the flip side of

the same coin. The more money one takes in, the more one can spend. The less money one takes in, the less one can spend.

Mr. Minister, the province of Ontario has indicated that the sales tax will result in an additional \$170 million windfall for them. Mr. Minister, I wonder what the equivalent figure is for this province. What do we expect that this sales tax will bring us?

**Hon. Mr. Lane:** — The imposition of the federal tax would mean an increase with the present proposed base of about \$10 million.

**Mr. Lautermilch:** — Thank you, Mr. Chairman. Mr. Minister, at the rate of increases of taxation of not only your government but your federal counterparts, there is an awful lot of unrest in the business community and in other sectors of our society regarding the effects of the new federal sales tax on the Saskatchewan taxpayer. And I think, Mr. Minister, if there is one concern, it is that your government may in fact impose a tax on a tax on the new goods and services tax that is going to be imposed by the federal government. And I would like to ask, Mr. Minister, what your position is regarding that tax on the federal goods and services tax.

(1345)

**Hon. Mr. Lane:** — First of all, it depends on one extent . . . whether there will be an increase or not depends on how the retailers price their products. Having said that, for example, it could be on automobiles and major appliances, in fact there could be a reduction. The issue of whether the province joins or not is one that we have discussed and we've talked about our view of how we will proceed.

Some components of the retail sector in Saskatchewan have already approached us, asking us to have one tax if there is to be a federal tax. That's the position obviously articulated by the member from Regina Centre. We have not made that decision.

The retail sales tax base for Saskatchewan's retail sales tax is of course the narrowest in the country of any province that imposes a retail sales tax. So there would be some significant changes if it was to piggyback. As I say, some want only one tax. In my view, that is a question quite fairly that there should be public consultation on.

**Mr. Chairman:** — Order, order. I can't see the relevance of a proposed sales tax that is proposed to come in in 1991, that would be relevant to interim supply which is one-twelfth of the spending for the province for this fiscal year.

**An Hon. Member:** — Point of order, Mr. Chairman.

**Mr. Chairman:** — The member for Regina Centre on a point of order.

**Mr. Shillington:** — Thank you, Mr. Chairman. Mr. Chairman, I had hoped that once the potash debate was out of the way that this legislature could get on to the affairs of the province in, shall we say, a more congenial,

a more normal fashion. Mr. Minister . . . and in a more traditional fashion.

Mr. Chairman, in past times we have enjoyed a fairly wide-ranging discretion with respect to the questions put to the minister. It has, I think always been regarded as unfair to put detailed questions to the minister with respect to the expenditures of the department but that is certainly within the realm of what's being discussed. It's just been thought not to be practical to do so.

On the other hand, while we try to avoid putting detailed questions of expenditures to him, we have discussed broad questions of general importance to the province and that's been traditional.

I say, Mr. Chairman, I think it is unwise to now decide that we're restricted to the expenditures, because you know, Mr. Chairman, that can take a great deal longer. If we're restricted to the expenditure, that can take a great deal longer than this and it would be a great deal less productive. I would think, Mr. Chairman, the policy which we have had in the past, which has been a fairly wide-ranging discussion, is a far wiser one than what I sense the Chairman is now propounding.

**Mr. Chairman:** — Order. Past policy has been, in the final interim supply, it has been a very broad-ranging debate on one-twelfth. One the specifics on one-twelfth of the interim supply has not been a very wide-ranging debate. And I feel that a proposed tax that isn't in effect until the year 1991 is not relevant to one-twelfth of the province's spending, so I find the member's point of order not well taken.

**Mr. Lautermilch:** — Well, Mr. Chairman, I will respect your ruling. My question will be: Mr. Minister, you've indicated that consultations regarding the way taxes will be structured in the future will continue. I'm wondering, Mr. Speaker, if these will be the same kind of consultations that you had when you made your decision to privatize the Potash Corporation of Saskatchewan.

**Hon. Mr. Lane:** — I think the form of the consultations will be made aware to the public in the future. I happen to believe that this is an extremely complex issue; one that I have stated on numerous occasions. Some important sectors of our economy benefit. Others are affected in a way that, and the Leader of the Opposition has talked about whether agriculture, for example, there should be a lag on the tax. We certainly argue that that not be the case. I believe and I've said before, that that can be corrected. So there are some fundamental questions. It affects a great number of the people of the province, and the consultation will be an opportunity for the people of this province to make their views known.

**Mr. Lautermilch:** — Well, Mr. Speaker, let me say that a lot of business people in Saskatchewan are rather concerned with the proposed federal goods and service tax in terms of collection of those taxes and the costs that they incur in collecting those taxes. And I'm wondering, Mr. Speaker, if you have had some detailed conversation with your federal counterparts regarding alleviation of those increased costs in the future, in terms of those increased costs to the Saskatchewan business men and

women who are facing ever more hard times in order to make their living in this province with the increases in taxes that they're facing, both at the municipal and provincial level, and I'm wondering what those conversations with your federal counterparts regarding the increased costs . . .

**Mr. Chairman:** — Order, order. I have made a ruling that the goods and services tax is not relevant to interim supply no. 5, and I would bring it to the member's attention, there's certainly all kinds of opportunity on private members' day, there all kinds of opportunity in the legislature to debate this tax. It's a tax that is not even in place. It isn't coming into place until January 1, 1991, or proposed to come in, but that has absolutely nothing to do with the one-twelfth of the province's spending.

So I'll ask the member to refrain from asking questions of the minister on the new federal goods and services tax.

**Mr. Shillington:** — Mr. Minister, you have proposed a dog and pony show with respect to this sales tax. You propose expending some money, Mr. Chairman, on a dog and pony show with respect to this sales tax.

**Mr. Chairman:** — Order. Is the member challenging the ruling of the Chair?

**An Hon. Member:** — No, not at all.

**Mr. Chairman:** — If the member — order — if the member is asking questions on how much is going to be spent out of this year's budget for bringing it to the public's attention — order, order — for bringing it to the public's attention — order — the question then is in order. Order!

**Mr. Shillington:** — Thank you very much, Mr. Minister, you have proposed a hoof and woof show, as it has been called, a dog and pony show. Mr. Minister, I want to ask you what you . . . I think it should be asked, Mr. Minister, what you would expect to accomplish from such a charade.

Mr. Minister, it seems patently obvious that the public of this province have made up their mind on the tax. The last thing this province needs is one more commission running around the province trying to sell the unsaleable. You have expended a good deal of money on a commission of public servants with respect to SaskEnergy. Nobody came out to it.

Mr. Minister, you're expending money on the Barber Commission. It's apparent, Mr. Minister, that while some people are coming out, it is highly contrived, and it's apparently being organized by the Conservative caucus to come out. And I wonder, Mr. Minister, if it isn't apparent that this province has had its full of commissions whose real function is to try to sell an unpopular government measure. Surely that's what the Barber Commission is, surely that's what its predecessor was, and surely that's what this is.

Mr. Minister, if you . . . if there are genuinely questions to be asked, it seems a little unrealistic to think that a public

forum is needed. I would venture to say that you could hold public hearings in any part of the province and comments are going to be almost universal. They don't want the 9 per cent tax.

Surely, Mr. Minister, leadership involves something more than setting up yet another commission to try to peddle an unpopular measure. I don't deny you your right to introduce unpopular measures. I simply question the wisdom of it.

But, Mr. Minister, I really wonder if another dog and pony show is really needed with respect to this sales tax. Isn't it time you took a stand? Isn't it time you simply spoke to the people of Saskatchewan on this issue, stop wasting money, and stop avoiding issues, more to the point?

**Hon. Mr. Lane:** — Well it's not our issue to sell, first of all. This is an initiative of the Government of Canada. But I think some legitimate questions, and I'm going to respond, and maybe for the member from Prince Albert-Duck Lake. There are some differences. For example, small business that now collect the E&H (education and health) tax in many cases are more concerned about having to collect two than one. Those that don't collect the federal sales tax, the whole question of commission is one that the federal government's going to have to deal with. I can't tell you whether that's adequate or not.

I think there are other questions that have to be dealt with. There have to be the level of the exemption for small business at 30,000, an improvement over the original five, but still not high enough in my view.

But I have laid out before the hon. member that some parts of the Saskatchewan economy do benefit by a lower manufacturing sales tax. Many of exporters, like I say, are manufacturers and resource industries. And they are important to this province; we can't deny that. So it's not a matter of selling.

And if we get to the point, as you have indicated, that if it is inevitable, if it is inevitable, then how do we best deal with it? And I think the public should be consulted in that regard as well. So there are . . . given the complexities, given the fundamental change in the tax structure that comes about as a result of a goods and services tax, I think it fair that the public do be consulted.

Now we've agreed to disagree on that. Like I say, it's not our initiative to sell, but there are sectors, important sectors of the Saskatchewan economy that do benefit by the tax. And is it unwise to ignore that when we're considering the implications? I don't think so. I think it is unwise to ignore that. That's the reason for the position we've taken.

**Mr. Shillington:** — Well, Mr. Minister, those are, with all due respect, Mr. Minister, those are fairly esoteric questions to put before the public. Surely, Mr. Minister, there's a better way to come to a conclusion with respect to those questions, like the level of exemption, than to hold a public meeting in a town hall. Surely the place to put those is to the chambers of commerce, the boards of trade.

I say again, Mr. Minister, the only function of this dog and pony show that you're setting up is to avoid taking a stand.

I really wonder, Mr. Minister, what's wrong with this government. Other provinces have, without it being seen as something approaching sacrilege or blasphemy with respect to the federal government . . . The Alberta government has taken a strong stand. The Ontario government has taken a strong stand against this tax. Why is it, Mr. Minister, that you feel the need of this charade to avoid taking a stand? Why don't you just take a stand with respect to the tax?

Is it, Mr. Minister, as the Premier intimated, that you're secretly in favour of the tax but just haven't the political courage to say so? If so, Mr. Minister, then that puts you at an even lower level than the Government of Manitoba.

Mr. Minister, your dog and pony show doesn't make any sense at all except as an excuse for not taking a stand. If you're in favour of it, say so. I would disagree with you but perhaps applaud your courage. If you're against it, for goodness sakes, say so. I don't understand how any provincial government can be so closely knit to the apron strings of the federal government as not to be able to take a stand on something which clearly affects you.

So I say to you, Mr. Minister, take a stand, avoid the expense. I cannot imagine public hearings on a subject of this sort producing any significant result.

(1400)

Some people will no doubt trot out to say that they don't like it; undoubtedly there will be a large number of people come out to say they don't like it. I'm sure your Tory caucus can organize some people to come forth and say whatever you want. You've proved that with the Barber Commission, where the line-up is highly contrived and artificial. But I really have to wonder, Mr. Minister, whether or not such a process serves any useful function.

It seems to me, Mr. Minister, you could save the province the expense if you just tell us where you can stand. It is simply not credible at this point in time, most if not all other provincial governments having indicated their position, it simply isn't credible for this government to suggest that it's still making up its mind. There cannot be any information you don't have, Mr. Minister. Why won't you just come clean, admit it, that you're in favour of the tax, and stop wasting taxpayers' money, and stop this over-display of your own cowardice, Mr. Minister. And that's what it is, an over-display of cowardice.

**Hon. Mr. Lane:** — Well you can make the allegations you want, but I've restated now on numerous occasions — you ask us to consult with the chamber of commerce. My understanding, the chamber of commerce is in favour of the tax with some conditions. I look at the Retail Council of Canada, Saskatchewan division, have approached us saying that one tax . . . that they want us to come out in favour of one tax. Certainly the resource sector is a major beneficiary; manufacturing sector a major beneficiary.

So I can understand why Ontario would take a position as it has. The Ontario government has made its decisions, for example, on free trade, to not respond to its manufacturing sector and has certainly made the same decisions with the goods and services tax not to respond to its manufacturing centre. They've made that decision in their province. In relative terms the resource sector in Ontario is not as important to Ontario as the resource sector is to the province of Saskatchewan.

So the circumstances are different and there are beneficiaries. There are, I believe, further changes coming. And I would suspect that as we get through this next really 18-month exercise, or close to it, prior to implementation, that there are going to be numerous other problems or complexities or suggestions coming up.

This is a major change, a fundamental change. And I think the public should be involved. Now we disagree. We can have our political debate on Barber, whether we want to talk about some of the NDP groups that appeared before it. We can debate that for some time. I'm not sure that this is the correct forum, but I think it fair to say that we agree to disagree. I think there should be public hearings. You don't think there should be public hearings, but I've stated what the policy is.

**Mr. Van Mulligen:** — Thank you, Mr. Chairman. Mr. Minister, the federal government, in its announced goods and services tax, proposes to exempt urban transit systems. And my question is, do you plan to follow the lead of the federal government by allowing Saskatchewan transit . . .

**Mr. Chairman:** — Order. The Chair has already ruled that specifics of a tax that is not in place yet is not in order in this committee.

**Mr. Van Mulligen:** — My question is, if you'd listen, Mr. Chairman, are you going to allow Saskatchewan transit systems to apply for rebates of the gas tax, which is very much a provincial tax, and has to do with this budget?

**Hon. Mr. Lane:** — We've debated that before, with respect to the hon. member, and I believe I indicated to you that in 1982 when the tax was removed the mayor of one of the two large cities in the province said that there was a drop in ridership as a result of the removal of the gas tax. I'm in no position to contest the accuracy or otherwise of that statement, but that was the statement. So there is no change. We've been through it before. The member has articulated his concerns, but certainly as it applies to the budget before us, there will no change.

**Mr. Van Mulligen:** — Well, Mr. Minister, you know that this measure, this gas tax, which applies to transit systems and ultimately to users of transit systems and to local governments that have transit systems. It's costing these people, and I might say a fair number of consumers, it's going to be costing them millions over the years.

You have a rebate system for anyone that drives their own automobile, but for anyone that drives a transit bus, there's no forgiveness on your part and you're asking

them to pay the tax. Transit systems are a very cost-effective way to move large numbers of people. If we discourage transit usage because we give an advantage to people who drive automobiles and we disadvantage people who take the transit systems, you know that we will be encouraging more automobile use, we will be encouraging more gasoline consumption and, I might say, you will be giving out more rebates.

And I should also mention that the more we discourage transit use and the more we encourage people to use the automobile to get to and from work especially, the more the pressure will be on local governments, and ultimately on the province, to fund additional infrastructure improvements so as to accommodate the automobile.

I might also mention that transit systems are a cost-effective way for the poor or for those on limited incomes and for the elderly to be able to get around in our larger cities. There was a story in the paper the other week which reported on a study by the Canadian Automobile Association which says that it's costing the average Canadian more than \$100 a week — more than \$100 a week to operate an automobile — and that includes items such as gas and insurance and the costs of the car itself, fuel, oil. So it's a cost-effective way to enable those with limited incomes and the elderly, many of whom can't drive cars, to be able to get around.

And you're putting the pressure on the transit systems by not allowing for the rebate. And I might ask you, Mr. Minister, what sense of priorities do you have that you would say that on the one hand you want to take away the gasoline tax through a rebate system for those who drive the private automobile, but you want to put that additional burden and tax on those who utilize transit systems? What sense of priorities does that display?

**Hon. Mr. Lane:** — Well as I have indicated, that one of the former mayors has said when there was no gasoline tax, that in fact ridership had dropped. The reverse argument of course is that if there is gasoline tax, then ridership of itself should increase.

But let me indicate that as the hon. member full well knows there are other options available to the large centres, for example, in the city of Regina. The city of Regina had a proposal before it to consider the use of minivans, minibuses, on off-hours. They took that proposal to the transit workers' union and at the particular committee it was decided not to proceed, and the proposal had gone some considerable way.

So there were options available to the local government in the city of Regina to contain its cost, control its cost, look for new ways. I find it interesting and disappointing in a way, and I think many people in the cities do, when we see at off-peak hours the huge buses driving around with one person in them.

So obviously there are other options to move people around, perhaps, particularly in the city of Regina. And I'm prepared to table, not today, but I am quite prepared to table the committee reports and the proposal of the city of Regina to have a new bus system. And the particular committee of the present council took one look at the

proposals and said, well we better take it up with the transit workers' union first, and the report back at the next meeting was having heard from a representative of the transit workers, the proposal be dropped.

So it's all right to blame the provincial government for everything, but in fact . . . (inaudible interjection) . . . They're not telling you everything any more, to the hon. member. Things have improved significantly out there.

So what I indicate to the hon. member is that there are options available to local governments for a very efficient use of the transit moneys that are available to them — we do supply a grant — and that they can take advantage of those options.

**Mr. Van Mulligen:** — Well, Mr. Minister, at least we know what your priorities are and that's local government bashing and union bashing. Those are your priorities.

Mr. Minister, you make passing reference to seeing city buses drive around with one passenger on them on our city streets because they must maintain some kind of schedule. It's a pity that the people of Saskatchewan don't see the single minister flying around in their government aircraft every day and every week of the year. Then let's talk about use of resources and using resources appropriately, Mr. Minister.

Mr. Minister, I don't have any further questions. It seems that local government, when it comes to you and your government, run into a stone wall. When it comes to the needs of our larger cities, when it comes to the needs of the thousands and thousands of people who rely on transit, you say no. Yet you talk on the one hand about promoting economic diversification to enable manufacturing in this province, recognizing that those kinds of concerns need good municipal infrastructure including transit, but you say no.

And let's make it clear that your priorities are certainly not with the poor, with those on limited incomes, and the elderly who rely on transit, and are not with those who concern themselves with the conditions in our large cities and who must provide transit service. Let's make that clear, Mr. Minister.

**Hon. Mr. Lane:** — Let me respond and say, you can say it's inadequate, but don't leave the impression that we don't pay anything, because under the municipal transit assistance program, we pay \$1,829,800. It's \$4 per capita to the four largest systems and \$3 per capita on the remaining systems. So don't say that we don't. We also have a handicap transit system funding, which is through the Human Resources, Labour and Employment. So to say that we don't pay is not accurate.

Now we can debate the adequacy, and the hon. member feels it's not adequate. You misinterpret my remarks. What I am saying is that the documents show that the Regina city council had the opportunity for some very, very imaginative . . . (inaudible interjection) . . . and they did, and they precisely . . . no, they precisely, on discussion, decided not even to proceed with it when they had the day and the month for implementation.

So they did have some options. They did have some options, and I believe that they were imaginative options. I think the city of Regina could have led the country in terms of imaginative, urban transit systems, and in fact chose not to do so. So that's their choice and that's their right. But by the same token, to come forward and say that there's nothing else we can do but raise rates or whatever was not accurate. That all I'm saying.

**Mr. Van Mulligen:** — Well let me ask you then, Mr. Minister. When you fly around in your government aircraft, do you pay the gasoline tax there or what?

**Hon. Mr. Lane:** — I believe that we pay the tax in the same way that the opposition members do when they also take the government aircraft.

**Mr. Lautermilch:** — Thank you, Mr. Chairman. Mr. Chairman, as it relates to this interim supply Bill, this Bill we have before us today, I would like to ask the minister if in fact there are some moneys allocated for studies as to how the 9 per cent goods and services tax will affect the average person of this province.

And the reason, Mr. Minister, that I ask that is because the people of this province have been taxed to the limit; they've been taxed to the hilt. They've seen the introduction of a new 2 per cent flat tax that your government has imposed, this new innovative way of digging money out of taxpayers' pockets. They've seen this government break their word in terms of the increase to the E&H tax. There was a promise, as we all remember, in 1982 and prior to that, that that tax would be dissolved, it would be gone. We've seen increases in personal income tax in this province, a rate that is unparalleled. Municipal taxes are going up because of cut-backs to municipal governments in terms of revenue-sharing grants.

(1415)

And I would want to say, Mr. Minister, I think that it's very important that you're taking a very close look at the effects of this new goods and services tax that the federal government is imposing upon the people of this province. The facts are, Mr. Minister, that it isn't a revenue-neutral tax. It isn't a change in taxation structure that will be revenue-neutral. It's going to take money out of the hands of Saskatchewan people in my estimations and in the estimations of many business men and women, consumers, and farmers in this province who are very concerned that you're not saying anything, nor is your government saying anything regarding the imposition of this new 9 per cent tax.

And I would want to say as well, Mr. Minister, the people don't believe that it is going to be a 9 per cent tax, at least not for long, because it's their belief that the Mulroney government, not unlike this government, is cash-starved because of mismanagement and incompetence and will shortly after the imposition of this tax be increasing it to 10 or 11, or whatever per cent that might be. And the fact is, Mr. Minister, the people in this province also know that there are some \$35 billion out there of uncollected taxes that are owed to the people of this country by big corporations, and that your federal counterparts are

doing nothing in order to get that money back.

And I want to say, Mr. Minister, they also know who your friends are and who friends of this government are. They know that you choose Cargill over the small-business people in this province. They know that you choose Pocklington over Saskatchewan small-business people. And they know that you choose Cargill over the farmers in this province. Those are all of the things that people in this province, sir, know very clearly, and know very clearly what your priorities are.

And I would like to know, Mr. Minister, if you've put your mind to the fact that middle income people in Saskatchewan can no longer afford Finance ministers like yourself or like your federal counterpart.

Because I think, Mr. Minister, if you were to take some of the money of this one-twelfth allocation and look closely at the expenditures that you're proposing for this year; and if you would look closely at the expenditures that you have made in the last years since you've been government; if you would look at the \$50,000 a month that you're giving the GigaText operation — and the only reason it's going in there now is to cover it up until the end of this legislative session, because you've had enough bad press on it — if you were to really look within yourself, Mr. Minister, and understand what the people of this province are feeling, I think that we might have a better expenditure of this one-twelfth, of this interim supply Bill.

Because I don't believe, sir, that even you, an educated man, can believe that the people will take this any longer. So I ask you: how much of this money is going to be spent having a look at this federal goods and services tax, thinking about working men and women of this province when it's being done, thinking about the administrative nightmare that it's going to create for small-business people, thinking about increased costs in terms of accountants' fees and in terms of redoing their cash registers and their systems with which they collect those taxes for you, sir? I'm wondering how much of this money you're going to be putting towards that way of looking at what, I believe, is going to be an ever-increasing problem in this province when your federal counterparts impose this 9 per cent goods and services tax.

**Hon. Mr. Lane:** — Well there's no money set aside for studies. We do a lot of the research within the existing Department of Finance. Our tax people are very knowledgeable people within the department. I think it fair to say that we have as fine a tax and revenue group of people within the department of any department in the country. So we have no additional money set aside.

I do remind the hon. member of the small-business tax rebate which will be going out this fall to the small-business community of this province. I do remind the hon. member, as I tried to remind him earlier on the goods and services tax, that there are businesses within this province that are asking that it be one tax. That if they already collect a sales tax, they don't want to have to go through and do the two calculations, and are in fact asking for one tax which it's not universal, like the hon. member would leads us to believe. And I'm not for a

minute saying that it is also popular or universally acceptable. I'm not suggesting that for a minute.

I have stated that some have come forward, some have come forward and saying if there is to be a tax, that there be one tax. Some have come forward saying that, look, we are being penalized by the present 13 per cent manufacturing sales tax and that it should be reduced.

So we look at interest rate protection. To say that middle income does not benefit from that, I find that a little hard to believe. I don't think that's the view of most home owners in the province. I think it fair to say that most home owners in the province now believe that the interest rate protection scheme is a very, very good one, and that they are very supportive of that initiative.

So to generalize, have you done, again we agree to disagree, and the debate and the political debate will continue for a very long time.

**Mr. Lautermilch:** — Well, Mr. Minister, on some things we can agree. And one of the things that I would agree with you on is that your officials most certainly are competent. But what is happening, Mr. Minister, is that the advice that those officials are giving you is not being used by yourself or your cabinet or the government members on that side of this House, and that's why we sit with a \$4 billion deficit in general revenue and a total provincial debt of around some \$14 billion — a dramatic increase since your government took over. That's the problem.

And we've asked you, Mr. Minister, on a number of occasions regarding your position, and that's what I would like to know, what your position and your government's position is. And relating, sir, to this interim supply Bill, whether or not there would be some money put aside so that this minister could acquaint himself with the problems of the people of this province and the problems that the people of this province are going to be facing because of this goods and services tax. And that's my question.

I would like to know, if he hasn't formulated a personal opinion or opinion regarding what the cabinet's opinion is on this tax, will he put some money aside in this one-twelfth, in order to acquaint himself with what the problems are and what the real problems that are going to be faced by the people of this province because of the goods and services tax are going to be.

I know, Mr. Minister, that there may be two ways of collecting that tax; there may be others. We understand that. But I, sir, want to know what your position is. Because the people of this province are going to have to make a decision as to whether they keep you around, and they're asking this question of you and of your government. They know your incompetence in terms of your \$800-million blip in 1986 when you were out about some \$800 million on your forecasted budget. They understand that. And they understand you did that for political reasons as much as any reason.

But they, sir, want to know now what your position is before the implementation of this tax because they want

to know your position so they can lobby you if they're in disagreement with what you're thinking. But to stand up here and double-talk and skirt the issue is not going to help them make their decision. What they want to know is what their government intends to do; what kind of lobby it intends to impose upon the federal government.

**Hon. Mr. Lane:** — Well we again can go through the debate and we've stated our position on numerous occasions. You disagree with it. It's been stated, I think, given both the complexities and the significance of the changes to be made, that the people of this province should be heard; they will be heard. The tax does not come into place until 1991. It's not that it comes in tomorrow. I believe that there's going to be public discussion of this tax for the next nearly 18 months, and to say that that's not going to happen is not accurate.

And secondly, I also believe that there are going to be changes in federal position as the implement date approaches. And I expect that those things will be announced from time to time. And if anyone believes otherwise, I think they're getting themselves out on a limb that way.

So there will be changes as we progress. Ultimately, and on this we agree, the public will make their decision. And that's right; that's proper. But in the meantime, the debate will go on. We've put our position forward. You don't agree with it, and secondly, you've taken your position.

I do remind you that all three federal parties have taken a position that the federal manufacturing sales tax must be revamped and changed because it causes a real disadvantage for Canadian manufacturers competing with importers. And so there's no doubt at the federal level of all three parties that in fact the present manufacturing sales tax has to be reformed. Whether this is the way, that obviously will be a matter of public debate.

So again, we can go over the debate for some time. Our position has been stated over and over and over again. You disagree with it but it remains unchanged.

**Mr. Lautermilch:** — Mr. Minister, I want to say, and maybe you can clarify it in a little more detail for members on this side of the House and other people in this province, I can't say that I can disagree with your position. I can't do that in this legislature today because you've not once ever stated your position. Not one time in this House have you indicated what your position is. And if you can do it within two or three sentences, sir, I would like you to do that today, because you haven't to this point.

**Hon. Mr. Lane:** — Maybe you're coming around.

**Mr. Lautermilch:** — Well I ask you again, Mr. Minister, will you state your position in short concise terms so that men and women on this side of the House and the people of this province can understand it. Because you haven't once yet articulated what your position is regarding this goods and services tax.

**Hon. Mr. Lane:** — Same one I thought I'd so carefully

articulated about two months ago.

**Mr. Lautermilch:** — The people of this province will be surprised to hear that you have in fact articulated a position, because they don't know what your position is, sir. And if you could, could you repeat it in this House today?

**Hon. Mr. Lane:** — I've repeated it at question period. I've repeated it I think two or three times at question period, and I've restated it on numerous occasions, restated it in previous question periods, that what we will do is consult with the people of this province. There are some sectors of our economy benefit, other suffer detrimentally with the tax. There are other positions, some as you have said, saying if there is to be a tax, that there only be one tax. And I have said on numerous occasions, given the complexity of the tax, the importance of the changes, that it is only fair and proper that we consult with the people of this province. That's what we intend to do.

**Mr. Lautermilch:** — Well, Mr. Minister, I guess what I'd want to say, with your answer it's pretty clear to the people of this province that you haven't got a position. If you've got a position, you're hiding it very well. If you're opposed to it, you're hiding it very well. If you're favouring it, you're hiding that very well too. But I tell you, you aren't really hiding it very well because the people of this province know that you're in the hip pocket of your federal counterpart, the federal Minister of Finance, and you totally support Mr. Wilson and what he's doing on this tax.

I want to ask you, sir, if you can give us some details in terms of the consultation process. Is it going to be another Barber whitewash commission, or are you going to be seriously listening to the people of this province and their feelings regarding this 9 per cent goods and service tax? Would you make a commitment, Mr. Minister, that you will set up an impartial body, with members of this side in consultation as to the make up, so that the people of this province can be comfortable with your kind of consultations, because frankly, sir, your record so far has been one that any minister shouldn't be proud of.

(1430)

Everyone knows what you've done with the Barber Commission, how you've tried to keep people who opposed your views away from presenting petitions. We know clearly that your board, although you want to try and cover it as being an impartial board, is clearly not; they support privatization. We know that. And we also know that there's going to be a biased report that comes back from that commission because that's their mandate, that's what you sent them out to do. Would you give us some indication as to how these consultations will work, Mr. Minister?

**Hon. Mr. Lane:** — We haven't determined the format.

**Mr. Lautermilch:** — Would you allow for some public input as to the format? Would you allow for some input from members on this side of the House, the official opposition?

**Hon. Mr. Lane:** — Well certainly. Submit it to us . . . submit it to me and we'll certainly be glad to take it into account.

**Mr. Lautermilch:** — Why, sir, didn't you allow for that kind of input when you were setting up your privatization committee, the Barber Commission, a bundle of this one-twelfth which is going to pay for that? Can you explain that, sir?

**Hon. Mr. Lane:** — That's not for me to answer now. I have indicated as it applies to the question that you asked, certainly. Send me a letter and we'll certainly give it fair consideration.

**Mr. Shillington:** — Thank you very much, Mr. Minister. There are other questions we want to get on to in other subjects but I do want to make one last comment on the subject of the sales tax. It seems to me the suggestion made by the member from Prince Albert-Duck Lake that some resources be put into developing what I would call some economic models with respect to this tax would be very, very useful. And it isn't something that's all that difficult, Mr. Minister.

It has been done at the federal level by any number of groups who have pointed out that the sales tax, if it's implemented, it will result in a fairly sharp increase in inflation. It strikes me that it might be useful if the provincial government were to spend some portion of this one-twelfth in developing some models of their own. It would be useful to know, Mr. Minister, whether or not, as I think is the case, when you go from an income tax to a sales tax, those who pay the tax . . . it is retrogressive is what I'm trying to say, that the tax is borne by a lower income group of people. I think it would, Mr. Minister.

It would be useful as well to know, as I think is the case, that it'll have a fairly devastating impact on a relatively fragile economy. Later on in this Committee of Finance, Mr. Minister, I want to spend a moment discussing our economy, but, Mr. Minister, I think it's fair to say that Saskatchewan's economy is the weakest in Canada, west of the Maritimes. I think that's probably a fair comment.

Mr. Minister, it seems to me that it's more germane to this province than to any other to determine what the impact of a 9 per cent sales tax is. It would appear the impact would be that people would have 10 per cent less money to spend and that would make itself felt all the way through the economy. It seems to me, Mr. Minister, that in an economy such as Saskatchewan's, which is already fragile, and I'm being as polite as I can, a 9 per cent sales tax is going to have a staggering effect. Mr. Minister, that would be useful to know, and it wouldn't be that difficult.

The difficulty with your response previously — you said, well my department do examine these things from time to time. Your approach through this, Mr. Minister, has been to avoid the issue, avoid giving any information, particularly if that information suggests the sales tax is something less than good.

Mr. Minister, we believe, and I think the suggestion from the member from Prince Albert was that this ought to be . . . a report ought to be commissioned to determine what

the effect on Saskatchewan would be, other than by your department, because we don't have confidence that you'd release it. This information ought to be available. You ought to be doing this at the provincial level, as a number of groups have done at the federal level. You ought to be telling us whether or not the collection of this tax is going to be an administrative nightmare, particularly for small businesses who are not on a computerized accounting system. I frankly don't know how they're going to manage it.

Mr. Minister, we've seen a trace of that with respect to the lottery tax. The member from Prince Albert this morning was describing people who were spending an extra two hours trying to sort out the bookkeeping mess. The time, Mr. Minister, the time of small business is not unlimited. In fact they put in some very long days. I think many of the small-business people will readily admit there are some real satisfactions to working for yourself. Your successes are your own, and your failures are your own, but I don't think any small-business person would clam that they work fewer hours. Small-business people by and large put in very long hours, and the last thing they need is another layer of complexity added to their business, and this sales tax is going to add a very real level of complexity.

So I say, Mr. Minister, that this is something else that such a report might review. It might, Mr. Minister . . . Well in the narrow form of the minister, I could not see the Minister of Finance for the slender frame of the Minister of Education.

**An Hon. Member:** — That's out of order.

**Mr. Shillington:** — The frame or the comment? I think both.

Mr. Minister, as I say I don't want to take all day on this, Mr. Minister, but it seems to me the suggestion of the member from Prince Albert-Duck Lake was a very practical one. We ought to have some of this information. You ought to be providing it and you ought to be making it public, otherwise people will never make any sort of an informed choice and your public process would be a sham. If it's to mean anything at all, it must be preceded by a good deal of information which simply isn't available.

There's been a great deal of heat in this discussion about the sales tax and awfully little light. You're in a position, Mr. Minister, to provide some light. The member from Prince Albert-Duck Lake suggested the way that that might be done, and I would think, Mr. Minister, his suggestion is worth considering and should not have been rejected as quickly as you did.

**Hon. Mr. Lane:** — I didn't reject it. I said that if he had some input on the public consultation that we were prepared to consider it. I won't rule out the suggestion the hon. member makes in terms of economic models. Some of the information, a lot of the information you would expect that we would get in conjunction with the national government, so we have to talk to them about their position. Some of that has already been made public.

With regard to the inflationary aspect, and I have said this

on numerous occasions, some of the advice I get is that when a value added tax has been implemented in other jurisdictions, the inflationary impact relative to the tax is of about a six-month duration.

Now I acknowledge that there are many other components that can then come into play, whether it be wages, whether it be, in the case of Canada, a national Bank of Canada monetary policy, all of these. I'm talking about, and I'm sure the hon. member is, as it comes about because of the tax. So there will be all sorts of variables and factors that come into play.

Some of the discussion we've already seen it the public debate is a result of the federal government's announcement. They're talking about the impact and their resulting wage and cost responses to the tax. What will be the effect of the Bank of Canada? One of the difficulties, of course, is that we're looking at the economy as it will be in 1991, which again is speculative and requires a great number of subjective decisions.

But I'll certainly take a look at what of that is available and can be released because I think it will have some benefits to the people of the province. And I didn't reject, in fairness, the suggestion of the member from Prince Albert-Duck Lake.

**An Hon. Member:** — On, you've got the problem. You look after it, buddy, because you don't have the position . . .

**Hon. Mr. Lane:** — I did not. I stated that we would be prepared to consider his proposal.

**Mr. Anguish:** — Thank you, Mr. Chairman. I have some questions to ask the minister, and I have a brief statement I'd like to go into in some depth before I place the questions before the minister here this afternoon.

Mr. Minister, I'd say to you initially that one of the problems with you bringing in interim supply is the process by which we find ourself at today in the legislature looking at August 14, having been here since March 8. The second problem is one of questioning by the public as to where all the money is going, and why so much of the money that's disappearing through the government is being taken from the pockets of the average taxpayer in the province of Saskatchewan.

On the first point about the process, Mr. Chairman, the public, I think, find it a little strange that we, having been here since March 8, have to deal with interim supply on August 14 — a period of some five months, I believe after we've arrived here — and that interim supply is not part of the normal budgetary process.

I believe it was prior to March 31, 1988, that the government and you, sir, as Minister of Finance introduced the budget laying out where taxation would be received from, and secondly, where those revenues would be spent, or the expenditures would be made on behalf of the province of Saskatchewan though the government.

That's fine. The budget debate took place, and after the budget takes place, all people who follow this

system know that part of the budgetary process is called the estimates.

And instead of you, sir, and your colleagues in Executive Council and the cabinet who set the agenda of this place, instead of bringing in the estimates, you were obsessed by your privatization moves, and so here we are, five months after the beginning of this session and still have over half of the estimates process to go through to approve the budget.

And so as people in the province wait on this government, we find you back here again for another interim supply Bill, the purpose of which is to give you money so that you can carry on the day-to-day activities of government and spend taxpayers' dollars with the required legislative authority. So that's the first point that I find a little distasteful in this process that we're going through here this afternoon, Mr. Minister.

The second thing that people have talked to me about across Saskatchewan as a concern, is the fact that you have not in government managed their money very well. From 1982 through to the present term, you have never once met the estimated expenditures that you were going to make. When the *Public Accounts* have been tabled for any fiscal year since 1982, you have always, in every case, spent more money than what you had estimated you were going to be spending.

Now people ask quite often: is this waste and mismanagement; is it incompetence; it is a lack of planning? Well there are a number of instances where I think members on this side of the House and also members on the government side of the House could point out that it could be any of those items as to the reason why you, sir, and the preceding ministers of Finance under the Conservative administration since 1982, have never yet once met a budgeted projection, the estimate was tabled in this legislature through the initial budgetary process.

(1445)

And I want to look at one of the examples of what I would call waste and mismanagement. Instead of going to many, many examples, I'd like to just concentrate on one. And the one that I'll use for example of waste and mismanagement of government spending and lack of accountability is that of GigaText.

When you look at the GigaText situation, Mr. Chairman, you find a situation . . . Well I know the members are a little sensitive. I know that members are a little sensitive on the government side about the GigaText issue, but here is the case as it should be laid out for the people in the province of Saskatchewan.

A few years ago there was a priest at a parish in Cochin, Saskatchewan, Father Mercure, who protested the speeding ticket he received because he was not served in both of the official languages. And since Father Mercure's language of origin was French, he challenged the authority of the ticket he received. And as we all know, at this point in time the case went all the way to the Supreme Court, and the Supreme Court ruled in favour of Father

Mercure and the case that he had brought to the attention of the legal system in the province of Saskatchewan.

And what the federal court basically said, Mr. Chairman, was that Saskatchewan had to translate some of their laws from English to French. And the provincial government got up and made great pronouncements that we are in fact going to translate about 45 laws initially and eventually there'll be more of the statutes, more of the laws, translated from English into French.

So since we don't have a system of translators in the Saskatchewan legislature, as they do in the House of Commons, the government was looking for, at that time they said, the most efficient way to translate the statutes in the province of Saskatchewan.

And so finally they said, well what we've found is we've found some people with technology whereby they use computers and artificial intelligence to translate English into French. All we have to do is put in the statute in the English form, and from the other side out will come the French version.

So the two individuals that came to Saskatchewan said, well we have this technology where one Guy Montpetit, a business man from the province of Quebec, and a Dr. Douglas Young, who was originally in Winnipeg, Manitoba, those two individuals, sir, had a company called Norlus. And when they came to Saskatchewan, they had convinced the Government of Saskatchewan, after some examination at least by the provincial government that this technology would work. So the Crown investments corporation, the banker for the Crowns in Saskatchewan, put in \$4 million cash.

So what we had in this situation was Norlus putting up nothing — they said they were putting up the technology which we find out to date does not work — and we have the Crown investments corporation on behalf of the province of Saskatchewan putting in \$4 million hard, cold cash, revenues of the province of Saskatchewan. And for Crown investments corporation, they received 25 per cent of the shares for 4 million; at this point Norlus put in nothing and they received 75 per cent of the company.

Now in November of 1988, sir, Mr. Kyle, the Chairman of the SEDCO board . . . or sorry, in this case he wasn't chairman of the SEDCO board; he was acting in another capacity; he was acting on behalf, I believe, of Crown investments corporation. Or maybe it was Mr. Kyle. There was a phone call went from Crown investments corporation to Mr. Price at SEDCO, and the phone call went, well we have some concerns. And obviously the provincial government also had concerns because the provincial government had alleged themselves criminality, in this case, because they asked the RCMP to investigate.

Now what were the concerns that we had? What was this waste and mismanagement by the current administration? Well first off, when they gave the \$4 million to GigaText from Crown investments corporation, they gave Guy Montpetit from Quebec sole signing authority over the \$4 million. And so in a period of less than a year up to the first week in November of 1988, the

\$4 million initial investment has been totally expended. Every cent of the initial \$4 million had been spent under the signing authority of Guy Montpetit.

How did this money disappear so quickly, and why, people ask, were not statutes produced in the province of Saskatchewan from English to French? Well this could be some of the reasons. First off, Mr. Guy Montpetit leased a jet from GigaMos Air Services for \$35,000 a month. Who owned GigaMos Air Services? Guy Montpetit owned GigaMos Air Services, the same Guy Montpetit who was a major shareholders in GigaText. So you have GigaText, GigaMos, same thing — gigarip-off for people in the province of Saskatchewan — \$35,000 a month.

One of the other things that caused concern, Mr. Speaker, was the purchase of some computers. In fact under the sole signing authority of Guy Montpetit, they bought some Lambda computers. Now you got to realize Lambda computers were no longer in production at that time, but a company called GigaMos Services just happened to have 10 or 20 Lambda computers around. Now the Lambda computers had no market value, and they had no value when they were brought in to GigaMos Services Ltd. Now the questions I want to ask to the minister is: why did you allow them to spend \$2.9 million on the Lambda computers?

**Hon. Mr. Lane:** — Well the answer of course, as the hon. member was told earlier today, if he had been paying the least bit of attention which would have been a significant change in the way he deals with the legislature, was that this is a matter for SEDCO, for the Crown corporation, and not before this committee. Now he was told that this afternoon, so it's . . . The minister was here that was responsible told you exactly where you ask those questions.

Now you've gone on in your usual diatribe, and Mr. Chairman, the hon. member has been told this afternoon. Now if you want to filibuster interim supply, go ahead and filibuster interim supply. You walked out for 17 days, you went on strike because you didn't want to talk about something. Then you went on for four months on potash, and you complained about that, that that wasn't enough. Now you ask questions 15 times, some of the questions you've asked already on interim supply. So you can filibuster this. You can filibuster this.

I mean, what you've stood up today and said to the people of this province, to the people of your riding in North Battleford that yes, he answered the question early, but I wasn't listening. Yes, I stood before this Assembly and I heard the minister say point-blank what the answer was, but I wasn't paying the least bit of attention when that happened, and I'm prepared to say to the people — and this is what the hon. member is saying — that I don't care about the operation of the House, where the answers are, what the forum is. All I'm prepared to do is get and spout my little rote rhetoric that I have been saying now for some three months without the least bit of attention to the answer. So you've been answered the question.

**An Hon. Member:** — It's more than rhetoric.

**Hon. Mr. Lane:** — And he says it's more than rhetoric.

We've already had the debate on GigaText, Mr. Speaker, and oh he says, no we haven't. No he hasn't listened to it. This is not the forum for it, if the hon. member was to figure it out. That's the Crown Corporations Committee, and so we've been through that before.

**An Hon. Member:** — Why don't you consult the public on that one?

**Hon. Mr. Lane:** — And so we've been through that before, and yes, sure the public will decide. That's fair enough. But for the hon. member for some reason to sit and think that he's had the answer early, but that he can get up here for 15 or 20 minutes, repeat the same questions and statements all over again knowing full well what the answer is, tells me, tells the people of this province that he isn't paying the least bit of attention anyway.

So the hon. member doesn't want to pay attention. Take it up with your constituents. You go back and tell them that you don't pay attention. You go back and tell the people of North Battleford that you've sat here for now, as you said, for four months and you haven't paid the least bit of attention. You go back and tell the people of North Battleford what your contribution was to the strike. You go back and tell the people of North Battleford that you sit here and ask the same questions 17 times, over and over and over again. That's fair enough. That's obviously your right to do that. But the question has been answered; the question was answered earlier.

The forum for that, Mr. Speaker, is the Crown Corporations Committee. If you haven't figured out in the years that you've been here how interim supply works, that's not my problem, that's your problem. That's your problem. It's not an expenditure of the budget, so it's an expenditure of the Crown corporation, SEDCO, which I suggest the proper forum of that, at least the historical forum, has been the Crown Corporations Committee.

Now for some reason you don't think that that's the right way to do things. If you just wanted to get up and spew your rhetoric, there's another way to do it, and that's take it as read. File your comments down and do it that way.

So what I'm tell the hon. member is, you had an answer earlier this afternoon. It was repeated to you by the minister responsible. You didn't particularly like it. Fair enough, fair enough. This is not an agreement forum. I recognize that. But come on now, this interim supply has had some historical rules — has had some historical rules — and I suggest that you follow them.

Now you can go through your harangue again, and when you get through your 20 minutes, I'll come back in and answer the question. Thank you.

**Hon. Mr. Hodgins:** — Mr. Chairman, I'd like to raise a point of order.

**Mr. Chairman:** — State your point of order.

**Hon. Mr. Hodgins:** — Mr. Chairman, in light of the minister's comments respecting this particular subject, I would ask you to provide us with a ruling on the

relevancy and the appropriateness of bringing these types of questions today during interim supply.

I think, Mr. Chairman, the Minister of Finance has made a very good summary of the fact that there are other forums, other public forums in fact, that being Crown Corporations Committee, where the Crown corporation, SEDCO, which does have responsibility for the financial affairs related to the GigaText matter, in which this debate could and should take place.

I do want to remind members that this is interim supply. This is Committee of Finance dealing with the taxes and budgets of this province, and I would ask you, Mr. Chairman, to make a ruling on the relevancy of this particular subject.

(1500)

**Mr. Lingenfelter:** — Thank you very much, Mr. Chairman. I'd just like to comment for a few moments in reply to the five-minute point of order made by the minister, but I want to say that the point being raised by the member from The Battlefords is one, I think, that's very important to the people of the province. Government waste and mismanagement and corruption is one of the biggest issues in the province at the present time — one of the biggest issues.

What the member from The Battlefords is asking about is money that flows from the Consolidated Fund — that's what we're dealing with right now — to SEDCO every year. And I see in the *Estimates*, it's clear that we deal with SEDCO all the time in this Assembly. In fact, there's an order in the *Estimates* called Saskatchewan Economic Development Corporation. And out of this legislature, the vote that we're giving today, money flows to the minister is asking for \$36 million — \$36 million that will come out of this very vote, part of it, to SEDCO. If you divide that by 12 — we're asking for one-twelfth — \$3 million of this money will go to SEDCO.

Now the minister knows that. He knows full well that money will come out of here and go to SEDCO, that one-twelfth of 36 million that's granted to SEDCO this year will come out of this allotment to SEDCO, and part of that money will in fact go to the GigaText project and Guy Montpetit.

And I say to the minister, he's clearly trying to avoid the issues that we're talking about. That is money that flows out of the Consolidated Fund to SEDCO to pay for GigaText, that fiasco and that corruption, as people in this province now call it.

So I think it's impossible to deal with the interim supply as we traditionally have done. We ask where the money goes. It's called grievance before expenditure, Mr. Minister. You know that full well, and it's a long-standing tradition in this House. And that's what we're doing. We're talking here, my friend and colleague from The Battlefords, about the 36 million that comes from the Consolidated Fund to SEDCO. And of the money we're allocating today, about 3 million, if we're granting one-twelfth, will go to SEDCO.

So, Mr. Chairman, I think it's clear that it's perfectly within order to talk about that money that's being granted out of this allotment to SEDCO.

**Mr. Chairman:** — Order, order. I find the point of order not well taken. But I would ask the members to relate their questions to the interim supply Bill that's before us. The general debate usually takes place on the final interim supply.

**Mr. Anguish:** — Thank you, Mr. Chairman. I appreciate your ruling and it's understandable that government members are sensitive about the waste and mismanagement of their government.

Now the minister said that I wasn't listening. I was listening very well. I heard the Deputy Premier sitting where the Minister of Finance was supposed to sit, saying this is a matter for SEDCO. Well it is a matter for SEDCO. You're putting money into SEDCO and we want to ask you these questions.

We've asked the minister of SEDCO in this House, we've asked the Minister of Justice, we've asked the Deputy Premier and, sir, if you were paying attention you could read Crown Corporations where I was for three or four days questioning the minister of SEDCO on the very topic of GigaText and the operations of SEDCO. So don't you try and mislead the public in the province of Saskatchewan by laying forth something that is not accurate, sir.

If you would try and be accurate instead of being the 8-billion-dollar man that you are, we wouldn't find ourselves in such a troubled situation as we are today, where the third highest expenditure in the budget that you, sir, proposed to this legislature is for payment of interest on the debt — 380-some-million dollars.

So you, sir, should try and be a little more accountable to the province of Saskatchewan and to the people who pay those tax dollars that they have to work very hard to generate for your government to waste and mismanage.

Now, sir, we find the situation with GigaText that SEDCO is still to this day funding GigaText at a rate of about \$50,000 a month — \$50,000 a month. Now that the 4 million and the interest is all gone, squandered and wasted by a negligent board that you, sir, had an appointment on and by the sole signing authority of Guy Montpetit over the \$4 million plus the accumulated interest, still paying \$50,000 a month. And has one word of the statutes been translated by the GigaText system? No, sir, it has not. In fact we understand you spend additional money at the University of New Brunswick to have them translated manually.

Sir, how long are you going to keep going funding GigaText under the auspices of translating statutes before you pull the plug? Why don't you call it research and development now, is what you're saying it is. Well then why does SEDCO continue to fund research and development? They're not in that practice.

We find a situation where the word "giga" has taken on a

new important meaning in the province of Saskatchewan. We have GigaText that ripped off the province and lined the pockets of Guy Montpetit. And three-quarters or more of the money can be traced back directly to Guy Montpetit that went through GigaText. You have GigaMos Systems where the Lambda computers came from, paid \$2.9 million, as I pointed out. Because of a court case that was launched by Mr. Thoreau in Montreal, we find out those computers that your government paid \$2.9 million for had an estimated value of about \$40,000. Not very good management, sir.

You have Giga Air Services. And do you know what you also have, Mr. Minister? You have a gigadebt in this province. Because the word “giga” means one billion. The word “giga” means billion. So if you take all the debt in the province, you’ve got about 13 gigas in the province in terms of your debt. You still have GigaText. You haven’t well dealt with yet the Giga Air Services and the GigaMos Systems. And pretty soon we’ll be paying giga-interest, Mr. Minister.

And you have the gall to come before this legislature and ask for interim supply again, when you know it was the incompetence and obsession of your government is the very reason why the budget has not yet been dealt with. You, sir, and the mouth sitting beside you control the agenda of this legislature, whereby you decide what business comes before the floor of the House. And it’s because of your incompetence, because of your waste and mismanagement, because of your obsession with privatization, selling off the assets of the province, that this budget has not yet been dealt with.

Now, sir, I would like to close off because there are other items that we want to deal with. The member for Cut Knife-Lloyd, I’d like to say I was in his riding on Thursday. People had a very good reception, and the condemnation I heard for him and his lack of knowledge about how anything works, including his constituency . . .

So I’ll leave off now, Mr. Minister. I would not want to be supporting the things that you’re doing within your government.

And I would ask you as my final question, or I think it will be my final question, Mr. Minister: since part of this money is going to SEDCO where SEDCO is still funding GigaText at the rate of over \$50,000 a month, and in light of the fact that the minister has taken notice of questions, won’t answer questions in this Assembly and in Crown Corporations Committee, if you want this interim supply passed, Mr. Minister, could you tell us today: when will the government and SEDCO stop funding \$50,000 a month to GigaText?

**Hon. Mr. Lane:** — Well I note the threat that the opposition say they are not going to pass interim supply, the threat now made by the minister from North Battleford, and I watched the threat unfold.

**Mr. Anguish:** — Maybe the member from Cut Knife-Lloyd was yelling too loud for you to hear the question. The question was: in light of all the events that have happened around GigaText, in light of the fact that the minister for SEDCO has not answered the questions, the Minister of

Justice has not answered those questions, the Deputy Premier has not answered those questions; and further that you’re funding SEDCO out of this interim supply Bill, and in turn SEDCO is funding GigaText at a rate of \$50,000 a month, my question to you, sir, is very clearly: when are you going to stop funding GigaText at a rate of \$50,000 a month?

(1515)

**Mr. Chairman:** — Is the committee ready for the question?

**Mr. Anguish:** — I asked a question of the minister. We assume the minister found the question so difficult he was sitting there writing out the answer. Is the minister not going to answer the question? Does he not even have the courtesy to stand up and tell us when they’re going to stop funding GigaText at \$50,000 a month? My question to the minister is when are you going to stop funding GigaText at \$50,000 a month, sir?

**Mr. Shillington:** — Mr. Chairman, the Minister of Finance is clearly having trouble functioning. I don’t ever recall having been in this Assembly in this committee before when the minister has just ignored . . . The minister is having trouble functioning, I therefore move this committee rise and report progress.

Motion negatived.

**Mr. Anguish:** — Mr. Chairman, is there some indication, if the minister just . . . well, Mr. Chairman, this question is to you, sir. Is there some indication, like, when you ask the minister a question, if he doesn’t want to answer, is he going to get up and say, well I won’t answer that. Or does he sit there in his arrogant, uncaring, unorganized fashion, incapable and incompetent.

People should know why he’s called the 800-million-dollar man. He’s called the 800-million-dollar man because in one year alone he misprojected the budget by \$800 million — 800 million. Somebody said \$800,000 — \$800 million he misprojected his budget by — 800 million. Do you know how much that is? Your average person couldn’t comprehend that so maybe \$50,000 a month now to GigaText and \$4 million initially means like nothing to him. He doesn’t care about \$50,000 a month or \$4 million initial investment wasted and squandered because he can blow, misproject over \$800 million in one year and he doesn’t care.

**An Hon. Member:** — And he sits there.

**Mr. Anguish:** — And he sits there. What a cowardly activity of the Minister of Finance in this province.

So I’ll ask another question — maybe he’d like this one better. Other investors who have given Guy Montpetit money have taken action in civil court to recover their money. Does the Minister of Finance have any obligation of feel any obligation to stop funding GigaText at \$50,000 a month? And further, will you consult with your colleague, the Minister of Justice, to take action in the courts of Saskatchewan to recover money that was

wasted and went into the pocket of Guy Montpetit? Will you do that, sir?

**Hon. Mr. Lane:** — I think the appropriate answer for that is to the minister responsible for SEDCO, Mr. Chairman.

**Mr. Anguish:** — Mr. Minister, the minister for SEDCO has had those questions put to her. We quite well expect she's going to get booted out of the cabinet here any day. We know they pulled SEDCO from Crown Corporations after myself and my colleague from Prince Albert-Duck Lake asked questions for at least three days, maybe four days; you and your colleagues pulled her out of Crown Corporations Committee.

Questions have been not answered in this House because you've hidden behind RCMP investigations and lack of knowledge by some ministers. And we maintain and submit to you, sir, this is the place to ask questions about the involvement of taxpayers' dollars going to some high-flying business man from Montreal who ripped off the province of Saskatchewan. And you, sir, through the Department of Finance into SEDCO, are still funding the organization in which he and his partner through Norlus own 75 per cent of the shares.

I'll give you one more chance, Mr. Minister, when are you going to stop funding GigaText at \$50,000 a month, and do you and your government contemplate, or will you consider taking legal action in civil court to get back the money that was paid out in questionable practices to Guy Montpetit and his associates?

**Hon. Mr. Lane:** — Well as I've indicated on several occasions, as has the Deputy Premier earlier, those are appropriate questions for SEDCO. SEDCO, I believe, is a statutory expenditure. Once that money is allocated, Mr. Chairman, they spend it within the framework of that money.

Having said that again, the practice of the committee is that the Minister of Finance is not expected to answer the detailed questions of the operation of various departments, agencies, and Crown corporations of government. If that's a change in the practice that's being made today to appease the member from the North Battlefords, Mr. Speaker, then that should be a ruling of this committee, but I have now answered the question on numerous occasions. It's a matter for SEDCO.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, other members have indicated the financial mess that this province is in; we've reviewed it during the debate on potash. I want to reiterate: we're sitting with the astronomical deficit of \$4 billion, and the budget, which we are dealing with here today, Mr. Chairman, is a part of it.

I ask you, Mr. Minister, you came into this House with an estimated deficit of some \$226 million in this current budget, which we're dealing with. I want to ask you a simple question: has that deficit projection changed since you introduced your budget?

**Hon. Mr. Lane:** — Well there are the following possibilities of change. One, the new changes to crop

insurance, and as I had indicated to previous questions earlier in the session, the questions was asked why was that not put in. Negotiations were going on for some time. The matter was not resolved till well after the budget time for various reasons. And historical practice has been in this province when they come in after, significantly after budget, they are dealt with at that time. Secondly, it would have been unwise for us to put a negotiating position forward that we were prepared to make the specific payments. There is that.

Now when I say that, there is that possibility, because I want the hon. member to understand that there are different options being negotiated with the federal government. One of the options requires no payment on the crop insurance until the next fiscal year, so it may or may not have any impact, and those are decisions we have yet to make.

The historical practice, as well, we've had a settlement with the doctors that the hon. member will be aware of. And again, historically, those have not been put into the budget for the reasons of . . . two reasons, generally. One is the negotiating positions, and secondly, that the settlements could come after a budget delivery. But there is, as I have said, a possibility we may not put the drought . . . or I'm sorry, the changes to the crop insurance into the next fiscal year. And then I will endeavour to get for you what the settlement cost will be for the doctors' settlement.

**Mr. Koskie:** — Well have you included all of the items? I want to turn particularly to an announcement recently by the Premier. We have questioned you continuously. When the drought payment was announced by the federal government during the last federal election, it was indicated that the provincial governments would be asked to contribute. And it came to a realization. And that total sum according to the Premier — but again, who knows, it may be or it may not be accurate — but the figure that has been released is \$115 million. Now is that amount to be paid out of the fiscal year, the \$115 million of drought payment? Was that included in this budget, and is it included in the deficit?

(1530)

**Hon. Mr. Lane:** — The payment is to be paid over five years, not in one payment. And secondly there is being negotiated a credit on interest on some previous crop reinsurance payments, which as I have indicated may well not have any payments in this fiscal year, because there would be more than an offset.

**Mr. Koskie:** — The indication is that the province would be paying \$115 million towards drought payment. Now you're standing up and saying that you're in fact not contributing, is that the fact? You're saying it's over five years but that this year you may not . . . Is it divided up into equal payments and there are cancellation of it? I mean you can't have it both ways, making an announcement by the Premier that you're going to pay \$115 million and then at the same time saying that you're not paying anything. Can you be more explicit as to the arrangement in respect to the \$115 million that you have indicated that you are going to be paying?

**Hon. Mr. Lane:** — No, what I've explained to the hon. member is that the payment is over five years, okay, but that we are negotiating a payment with the federal government on the reinsurance component of crop insurance that we have carrying with the federal government, for the federal government. That would offset just about the payment for this year. So that's all.

Now we still may decide to run it through this year, but we are negotiating on the reinsurance component of payment back from the federal government which would basically offset that first year's payment. So there may be none this year, but we haven't made those decisions yet, nor are negotiations finished.

**Mr. Koskie:** — Well is there a cost then transferred to the province for this year in respect to crop insurance?

**Hon. Mr. Lane:** — The province carries the cost of 75 per cent of the reinsurance under crop insurance. Okay? And then we subsequently get federal reimbursement. Do you understand that? And what we are negotiating with the federal government now as to offsetting the interest charges on the reimbursement, and we're negotiating that with the federal government, that may not . . . may take us into the next fiscal year. Do you understand what I'm saying, that there may well be an offset, or that we would pick up those interest costs and offset it from the other payments? That's being negotiated now. I can't tell you how it'll be resolved, but it is being negotiated.

**Mr. Koskie:** — And you're saying in respect to any further expenditures, you have no estimate of what that will be over and above the deficit that you have? I mean, you talk about . . . I asked you, are there any components that you may have more deficit that is not within the budget, and you say crop insurance and you say the doctors. The doctors, you said you'll indicate . . . you'll get us the amount in respect to that.

Now have you got any estimate in respect to all of the arrangements that you're making with the federal government vis-a-vis crop insurance and drought payment and the reinsurance? Have you any estimate of what it may possibly be this year?

**Hon. Mr. Lane:** — Well I've indicated there's a possibility of that going into the next fiscal year. I've stated that. And we've talked about the doctors. The doctors, approximately \$25 million.

There are two other areas, but again it's too soon to tell. And one is the interest on the public debt. We're very much of the view that the interest rates will drop in the second half. They are higher though, as of the first quarter, than we had expected; but again, the general view is that they should drop. And that first quarter has led to some increase on the mortgage protection plan. The exact amount of that to this point I am trying to pull for you to let you know what that is. I gather those are the four.

**Mr. Koskie:** — Mr. Minister, just in respect to dealing with this budget, and we're with one-twelfth here in the appropriation or interim supply, and some of the experts that have looked at the budget say that this is a fudged budget, fudged from the standpoint that where did you

get the \$200 million from the Crowns. Fudged from the standpoint of the 205 million in respect to Liquor Board in the sense that, first of all, the Liquor Board revenue to the government is not at that level, and the \$200 million is taking from one aspect in order to arrive at a deficit which you claim is starting to decrease.

But those figures there, I want to ask you, Mr. Minister, is it likely that the \$200 million that you have taken into this year's budget likely to be repeated in subsequent budget, or is this a one-time hit? Similarly, is not the amount of the Liquor Board revenues that you have put in on the revenue side also a part of a substantial amount of retained earnings over and above what you will receive from the Liquor Board during the course of the year?

**Hon. Mr. Lane:** — There's still additional funds left in the Liquor Board retained earning, and again I remind the hon. member of the historical practice that those are drawn down and have been by respective governments. And secondly, the latter question with regard to the Crown corporations, it will depend on the earnings.

**Mr. Koskie:** — I thought they were all losers, Mr. Minister, and that's why we're giving them away.

I want to ask you, Mr. Minister, there's one other revenue that irks the people of Saskatchewan, and to some extent, I think you're heading in that direction in respect to the GST, the goods and services tax, and that is a tax on a tax, as demonstrated in respect to the telephone bills that we receive. There the federal government knocks on or places on it a communication tax, and along comes the Saskatchewan government and they put a tax on the whole entire bill including the tax that is imposed by the federal government.

And I was wondering if you could enlighten us as to the amount of revenue that the government is able to collect on E&H tax in respect to its double taxation — that is, taxing on a tax. As I indicated, there's a communication tax on all your telephone bills — federal — and then when you check how much tax is being charged on E&H, it's tax on tax. And I was wondering whether you could indicate the amount of revenue that you are stealing from the people of Saskatchewan in that way.

**Hon. Mr. Lane:** — We'll try and get the amount of revenue that come about because of that. The hon. member should be aware that the position of successive Saskatchewan governments has been to put the sales tax on the last item of tax. And I can advise the hon. member, for example, if you were to check your printing bill, you would find that previous governments in this province had put the sales tax after the federal sales tax on printing materials. So the practice has been in Saskatchewan, predating this government, to put that tax, the provincial sales tax at the end.

Secondly, we should keep in mind with regard to the communications tax of the national government that it does not apply to all phone services. It only applies to . . . (inaudible interjection) . . . No, I'm not disagreeing with the hon. member. We've indicated — and I'm sure we agree — our opposition to the tax. And with respect, as I say, I'm not disagreeing with the hon. member on the

communications tax itself, but the taxation procedure has not changed over the last many years.

And secondly, that tax does not apply to all service, it only applies to long distance, and there was some pretty serious calculation difficulties with SaskTel. But having said that, the tax is, as you say, on the tax, and I will try and get for you the amount of revenue generated by that.

**Mr. Koskie:** — I'd appreciate it if the minister will provide that information. You were talking in respect . . .

**Hon. Mr. Lane:** — If I can answer the hon. member. We have to get it broken down further. I'm told it's about 3.7 for all communications which would include that specific tax, okay? So we have to go back and get some calculations for the hon. member which I'll be prepared to supply, but the total E&H revenue from all the communications, which I gather is more broad than just that specific tax, is the amount that I've given you.

**Mr. Koskie:** — It seems to me I have a vague recollection, Mr. Minister, that prior to your ascent into office that you promised the people of Saskatchewan you'd get rid of those vicious E&H tax on utility bills. I remember that distinctly, but leave that aside.

In respect to the GST, Mr. Minister, you indicated that you're sitting on the fence at the present time in respect to what your position and the government's position is going to be in respect to Mulroney's GST. You're indicating that you're going to be consulting. You indicate that there's some benefactors. I wonder if you could, if you have done an analysis, and whether you could indicate a list of the benefactors and those which will be harder hit within society. You must have done an analysis, and perhaps you could provide us a breakdown of some of the benefactors and some of those who will be really detrimentally affected.

So you obviously you have been doing some analysis, and I was wondering if you could provide some of that information, rather than just a general statement that there are benefactors and there are losers.

(1545)

**Hon. Mr. Lane:** — As I've indicated, like all sectors, the following groups would pay more. And I haven't included, because it's a matter of some debate as to what level the tax credit applies. Now we'll have to get that information as to what income levels those have in effect. But let me talk about the general categories.

Retailers. And that leads to the question that some come in that they really have a problem if there are two taxes. Those imported goods and, of course, services not presently taxed, okay? The latter of course not surprising because that's one of the objectives of the tax. Those areas of the economy that benefit — resource, manufacturing, and exporters.

There is some uncertainty which we are trying to clarify.

The opposition, as the hon. member knows, raised the question about the farmers' exemption and whether it

will be rebateable or not. We have some indication from the federal government, as we had argued and as I had indicated, that they will be making some modifications in that so that it will in fact . . . that there won't be a wait.

But there may well be some other areas where farmers will benefit, in areas where they now indirectly or directly pay the manufacturing sales tax. It could be some parts, it could be some equipment not directly related to farming, and some other equipment. So in some areas there is an indication . . . but we're trying to get that clarified as to whether that fits within the general agricultural exemption.

**Mr. Koskie:** — Mr. Minister, a great number of people, you talk about retailers, the imported goods, services not taxed, and there undoubtedly for the average Saskatchewan person, there's going to be a heavy impact by the imposition of the GST.

I wonder whether you have done an analysis, an analysis of the imposition of the GST at 9 per cent in accordance with the white paper or the implementation paper that was put out by Wilson? Have you actually gone through and done an analysis as to what it would affect the average Saskatchewan person in addition, over and above the position where they're at now? You hear reports that, on average, the \$40,000 a year, one wage earner, on average, he'll be over \$500. And what I'm interested in is whether or not you have done an analysis of the effect that will have upon the average Saskatchewan person, taxpayer, in Saskatchewan?

**Hon. Mr. Lane:** — We're in the process of trying to do that.

**Mr. Koskie:** — Well how long are you going to wait? I mean, you have no position. You're going to go out to the public. You don't even know the impact that it's going to have on Saskatchewan people. No wonder you don't have a position. I mean, how can Ontario stand up and say, the imposition of it's going to be \$170 million if we put a tax on a tax? How can Don Getty stand up with the Premier Minister and say, we're opposed to it?

Mr. Minister, you are not coming square with the people of Saskatchewan. I think that you are cap in hand with Mulroney. And I think that you're going to join in with a revenue-making scheme here and that you are in fact in favour of the sales tax imposed by the federal government.

And so I ask you, are you able to file any analysis of the direct effect on the average Saskatchewan person with the implementation of the GST? Surely by now you have gone through it and done an analysis. Or are the public again not going to be defended as the federal government swoops down on the people of Saskatchewan?

I was out over the weekend, and I'm telling you, there's not a citizen that's not concerned. And they said, at least Don Getty stood up and took a position in respect to the national sales tax.

And what I'm asking the minister, because it's relevant to this budget, has he done any analysis within the

Department of Finance so that he can file those reports in order that the people of Saskatchewan would be advised and also that the public would be advised.

I can't believe that you haven't done an analysis. I'm going to ask you again. Have you done any analysis and can you file some of those analyses with the legislature and with the opposition?

**Hon. Mr. Lane:** — I'm advised that the officials are still working on the effect of the low income reduction, effective middle income rates. The model will look at whether we can expect, in the case of some reductions where there was a manufacturing sales tax, whether that would be passed through or not. We are still both trying to get the federal government to be more definitive on the farmer rebates. And we have now had some indication in the last couple of days that they will have the system so that the farmers won't have to wait for a rebate.

So there's a fair amount of information that we are still analysing on the effect of the tax. In the case of the low income reductions, I think there is some public information out on that already, and the same with regard to the reduction on middle income rates. But again there's also the variables that you put into your model, and we haven't completed that yet.

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Minister, could you give me an indication of what the total sales tax revenue for the province of Saskatchewan is in one year?

**Hon. Mr. Lane:** — We're estimating, including the liquor consumption tax, as you will know from the budget, 502.6 million.

**Mr. Upshall:** — Mr. Minister, thank you for that. I want to go back now for a minute to the area of the crop insurance rebate where you pay 75 per cent of the reinsurance money. Could you give me an indication of how much that is and what portion of that is rebated? Is it 100 per cent rebated or a portion rebated?

**Hon. Mr. Lane:** — We were financing about \$250 million.

**Mr. Upshall:** — That was your reinsurance cost. And what portion of that is rebated?

**Hon. Mr. Lane:** — It's the federal share that we would finance, that amount.

**Mr. Upshall:** — Yes, and if I understand you correctly, you said a little while ago that that amount was rebated by the federal government to you. Is that correct?

**Hon. Mr. Lane:** — Yes, but we carry the cost of financing that.

**Mr. Upshall:** — That was my question, I guess. What was the cost of financing that reinsurance?

**Hon. Mr. Lane:** — About \$23 million.

**Mr. Upshall:** — Now you indicated, Mr. Minister, that you're negotiating but it's possible that that \$23 million

would be used as a first payment of five that would be your portion of the federal drought payment, is that correct?

**Hon. Mr. Lane:** — Yes, that's one of the negotiations. Another one is to whether the payment be over five or six years.

**Mr. Upshall:** — Okay, Mr. Minister, then what you're saying is that in normal procedure you would pay that \$23 million out as your portion of the grain insurance costs, financing that. And now that money will be used as an instalment over five or six years on the drought payment.

So my question to you is, that revenue will be lost to the taxpayers of Saskatchewan because it's not rebated. Can you tell me, Mr. Minister, if that would be an added cost, a new cost, something you have to tack on to your budget for this year?

**Hon. Mr. Lane:** — No, what I have indicated, one, we have to pay that. What I've said, that may not be payable until the next fiscal year.

**Mr. Upshall:** — Okay, let's just back up a step then. There is going to be a cost incurred by your government for this year for the federal drought payment. Is that correct?

**Hon. Mr. Lane:** — Well that's what we're negotiating with the federal government as to whether it's going to be paid this year or next year.

**Mr. Upshall:** — Okay, but regardless then of whether it's paid this year or next year, that \$23 million is going to be used to make the payment whether it's this year or next year. From your indications I think that's correct.

Okay, then what I'm saying is, then, that's \$23 million that is not in your budget because if it wouldn't have to be paid out, then it would have been rebated. So is it correct to assume that you can tack on another \$23 million to your deficit this year for costs because we can't recoup that payment from the federal government?

**Hon. Mr. Lane:** — Well it may, but it depends when the payment is made. Right now it's an increase on the public debt, okay, which has a different impact on the budget than a direct payment. So it may not have any impact this year.

**Mr. Upshall:** — What I'm saying, Mr. Minister, is that that \$23 million is \$23 million that Saskatchewan will not have to use because if it's the normal procedure that would be rebated, doesn't matter if it's in this year or next year. So I guess I assume by that that you can add that \$23 million on to your deficit because that's money that's not coming back into the province. Go ahead if you want to explain that.

**Hon. Mr. Lane:** — It's not an assumption you can make. I'm not saying that it doesn't have to be paid, okay, and I haven't said that. The timing of the payment though can make a difference — it's just not an assumption that you can make — the timing of the payment is being negotiated. It could, and I have said that, it could impact

on this year's budget. But those negotiations are going on now. It may not, that's all I'm saying to you.

(1600)

**Mr. Upshall:** — Yes, I understand that but regardless of that fact, it's \$23 million that is going to be out of the coffers of Saskatchewan. I want to move on now . . .

**An Hon. Member:** — You have to pay it.

**Mr. Upshall:** — You have to pay it.

**Hon. Mr. Lane:** — Sooner or later we acknowledge we have to pay it. One of the other considerations that has to be looked at is that we are negotiating a payment over six years rather than five, so that will show up in future budgets as well. Certainly we have to pay it; I haven't denied that.

**Mr. Upshall:** — Yes, it'll be a deficit in either this year or next year's budget then.

I want to move now, Mr. Minister, to the farm Bills that were passed in this legislature about a month ago. And I wonder if you could give me any indication of whether or not the regulations are in place now so that we may know what type of expenditures we'd be looking at to carry through those Acts. Are the regulations in place so that we know what the costs will be?

**Hon. Mr. Lane:** — What regulations are you referring to?

**Mr. Upshall:** — The farm finance Act and the amendment to the ag credit corporation Act.

**Hon. Mr. Lane:** — We will have to find out where the regulations are. The funding of course is already set out in the budget in the ACS (Agricultural Credit Corporation of Saskatchewan) mandate provision.

**Mr. Upshall:** — Mr. Minister, I believe that would put some restrictions on your program, would it not? If you don't know what the program is, don't know the formulas . . .

**Hon. Mr. Lane:** — I can't speak for the Department of Agriculture. All I said was I will have to find out where those regulations are.

**Mr. Upshall:** — Just for the record, Mr. Minister, what have you budgeted in your programs, what amounts to cover the amendments to the ag credit corporation and the farm finance Act?

**Hon. Mr. Lane:** — If you go to the Department of Agriculture and Food, ordinary expenditure, vote 1, item 14, you will see the increase in expenditure. Vote 1, item 14, approximately \$4.1 million increase.

**Mr. Upshall:** — Mr. Minister, I assume that's the total amount of increase to cover the new programs that your government has put in place to supposedly get farmers out of this financial crisis they're in. Now it seems to me that with a \$6 billion farm debt in Saskatchewan, I mean the interest alone is more than that — the interest alone is

more than what you've totally budgeted to finance those programs.

Now, Mr. Minister, there has to be some questions asked in this regard about exactly the usefulness of these programs. And the question I would ask you is, have you had any representation from the Department of Agriculture to increase that amount if necessary to provide adequate protection to farmers if that amount is requested by the Department of Agriculture?

**Hon. Mr. Lane:** — Not at this stage, we haven't.

**Mr. Upshall:** — Now, Mr. Minister, if we want to take a look at one program at a time, when we have the amendments to the ag credit corporations where they're going to refinance home quarter and the possibility of refinancing other parcels of land. There's another program where you have the guarantee on the vendor financing.

Mr. Minister, surely there has to be some representation to you to put in your budget ahead of time so that you could come up with a figure, or did that figure just kind of pop out of the air. When you're making your budget and you have to budget a certain amount of money to finance a program, surely there is some criteria by which the department will give to you . . . or they will give you a ballpark figure as to how much you should budget.

Is there any indication, Mr. Minister, and can you explain to me how a \$4 million increase will cover a program for farmers in Saskatchewan who are in great financial difficulty? And could you explain to me how the department came up with those figures so that you would know that there was needed a \$4 million increase to finance some of these programs?

**Hon. Mr. Lane:** — Understand that, one, I think in fairness, that these detailed questions of the Department of Agriculture should be asked in agricultural estimates. I mean, I have indicated to you the overall budgetary increase. It's a matter of debate whether that's enough or whether it's going to do the job or whether it's adequate or if it's too much. That's something that, with the greatest of respect, that you take up with the appropriate minister. I've indicated to you where it was in the budget, which item it was. The details of the programming and how the programming operates is best asked of the appropriate minister.

But having said that, the overall budget process, they will argue for X amount. We go through the normal balancing of demands, priorities, objectives, whatever, and an amount is arrived at. In many cases, it may be the amount asked for. I don't know whether this was the amount asked for or not. But that's the amount that has been in the budget since March, and I can't answer more detailed questions than that.

**Mr. Upshall:** — Well, Mr. Minister, is it not in your capacity to question the department, because if the Department of Agriculture comes up and says, well the amount of money indicated is not enough, that we need some more money, that relates directly to your budget this year. And despite the fact that we had to force the

government into bringing forward their farm finances and . . . all their farm Bills rather, and now we find some four or five weeks later that there's still no regulations in place, that we don't know what the programs will be.

**An Hon. Member:** — I didn't say that.

**Mr. Upshall:** — I know you didn't say that, but I'm telling you. Then do you have some commitment on your part to find out, because you're the guy in charge of the taxpayers' dollar, you have some commitment to find out from that department whether or not \$4 million is going to be enough.

And you should be questioning the amount, because in the whole scheme of things, with the debt in Saskatchewan, that is a very minuscule amount in relationship to how many farmers are in debt and how much the cost is actually going to be when you say that your government says, these farm Bills are going to help farmers out of financial difficulties. It seems to me that that amount is totally insufficient, and you should be asking the Department of Agriculture for future reference, whether or not that's going to be enough. Have you done that and will you be doing that in the future?

**Hon. Mr. Lane:** — Well, I mean, I have every confidence that if it's not enough, the Department of Agriculture will be the first ones at my doors asking for more money.

**Mr. Upshall:** — That is my point exactly, Mr. Minister. We are here talking about expenditures through the Department of Finance for a period for this year — one-twelfth. Mr. Minister, it is up to you to tell the taxpayers whether or not this amount that's in your budget and the portions that we are spending now is an accurate figure. And it seems to me that this figure will be totally inadequate if your government plans to carry out a procedure of farm refinancing like it says it's going to.

I mean, it obviously . . . that there is something that's not going to add up here. So that any amount that they come back . . . and you admit that they'll be the first ones back at your door asking for more money if this is not sufficient. I say it's totally insufficient and that that is part of a growing deficit, a hidden deficit, that we do not see in your budget or in any of the expenditures that we have to date.

**Hon. Mr. Lane:** — We've been through the debate before. The appropriate place for questions of that nature is the departmental estimates, which I gather you'll be able to do this week, as are the whole question of guarantees, etc. Certainly they're part of the financing package. We've never, never denied that. But I mean, I can't answer more than that.

**Mr. Upshall:** — Mr. Minister, can you tell me where the 75 per cent from crop insurance comes from? Out of what department does that come — the 75 per cent of funding, the reinsurance? Is it crop insurance, Agriculture department, or where?

**Hon. Mr. Lane:** — It's just an advance from Finance to the crop insurance corporation.

**Mr. Solomon:** — Thanks, Mr. Chairman. Mr. Minister, I

have some questions in relation to the revenues in your budget. I want to ask if you have had your officials determine what the actual revenues were for the 1988-89 fiscal year from the oil industry?

In your budget you indicated that the estimated revenues were \$311.372 million. Have you got a figure as to what they actually were? I'm asking, Mr. Minister, whether you have had your department officials determine what the actual revenues were for oil for the fiscal year 1988-89. In your budget you've indicated that the number was \$311 million and change, and I understand the actual amount realized is much less.

I have some questions following that. If you could get me the figure, I'd appreciate that.

**Hon. Mr. Lane:** — It came in about one eighty-seven, eight sixty-two.

**Mr. Solomon:** — So the actual revenues from oil in 1987-88 were \$347.261 million; and then in 1988-89 the actual was \$187 million, Minister. I find that quite low.

And I want to ask now whether you have a tacking figure for what the royal . . . whether or not you were going to be achieving your estimates of 1990. You estimate in the blue book here that the revenues will be \$173.6 million, which is less than 1988-89. Do you have any indications to date from your officials whether that figure will be achieved at this point, or whether it will be lower or higher?

**Hon. Mr. Lane:** — It will probably be higher. If you may recall that on earlier debates, we had estimated 1,608 West Texas intermediate, and right now it's 1,790 and you may recall that in the first quarter, it was in most cases generally quite a bit higher than that. So right now, based on what information we have, we expect it to come in higher than estimates.

**Mr. Solomon:** — So if the price is on the first quarter about 10 per cent higher than you had estimated, would your revenues be about the same percentage greater or would they be . . . is that impact on the amount of revenues you might have?

**Hon. Mr. Lane:** — No you can't just take that figure because it'll depend on both production and exchange rates as well.

(1615)

**Mr. Solomon:** — Well, Mr. Minister, what we have here is really a very poor effort on the government's part with respect to getting the fair share of revenues from the resources that belong to the people of this province. Mr. Minister, during the course of the last number of years, the province of Saskatchewan has depended a great deal on revenues from oil, and we've seen your government, since being elected, introduce a number of initiatives which have basically shifted the tax burden from those who have the greater ability to pay to those that have a less ability to pay.

And I remind you, Minister, as others have done, that

since you got elected in 1982 as the government, you have increased personal income taxes which now I think are 104 per cent higher than they were eight years ago after you promised to reduce them by 10 per cent.

You've increased the sales tax by 40 per cent — from 5 per cent to 7 per cent — after you promised to eliminate it. You've reintroduced the gas tax, which the Premier indicated in May of 1982 would never, ever be reintroduced under the Conservative government. You created one the most bureaucratic red-tape nightmares with that gas tax. You as well, Minister, through the course of that gas tax increased from what it was in 1982. There was about, I think, a 33 per cent increase in the tax overall from . . . I'm sorry, 40 per cent, from 6 cents a litre up to 10 cents a litre.

You've also, as a Minister of Finance, been involved with this government's initiative in creating new taxes. You created the new sales tax on used vehicles which you eventually withdrew because the people of this province thought it was the goofiest tax you ever undertook to levy on them, and you at that time at least listened to them.

You've introduced other new taxes like the lottery tax, which is being subjected to a lot of criticism, and people that I speak with and my colleagues speak with around the province have the same feeling about this lottery tax they had about the used car vehicle tax. They think it's one of the more goofier efforts to tax people that they've ever seen.

So you've increased taxes when you promised to decrease them. You've created new taxes, including the flat tax on people, and you're government that's becoming more of a burden on the taxpayers of this province than any other government in the history of a province and certainly in the history of the country. Minister, along with that you haven't made one tax cut.

You've reduced the taxes to oil companies, and we've been subsidizing the oil companies in this province to the tune of \$2.469 billion in the last seven years. And I want to just review with you some numbers that are taken from the annual reports and the financial statements of this province.

In 1982, in that fiscal year, the province of Saskatchewan received about \$700 million in revenues from the oil companies that produced in this province, and that's when the price was lower than what it is right now. In 1983 we received about \$685 million; in 1984 we received about \$740 million; in 1985 we received about \$674 million — and that's when the prices were at 33, \$34 a barrel. So they almost doubled from 1981-82 to 1984-85 and '86, yet the revenues actually went down overall on an annual basis. There was one year where it was bit higher.

And then in 1986 fiscal year, we had royalties of \$213 million. And now you're telling us in — that's '86-87 — you estimated 387 million; we received 347 million. And then of course this year . . . or in 1988-89, we received \$180 million in tax revenue. And when you look at the numbers, from 1983 to 1988, based on those royalties, because of the tax cut, you subsidized the oil companies

in 1983, \$272 million worth. The taxpayers of this province in 1984 through your tax cut program for the oil companies subsidized them a further \$429 million approximately.

In 1985, you and your Conservative government subsidized the oil companies again, the poor starving Imperial Oils and Texacos and others, including PanCanadian, about \$621 million. In 1986 you made the taxpayers subsidize them again to the tune of \$422 million. In 1987, Mr. Minister, you forced the taxpayers of this province to contribute to the shareholders' bottom line in these oil companies to the tune of \$471 million. In 1988, we can go on and on.

Minister, we've estimated until the end of the '88 fiscal year that your tax cuts to the oil companies have meant \$2.469 billion have been foregone as a result of your tax cut initiatives for the oil companies. And I want to ask you, Minister, whether you feel it's an appropriate tax rate to have on the oil companies right now that has produced the low amount of revenues to the people of this province, and whether or not you have any intentions as the Minister of Finance to work with the government in the cabinet to try and resolve that.

**Hon. Mr. Lane:** — Well we've debated the respective policies with regard to the oil industry. And it's our government's view that we will expand the oil industry. Now certainly it's down this year; the gas industry is way up. But let me remind the hon. member that in 1981, as a percentage of tax revenue, corporations under the NDP paid about 4.7 per cent, and now in this budget they pay 6.1 per cent. So we are in fact getting more money out of the larger corporations.

We have increased the corporate capital tax; we did put the surcharge on last year. At the same time we've tried to reduce the rate for the small business corporations. Now I realize that the reduction in that corporate income tax rate for the smaller businesses does not apply to unincorporated businesses where we chose to use the business tax rebate for that purpose.

But yes, we've debated many times over the years the different policies with regard to the oil and gas industry. I do remind you of the revenue increases and I do remind the hon. member of the relative percentage of total revenue that corporations under the capital and corporate income tax pay now as opposed to 1981-82.

**Mr. Solomon:** — And you didn't answer the question that I asked, Minister, as to whether or not you plan to change the governments, or work with the government to try and change your policies as they apply to the non-renewable resource sector, as they apply to the royalties received from resources such as oil and potash. Your government's record as it applies to getting a fair share of the resources that are shipped out of this country, out of this province, is very poor. Your record is very poor.

The royalties, in total, are declining, even though the prices seem to be stabilized. Potash had record production figures last year, yet your revenues from potash were not that substantially greater; as a matter of fact, they went down. In oil your production is as great as

it's ever been, yet your royalties are on a slippery slope downward.

And that can only . . . you can only conclude one thing from that record, Mr. Minister, and that is that you are not working for the taxpayers of this province, you are working for the large national corporations and multinational corporations, and the taxpayers of this province are subsidizing their efforts to take our resources and ship them out of this province and out of this country.

And I'm asking again if you would be willing to work . . . or can you make some statement in this House today on what your plans are to rectify the situation as they apply to oil royalty revenues and potash royalty revenues — in particular oil, because that's what we're talking about right now — and whether you think that's a high priority or not.

**Hon. Mr. Lane:** — The position with regard to oil, of course, that oil in pricing has dropped, if I recall earlier estimates, I think somewhere around \$30 a barrel some years back. It didn't quite work out that way, but I can advise the hon. member that there are new royalty agreements in place with regard to both potash and uranium. And certainly they're always the balance of both either stimulating or maintaining the industry, at the same time trying to get the maximum revenue.

Now we disagree on our oil policies, but we've had that debate numerous times. And the hon. member says that we should have a significant increase in oil royalties. I would be . . . (inaudible interjection) . . . Pardon?

**An Hon. Member:** — I asked you what was your position.

**Hon. Mr. Lane:** — Well our position is that we have our policy in place and it's stated. There hasn't been any change in the oil royalty agreements. There has been with regard to potash and uranium.

**Mr. Solomon:** — Well can you tell us this afternoon whether your new policies, as they apply to potash and uranium, will increase the revenues to the province, and by how much?

**Hon. Mr. Lane:** — We don't have the amounts. Potash will be roughly the same. There should be an increase in yield on uranium.

**Mr. Solomon:** — Well if you've got new agreements coming forward, I take it then that the potash agreement would be revenue neutral and that the uranium agreement would provide how much increase to the treasury in terms of royalty revenue?

**Hon. Mr. Lane:** — I'm sorry, I apologize. I've been advised it will be revenue neutral for uranium — revenue neutral for uranium.

**Mr. Solomon:** — So in response to my question about whether or not you feel the royalties from our non-renewable resources will be increasing or they should be increasing, you're saying that you've got some new agreements but that will equal no increases and therefore is revenue neutral. And what is the purpose

then, Minister, of having these new agreements? Can you tell us that?

**Hon. Mr. Lane:** — We expect to do better when prices go up on both commodities than we would have under the old regime.

**Mr. Solomon:** — What you're saying then is that the new agreements in effect with potash and uranium will be price sensitive, so that as the prices of the product, the resource, increases, that revenues to the province will increase? Is that what you're saying?

And if that's the case, Minister, what are we looking forward to in the following two scenarios: number one, if we have a price increase of 20 per cent in each area, what effect will that be on our royalties; and number two, if we have a price decrease of 20 per cent, what effect will that have?

(1630)

**Hon. Mr. Lane:** — We don't have those. We'll have to prepare them for you.

**Mr. Solomon:** — Are you saying that your officials don't have the models worked out as they apply to the agreements or you don't have them here?

**An Hon. Member:** — Not here.

**Mr. Solomon:** — The minister says he doesn't have them here. Would you be able to provide that to us as soon as possible?

**An Hon. Member:** — Yes.

**Mr. Solomon:** — The minister says yes. Within the next four or five days?

**Hon. Mr. Lane:** — I'm advised, yes.

**Mr. Solomon:** — Okay, thanks very much. Well I just want to make a couple of comments about the impact of the oil policy of your government, Minister. You have subsidized, or I should say the taxpayers of this province have subsidized the oil business in this province in the last seven years to the tune of about \$2.469 billion according to our calculations, and you are saying that you do not have any plans to change that.

Coupled with the important fact that the revenues of the province from the oil resource has declined dramatically and is on a downward slope — it is now appearing to be about 200 or \$187 million this year from a high of around \$724 million a few years back — I want to just make a comment about and ask you a question about what a wonderful job you're doing subsidizing the oil business. Because we've seen this subsidy of two million, four hundred and sixty-nine million dollars go to the oil companies from taxpayers' dollars. Yet we've seen, having travelled around the province and talked to a number of people in the oil patch, one of the worst years in the history of this province as it applies to the oil business.

Now your arguments have been and the Minister of Energy's arguments have been that the reason we're undertaking these very rich subsidization programs for the oil business is because they create thousands and thousands and thousands of jobs. It depends on what MLA you talk to across there on how many thousands of jobs it creates.

But I have an article here, Mr. Minister, and before I get to that article which will make a few comments on your records, I want to tell you that I've been around some of the oil producing areas and the people that are in the oil business are telling me that this is the worst year they've had in at least 10 years. Some of the companies are saying that it's the worst year they've had in Saskatchewan in at least the last 15 or 25 years, depending on who you talk to.

The underlying consistency of all the comments have been, from all the people I've spoken to, including those at the Weyburn oil show where I spent two days talking to an awful lot of people and listening to them, is that the oil business in this province is on the ropes. They've got some great difficulties. The number of people that are working in the industry is down. Many people who work in the oil business, you'll know, Minister, are people who live in the rural communities, the smaller communities, as well as people who farm, and they rely on this kind of business for off-farm income. Yet your wonderful programs and policies have resulted in ensuring that the oil business is having one of its worst years on record.

And I quote from an article, Mr. Minister, from the *Regina Leader-Post* and it talks about drilling activity. And it says here:

Resource companies have cut their drilling activity in Saskatchewan by nearly half.

And this is on the basis of the first six months of this year. And they say it's down from 43 per cent from the same period last year. That's total overall drilling.

And when you look at the drilling, I've got the latest edition of the *Oil Week*, and it shows that in Saskatchewan the total number of wells drilled as of the end of . . . actually July 29, 1989, is 769 wells. Last year at the same time, there was not 769 wells, but 1,253. So we've got 63 per cent of the activity of wells being drilled in this province.

And when you look at the oil well drilling program, which we are spending a lot of tax dollars subsidizing, it's even worse. I mean that's the overall. It wouldn't be that good if it hadn't been for the gas wells. When you look at the oil wells, last year at this time in Saskatchewan, there were 875 oil wells drilled and now there are 167. There were 524 per cent more last year at this time in oil than there is now.

And so I'm finding it very hard, Minister, to support your position as they apply to subsidizing oil companies when in fact we're seeing a massive decline in jobs provided in the industry in this province. We're also seeing one of the largest drops in oil drilling activity in this province in the history of the province. It's dropped off. It's only 19 per

cent of last year's. Hundreds of millions of dollars annually in tax subsidies, but our oil drilling activity is way down.

And I want to ask you whether you as Minister of Finance have a concern about this. And if you do, do you have any plans to address this problem?

**Hon. Mr. Lane:** — Well the specifics with regard to departmental policy should be pursued with the department, but I . . .

**An Hon. Member:** — Taxation.

**Hon. Mr. Lane:** — No, not necessarily taxation. Taxation may or may not resolve the problem. Certainly the oil industry, to my recollection, made some decision prior to the season that prices were going to be lower. They were higher than the oil industry expected, but the decisions are made at the usual time each year. I would expect that if the oil price stays up, the range where it was in the first quarter of this year, you'll see a tremendous increase again in the oil drilling activity. So there's that component.

I do remind the hon. member in his opening remarks he was talking that we weren't getting enough moneys from the oil industry and that we should be having higher royalties, and now he expresses on the other side fact that the industry is having some difficulty. Certainly the drilling is down. I urge the hon. member to look at some of the gas activity. I think it is holding up at least reasonably well.

But we have no plans at this time to make any modifications to the royalty structure. And this government has had good communication with the oil industry and will continue that to deal with both their successes and their difficulties.

**Mr. Solomon:** — Well the point I was trying to make, Minister, was you and your government have spent \$2.469 billion of taxpayers' dollars in putting forward a program to help the oil business in this province. And we've seen the results of this subsidy in this Conservative program. The result is the worst year in 10 years in Saskatchewan, and 10 years ago the NDP were in power.

And I'm asking you . . . I'm not saying we have to provide more incentives, and if you talk to the oil people, they don't want incentives. They want some kind of consistency from the government and some kind of fair rules to play under. But I'm asking you whether you feel that your policy of subsidizing the oil business has resulted in a good economic climate in Saskatchewan.

**Hon. Mr. Lane:** — You used the argument, subsidize, and again we've been over this debate many times over several years, and I think it fair to say it was a matter of debate during the last provincial campaign — our approach to the oil industry versus yours. I do suggest to the hon. member that if oil drops down to \$10 a barrel, you say that that was a subsidy by us changing the rules; I suggest that under any regime you would not have got the revenues. And to say it's a subsidy is, with the greatest respect, not accurate.

And again, we recognize that the drilling activity is down, that the policies we've had in place have given the industry certainly a degree of activity in this province that it hadn't had before. So for you to say that our policies are wrong, that's a matter of fair debate. Again, we've been through it; I think we were through it rather aggressively in the 1986 election.

**Mr. Solomon:** — Mr. Minister, in the 1987-88 annual report of the Department of Energy and Mines there is a figure in there which I found quite startling, and the figure says that 94 or 96 per cent, around that figure, of the total wells drilled in the fiscal year, that were drilled and were put into production, were oil royalty free; that all the oil that was produced was royalty free in this province — some wells for one year, some for two, and some for three years in total. But in effect, in that fiscal year, 94 to 96 per cent of all the wells drilled in this province were royalty free.

You've subsidized the oil companies when prices were fairly stable and high, and now that prices are low, when they need help, there's nothing that you can do because you've got no money left, you've given it all away. And my contention is that you undertook a policy without any long-term planning involved.

This government is renowned in every department and agency for not having a plan, and as a result, your whole government's initiatives don't have a plan. You operate from day to day, from one disaster to the next, and I think it's about time, Minister, that you sat down and figured out a plan. Every business that operates in this world that has spent a day in business will tell you very clearly that they put together a business plan. And they have a short-term plan. Some of them even do a daily or weekly plan or monthly plan, but almost always they have a year or two-year plan ahead of them. This government can't even plan for three weeks from now.

I am asking you whether or not, considering you've had all of these incentive programs for oil companies in the past when prices were a lot higher than they are now, on whether or not you as a minister who is in charge of the expenditures and revenues in general, would apply yourself to putting together a plan for the energy sector, and put it together not only in numbers and books that you use for election purposes, but something that you can count on and something the government can use as a reference and try and aim towards, and people in the industry of energy know where you're going and what it's going to cost them. Are you interested in doing that sort of thing, or do you have such a plan already?

**Hon. Mr. Lane:** — Well I think it fair to say that our oil resource policy have been accepted and acknowledged by the industry. It's been in place for some time. Let me advise the hon. member that in 1981, the production was 46.5 million barrels; 1988 was 75.6. Let me also remind the hon. member that you had a grant program in place — same grant program that went to the Essos, the large oil companies. So we have a different system.

Recoverable reserves, or the wells drilled: '81, 791; '88, 1,252. Certainly it's off this year because as I've

indicated, they made the decision based on a lower oil price. Wells capable of producing: in 1981, there were 11,000; 1989, 19,000.

Now there's been a significant increase in the activity in the province to the benefit of not only the industry, but I believe the people of this province and the people who work in the oil industry. So yes, they are down this year, I've freely acknowledged that. But our current policy is in place. It's arrived at in conjunction with the oil industry and as far as I can say certainly at this stage it will remain in place.

**Mr. Tchorzewski:** — Thank you, Mr. Chairman. I have several questions I want to ask of the minister. Mr. Minister, this budget that this interim supply Bill is looking after is now some five months old. That's almost half of the fiscal year, so there certainly has been sufficient time for you and your other departments to put into place some of the major announcements that were made by yourself in your budget speech back in the month of March.

Now at that time, and I have a copy of a page from that speech here before me, you announced what I thought was a fairly positive initiative in light of the fact that one of the greatest issues that is almost of crisis proportions which we face in our country, and particularly in Saskatchewan today, is soil degradation and soil erosion. The statistics about the losses that come with that annually are horrendous if not to say frightening, because of the implications that come with them. There is clearly a great deal of support by the public for some major government initiatives in this respect, and so I suspect you recognized that when you made your announcement that this budget provides funds for a three-year \$54 million soil conservation agreement with the federal government.

(1645)

So I ask you, Mr. Minister: are you providing in this interim supply finally some money to fund some of the soil conservation projects that have been desperate to get some funding? And if so, Mr. Minister, can you indicate to what amount . . . or what amount of funds you're providing in this interim supply so that some of those organizations which ran out of money on March 31, because of this new proposal, can finally get some of the funding which they so desperately need.

**Hon. Mr. Lane:** — I can't tell you how much has been paid out. My understanding is an agreement was recently signed with the federal government on this area, but I would have to get from the Department of Agriculture the status of that and what payments have been made.

**Mr. Tchorzewski:** — If money has been paid out, Mr. Minister, I would be rather surprised because the agreement had not been signed the last time I checked. If it has been signed, it would be very recently. So I'm surprised to hear you say that some money has already been paid out.

**Hon. Mr. Lane:** — No, I said I don't know if moneys have been paid out. My understanding, and the advice I have,

is that the agreement has been recently signed. I said I didn't know if payments had been paid out. We'll have to check that with the Department of Agriculture. So I didn't say payments had been made out.

**Mr. Tchorzewski:** — Let me get that clear. You're saying to the House, Mr. Minister, that that agreement has been signed between Saskatchewan and the federal government. That is now signed.

**Hon. Mr. Lane:** — That's what I'm advised that it was recently signed.

**Mr. Tchorzewski:** — That being the case, Mr. Minister, what kind of provincial funding do you have allocated therefore in your budget, and therefore I hope some of it is in this interim supply, to meet the need that's out there under this agreement?

**Hon. Mr. Lane:** — All I can advise the hon. member is that it's one-twelfth, and it will be one-twelfth of the Department of Agriculture and Food's budget. What amount is being specifically spent on that program we would have to check with Agriculture.

**Mr. Tchorzewski:** — Mr. Minister, I hope that it's more than one-twelfth because it is five months late that you are addressing this problem.

I draw to your attention one particular organization, and it's not the only one, but I think it's the Wheatland soil conservation district, the Wheatland Conservation Area (Inc.), which is in the Swift Current area, which as been in operation for several years, has involved something like between 300 and 400 farmers doing an excellent job, doing a lot of innovative work on their own initiative with some funding from the PFRA (Prairie Farm Rehabilitation Administration) and other sources. They have not, I understand, been able to have any access for funding because the Premier and the federal minister, Mr. Mazankowski, were quibbling over some terms of the agreement and therefore it was not signed.

Mr. Minister, can you assure me that there is more than one-twelfth in this interim supply to meet the backlog that has now accumulated, which has not been provided because the funding ran out on March 31?

**Hon. Mr. Lane:** — I don't know if the department on its previous allocations would have spent moneys towards the particular program. As you've indicated, we have done several interim supply Bills. And again, all we can do is go back and check with Agriculture. All that I can simply advise the hon. member is that the advice I have received is that an agreement was recently signed. Previous expenditures may have picked up some of that. I can't tell you that. I don't have the answer.

**Mr. Tchorzewski:** — Mr. Minister, I'm pleased to hear that the agreement has been signed because it is clear — and I don't think you will disagree and nor would anybody else who knows what is happening — that our soils are at risk and our future is eroding. I think if the last couple of years haven't convinced everyone in Saskatchewan that that is a very serious problem, then the future, I think, would be pretty grim or glum. Can you tell

me, Mr. Minister, would your department have been involved in the signing of this agreement? I suspect they would have because it's a major dollar ticket.

**Hon. Mr. Lane:** — Yes, we would review all agreements in the normal course, but any specific details, again, we would have to get from Agriculture.

**Mr. Tchorzewski:** — I intend to do that, Mr. Minister. I have one final question. Can you tell the House then where this agreement was signed, and if your officials were involved, I'm sure they'd be able to inform us?

**Hon. Mr. Lane:** — We'll get that for you. Again, I'm taking the advice that I received that it was recently signed, but I'll have to get that for you.

**An Hon. Member:** — This week? Just drop me a note.

**Hon. Mr. Lane:** — Let you know this week! I thought you said was it signed this week — no. Yes, we'll get the information yes, this week.

**Ms. Simard:** — Thank you, Mr. Chairman. Mr. Minister, I have in front of me an article from the *Leader-Post* of July 25 that talks about . . . the headline is, "Harried nursing staffs still waiting." And you will recall that in the health care budget there were 370 positions created for new nursing staff. Apparently only a portion, small portion of these positions, I'm not sure exactly how many, have been allocated, and I understand that there's going to be substantial saving to the provincial government by the fact that it has been delayed.

The explanation that was given, Mr. Minister, by the Minister of Health, was that it was necessary to weigh the situation in various hospitals and agencies to determine where these nurses should be allocated. But the point I wish to make, Mr. Minister, is the fact that I'm sure the Department of Health was on top of this when they asked for the 370 positions. And it appears very much that this is a delaying tactic, and that in effect what is happening is the Department of Health is trying to save the government money by not proceeding with the 370 new positions.

So my question, Mr. Minister, is: when these positions will be filled . . . when will they be filled? And will you be filling all of these 370 positions in this fiscal year?

**Hon. Mr. Lane:** — We can't answer that specific question with regard to the detailed expenditure of Health. I think it's better put to them. I don't know why they wouldn't be filled this year, but I gather that in the normal course there are negotiations between the hospitals and the department and the various hospitals concerned. So I can't answer more than that.

**Ms. Simard:** — Well, Mr. Minister, we've seen a situation in Saskatchewan where health care has been cut back over a number of years. There have been a substantial reduction in health care services which have created unprecedented waiting lists in hospitals which have put some health care professionals out of work, such as dental workers. We have seen specialists and health care professionals leaving the province in unprecedented numbers. And it is because this government has not made

health care a priority.

Now this government, in this new budget, attempted to rectify some of the wrongs that it had committed over a period of years. But what appears to be happening is that it was all false, Mr. Minister. The PC government was saying they were going to have X numbers of dollars, and these 370 new nursing positions have not been filled; only a portion of them have been filled. And what you're doing is attempting to hold down the deficit on the backs of our health care institutions, Mr. Minister; that's what's happening. And I think that our nursing staff in the province of Saskatchewan is grossly overworked.

I hear from patients on a regular basis. Today I spoke to another parent who had their child in the hospital and who stayed overnight with the child and the child's IV went dry, and the mother had to run around looking for somebody to fill it. And all she was saying is, thank goodness I was there; just think of what would've happened if I hadn't been.

And that is because, Mr. Minister, our hospitals are grossly understaffed. We need those 370 positions. The Department of Health should've been on top of it months ago. After they get the allocation, then they start looking into it, and it takes them — how many months? March, April, May, June, July, August — we're looking seven months and they still haven't figured out where these nursing positions go, Mr. Minister. Well I say that's completely unacceptable.

**Hon. Mr. Lane:** — Well I look forward with some interest to the debate between the hon. member and the Minister of Health who will, in his usual mild manner, refute each and every argument having presented by the hon. member, but I gather that opportunity will take place shortly.

**Mr. Shillington:** — Thank you very much. Time is very short, actually. Let me just . . .

**An Hon. Member:** — A second is a second is a second.

**Mr. Shillington:** — I see. The member from Weyburn is giving us what has really been a brilliant, a brilliant exposition of time. It's a subject which has interested philosophers for aeons. Thanks to the member from Weyburn, we now have a clear concise idea of what time really is. Mr. Minister . . .

**An Hon. Member:** — When he speaks, it feels like an eternity.

**Mr. Shillington:** — Yes, that's right. And if you want to understand the meaning of eternity, listen to the member from Weyburn.

Mr. Minister, the subject matter that I want to raise . . . the question I want to raise with you is the broader question on the method in which this government is financing its expenditures. It would appear, Mr. Minister, that this government having found deficits to be politically unacceptable, has now begun the process of paying its bills by utilizing funds which really are not renewable. Mr. Minister, your budgeting, I would suggest to you, is

not a sustainable process.

Mr. Minister, you have taken \$200 million out of SaskTel, after a manner of speaking. You can't pretend to be able to do that on a year-to-year basis. And I suggest to you, Mr. Minister, that your method of budgeting is a non-sustainable method and that there is going to be an awakening, and I suspect the awakening is going to be awfully rude after the next election.

It seems to be fairly obvious, Mr. Minister, that what you want to do is get past the next election without looking to . . . and look as if you are reducing the deficit. When you take \$200 million out in one fell swoop out of a fund which has not much more than that, you're clearly not operating your finances on a sustainable basis. And there's no question but what you can do it for a time, but there's equally no question of what you can't do it for ever.

I'm tempted to ask where you think you're going to get the next 200 million but I shudder at the answer because the answer's probably going to be the sale . . . the proceeds from PCS.

Mr. Minister, the subject matter, which I want to get into after supper has to do with your budgeting system. I suggested at the time the budget was brought down that the budget was cooked. It's cooked in the sense that you pretend to be reducing the deficit, you pretend to be getting the province's finances back on a better basis, and you're not accomplishing that, Mr. Minister. I suggest to you, Mr. Minister, that your budgeting process is getting, I think worse rather than better. If you had not dipped into these kitties, these tobacco cans such as the money from SaskTel, your deficit would have been relatively large.

I wonder, Mr. Minister, as I say I wonder, Mr. Minister, if you'd care to comment on this perhaps after supper, it's getting a little late. Perhaps you might care to comment on it after supper, and perhaps you might . . .

**An Hon. Member:** — I'm not here.

**Mr. Shillington:** — Oh I see, oh I see, I'm not aware of that. We're going to adjourn and go back to . . . (inaudible interjection) . . . Oh I see. Government House Leader, Mr. Chairman, has informed me that he intends to move a motion that we rise and report progress and go back to the Assembly.

**An Hon. Member:** — No.

**Mr. Shillington:** — No.

**An Hon. Member:** — No, Gary won't be here.

**An Hon. Member:** — Eric's going to handle it again because he was doing so well before.

**Mr. Shillington:** — My Heavens, I said partly in jest that we would come to understand the meaning of eternity when we start asking the member from Souris-Cannington questions on finance. The answers really are going to be eternal in coming. I think, Mr. Chairman, this is going nowhere because if there's going

to be a different minister after supper, perhaps we should call it 5 o'clock and resume.

**Mr. Chairman:** — It being 5 o'clock, this committee stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.